



The Planning Inspectorate

Report to North Tyneside Council

by David Spencer BA(Hons) DipTP MRTPI

an Examiner appointed by the Council

Date: 16 October 2018

PLANNING ACT 2008 (AS AMENDED)

SECTION 212(2)

REPORT ON THE EXAMINATION OF THE DRAFT NORTH TYNESIDE COMMUNITY INFRASTRUCTURE LEVY CHARGING SCHEDULE

Charging Schedule submitted for examination on 1 May 2018

Examination hearing held on 1 August 2018

File Ref: PINS/W4515/429/8

Non-Technical Summary

This report concludes that the North Tyneside Community Infrastructure Levy Charging Schedule provides an appropriate basis for the collection of the levy in the area.

The following modification is needed to meet the statutory requirements. It can be summarised as follows:

- The rate for supermarkets in Commercial Zones B and C should be reduced to zero.

Subject to this modification, the Council has sufficient evidence to support the Schedule and, in general terms, can show that the levy rates are set at a level that will not put the overall development of the area at risk.

The specified modifications recommended in this report are based on matters discussed during the hearing and do not alter the basis of the Council's overall approach or the appropriate balance achieved.

Introduction

1. This report contains my assessment of the North Tyneside Community Infrastructure Levy (CIL) Charging Schedule in terms of Section 212 of the Planning Act 2008. It considers whether the schedule is compliant in legal terms and whether it is economically viable as well as reasonable, realistic and consistent with national guidance.
2. To comply with the relevant legislation the local charging authority has to submit a charging schedule which sets an appropriate balance between helping to fund necessary new infrastructure and the potential effects on the economic viability of development across the district. The basis for the examination, on which a hearing session was held on 1 August 2018, is the submitted schedule of 1 May 2018, together with a Statement of Modifications. The Modifications relate to changes to the Draft Charging Schedule published in August 2017 and have been consulted on for a period of four weeks in accordance with the requirements of the Community Infrastructure Levy Regulations 2010 (as amended).
3. The Council propose a matrix approach including rates for residential, retail, office, hotel and all other development types. Residential development rates are differentiated between five zones ranging from nil to £68.60 per square metre (sqm). Commercial developments including retail are demarcated on three zones ranging from nil to £30 per sqm. All other development would be nil rated. These zones are based on viability alone and are defined on an Ordnance Survey map base as required by the CIL Regulations.
4. The examination hearing was held shortly after the revised National Planning Policy Framework (NPPF) was published on 24 July 2018. The transitional

arrangements at paragraph 214 of the revised NPPF do not apply to CIL examinations. As such the content of the revised NPPF and the updated chapter of the Planning Practice Guidance (PPG) on viability apply to this examination. This was broached at the hearing, without objection, and I am satisfied that neither the revised NPPF nor the updated PPG chapter fundamentally change the general parameters of assessing CIL viability.

Is the charging schedule supported by background documents containing appropriate available evidence?

Infrastructure planning evidence

5. The North Tyneside Local Plan (NTLP) was adopted in July 2017. This sets out the main elements of growth that will need to be supported by further infrastructure investment in the Borough over the plan period 2011 to 2032. The NTLP was informed by an Infrastructure Delivery Plan (IDP) prepared in May 2016 based on information from partners and infrastructure providers. The IDP includes the Infrastructure Delivery Schedule (IDS) which is a database of infrastructure projects, estimated costs, the delivery mechanisms and its relevance (critical/important/desirable) to supporting sustainable growth.
6. The NTLP sets out the main elements of growth, including the provision for a minimum of 16,593 homes, a minimum of 150 hectares (ha) of employment land and 15,249 sqm of comparison and 6,378 sqm of convenience retail floorspace within the Borough. The growth strategy directs this development to two strategic greenfield urban extension sites at Killingworth Moor and Murton Gap (approximately 2,000 and 3,000 homes respectively), sites at Wallsend and Longbenton, as well as regeneration through area specific strategies and employment areas.
7. The IDP recognises that investment will be needed to support planned growth particularly in relation to transport, green infrastructure and secondary education. The IDP/IDS evidence has subsequently been updated as of January 2018 to provide latest costs. Additionally, progress is being made on preparing the detailed framework to guide delivery of the two strategic development sites central to securing a sustainable pattern of growth in the Borough. This includes approved masterplans for both sites and accompanying detail on infrastructure requirements, delivery and costs. Overall, the evidence provides an informed picture of the infrastructure needed to support development, including that which could be funded through CIL. In accordance with the Planning Practice Guidance (PPG) it is not for the CIL examination to re-appraise the infrastructure planning work that underpins the NTLP.
8. The latest estimate for total known infrastructure costs is £386.8 million of which approximately £258 million is identified in the IDS as being either critical or important to the delivery of sustainable growth. The Council

submits that the infrastructure identified in the IDS is not supported yet by any actual funding such that the overall funding gap remains at £386 million with a total funding gap of some £130million which CIL and planning obligations would be expected to plug¹.

9. I was advised that applications to the Housing Infrastructure Fund (HIF) have been made in respect of both the Killingworth Moor and Murton Gap strategic sites but even if successful they would not remove the need to consider additional sources of funding. Similarly, reference has also been made to emerging 'North of Tyne' devolution deal and a headline figure of £600 million. Whilst I understand that the Government is minded to approve the deal, this still requires parliamentary approval. Whilst broad funding streams are outlined, there is little detail on how the £600million would be allocated by either investment type and/or location by a devolved North of Tyne Combined Authority. Again, there is little to assert that the devolution deal would close or significantly reduce the identified funding gap for growth related infrastructure in North Tyneside.
10. Accordingly, additional funding from other sources will be required including planning obligations under Section 106 (S106) arrangements, potential national and regional sources of funding, direct provision (for example Section 278 highway works), investment from utility companies and CIL. The Council estimates that CIL revenue, based on the submitted Schedule, could generate approximately £31 million. This is to be treated as a maximum figure given my findings elsewhere. As such, and in broad terms, CIL would make a modest but significant contribution towards closing the identified funding gap for infrastructure required to support development proposed in the NTLP.
11. The CIL Schedule as submitted includes a draft Regulation 123 list which was modified on submission. The list includes secondary school provision (including the procurement of land), health care facilities, Suitable Alternative Natural Green Spaces (SANGS), community facilities and wider walking and cycling connectivity. The list identifies a number of site specific exceptions, mainly for the strategic sites. I am satisfied that the Council's infrastructure planning evidence supports the Schedule.

Economic viability evidence

12. For the NTLP examination the Council produced an Area Wide Viability Assessment (AWVA) in 2016 supported by an Addendum document in January 2017 which considered the implications of the proposed optional technical standards. The AWVA document was updated in 2017 and then updated again in 2018. These updates have consolidated the understanding of viability in a North Tyneside context, enabled up-to-date information to be considered and have tested the impacts of a CIL in the Borough.
13. The AWVA uses a residual valuation approach, which assumes that the

¹ Paragraph 4.9, 2018 AWVA

residual land value is the value left once the total costs (including construction costs, fees, planning and finance charges, payments under S106, S278 and CIL and developer's profit) have been subtracted from the Gross Development Value (GDV) of a scheme. Benchmark Land Values (BLV) were used as a guide to the price a landowner would be likely to accept in order to release land for development.

14. The viability assessment work has looked at a number of hypothetical development scenarios for the Borough for residential and commercial schemes. For example the residential typologies reflect the diverse range of sites that will come forward through the NTLP ranging from strategic sites through to more modest sites and applies an appropriate housing mix². As is required for CIL, the viability testing is not site specific and is testing what would be viable on a Borough basis. However, as part of the modifications the 2018 AWVA has tested a further strategic site typology reflective of the units and average floor area emerging through the detailed delivery work on the two NTLP strategic sites. Accordingly, I find the scope of the modelling to be reasonable and reflective, at a broad level, of local circumstances.
15. The AWVA applies recognisable assumptions for a range of factors such as building costs (including NTLP policy requirements relating to optional technical standards³), developer return (20% for market housing and 6% for affordable housing), site infrastructure costs, contingencies and fees. The modelling was adapted to reflect relevant local data including rebasing NCIS construction costs to the local dataset, housing densities and gross to net ratios reflective of local development plan policy requirements. There is negligible comment on the principal costs inputs which I find to be reasonable.
16. The Council has assumed for the purposes of CIL that residual S106 costs (excluding affordable housing) would be scaled, so for strategic sites the value would be £6,138 per dwelling reducing to £2,907 per dwelling on smaller schemes. As described above the draft Regulation 123 list is relatively limited. In this context the residual costs for planning obligations for the various types of development modelled are reasonable and reflect a comprehensive understanding of what has been secured to date through S106 mechanisms⁴. I also see no reason why the imposition of CIL would lead to any double charging for infrastructure.
17. Turning to the matter of sales values this is a critical element in any viability assessment with only modest adjustments yielding meaningful changes. In general terms I am satisfied that the evidence in the AWVA, including the 2017 price paid heat map and other transactional data correlates appropriately to the residential zones identified.
18. At present there is relatively little development within Zone R2 (the highest

² Figure 29 2018 AWVA

³ See Figure 16 and detail at paragraphs 6.6-6.8 of 2018 AWVA

⁴ Figure 26, 2018 AWVA

value residential zone containing the two strategic sites) and my attention has been drawn to the proximity of adjacent established residential areas which are generally within the lower charging rates. The inference is that site context should point to a moderating (lowering) of sales values.

19. I accept that as large greenfield sites adjoining established residential areas of varying values, there is relatively little comparable or empirical data on which to draw sales values. However, there are some initial schemes coming into the pipeline (for example the former REME depot site at Killingworth Moor) which generally support the Council's valuations including the overview data presented at Figure 15 of the 2018 AWWA. Furthermore, I am persuaded that the quality and standard of housing and emphasis on place-making required by the NTLF and associated masterplanning would create desirable new communities in North Tyneside with a commensurate value.
20. I am not persuaded that the values assumed in Zone R2 would be out of kilter with other good quality modern urban development coming forward north of the Tyne. Additionally, I am doubtful that the values of adjoining areas would appreciably depress or influence what is likely to be achieved on a very different product and character at the Killingworth Moor and Murton Gap sites. Overall, I find the sales values in Zone R2 to be reasonable and justified.
21. Benchmark land values have been based on existing use value (EUV), plus a premium necessary to bring the land forward. One of the critical EUVs is agricultural land which is modelled at £20,000 per hectare. I am satisfied this is an appropriate value. The benchmark or threshold land value applied is some 30 times existing use value (EUV) on greenfield sites (recognising the range is 20-30 times) and three times EUV on brownfield sites. I see little persuasive evidence that these judgements are unreasonable. They should be subject to some flexibility on larger sites, given the NTLF policy requirements and scale of land releases. The benchmark value should not be based on unrealistic expectations of future development possibilities. I address the issue of benchmark/threshold land values in respect of residential development further below.
22. The assessments of commercial development, on the whole, appear to be robust although I deal with specific up-dated evidence on supermarkets below. The broad-brush approach towards the testing of a range of other development types that are much less likely to be able to support CIL was also realistic.

Conclusions

23. There is a significant gap in funding infrastructure needed to support the sustainable growth of the Borough such that CIL revenue would make a modest but important contribution towards closing the funding gap. The figures demonstrate the need to levy CIL.
24. The economic viability evidence in the AWWA has been prepared in accordance with standard practice applying well researched inputs for a range of factors, including local costs and values. On this basis, the evidence which has been used to inform the Charging Schedule is robust, proportionate and appropriate.

Is the charging rate informed by and consistent with the evidence?

CIL rates for residential development

25. The housing implementation strategy in the NTLTP seeks to focus about half of the the Borough's remaining housing requirement at two large greenfield urban extensions at Killingworth Moor and Murton Gap. These sites do not yet have permission and as such would be liable for CIL if implemented. The balance of housing delivery mainly comes from sites within or at the edge of the North Tyneside conurbation in areas that are either zero CIL rated or only attract relatively modest CIL rates. An appreciable amount of housing development in these areas already has planning permission such that the impact of the proposed CIL rates, particularly on the ability of these sites to contribute to the five year deliverable supply, would be negligible.
26. The submitted Schedule contains five proposed zones applicable to residential development. This includes three zones for the existing urban conurbation including a notable zero rate area for parts of Wallsend and North Shields. Elsewhere within the urban area, the two remaining zones are £19 per sqm across most central and western parts of the Borough and a slightly higher £25 per sqm zone for the higher value coastal area and parts of Longbenton. I am satisfied this approach reflects viability considerations alone. In both the £19 per sqm and £25per sqm zones, the 2018 AWVA shows a reasonable viability buffer. Based on the evidence before me, the proposed charges in the urban zones are therefore appropriate.
27. The principal issue is the impact of the proposed CIL on the delivery of the strategic urban extension sites central to the sustainable growth strategy of the NTLTP. As discussed above, the cost assumptions, including the consideration of the NTLTP policy requirements, including 25% affordable housing on qualifying sites are reasonable. I have also found the evidence on sales values to also be realistic in the host Zone R2 such that the proposed CIL rate would account for less than 3% of the sales value⁵.
28. The strategic sites will require a very considerable amount of new infrastructure, particularly transport and education. However, CIL viability testing is required to be broad-brush. The general modelling for strategic sites assumes a S106 contribution of £6,138. Various CIL rates have been tested and the evidence shows that even at the highest tested point of £130 per sqm and applying the higher sales values in Zone R2 the residual value would represent a 32 times uplift on EUV. The proposed rate of £68.60 would equate to a residual amount broadly a 36 times uplift on EUV. This indicates, in broad terms, an appreciable buffer or margin for the CIL rate proposed.
29. Further sensitivity testing of the viability of the strategic allocations is presented in the 2018 AWVA which factors in slightly higher S106 costs (reflective of the developing detailed picture of site specific costs) and CIL at a

⁵ NTC response to Examiner Question 23.

rate of £68.60 per sqm (reducing the previously modelled £80per sqm to reflect revised average floor areas). On a gross developable area basis, there remains a clear and positive residual land value. It ranges from 25 times EUV to 29 times EUV. The situation significantly improves on a net developable area basis. Overall, the values are within the range of 20-30 times uplift of agricultural land EUV viewed as providing a deliverable site⁶. Furthermore, whilst CIL would take the first slice out of development value, individual viability assessments would be able to take account of the expected CIL contribution before identifying the impact of S106 requirements on the overall viability of the development. The Council's updated Supplementary Planning Document on Planning Obligations recognises that S106 mechanisms will be used to mitigate site specific impacts.

30. Two areas of particular viability contention in North Tyneside in relation to residential development are identified as: (1) the likely point at which a landowner would release a site for development; and (2) the extent to which development land in the Borough is affected by previous mining activity.
31. On the first point, the PPG advises at paragraph 10-016-20180724 that establishing the 'premium' (the uplift to the EUV) is an iterative process, informed by professional judgement, applying local market evidence and values from other viability assessments. In this regard, I consider the Council's approach to the threshold land value to be consistent with the latest guidance and to have arrived at a reasonable position. I am satisfied that residual land values considerably in excess of £500,000 per ha on greenfield agricultural land would be sufficient to release strategic land to the market and support the proposed CIL rate of £68.60 per sqm in the higher value zone and the more moderate CIL rates elsewhere. It would not be appropriate to cater for overbids or site specific circumstances bearing in mind the charging rates are intended to be applied Borough-wide in normal circumstances.
32. The modelling also factors in an allowance for 'abnormal' costs on previously-developed land at £100,000 per hectare. For greenfield land I note the 2018 AWVA (paragraph 6.11) states that such sites can also require significant additional funding to make them appropriate for development, however the risk is reduced. It is put to me that land stability from former mining is a common matter for development in North Tyneside however it is acknowledged that not every plot or parcel of land requires remedial treatment. As such particular costs on some parts of a site can be borne by the wider site, although I note the specific viability modelling for the strategic sites makes a £3000 per unit allowance. Additionally, given the history of the area the risk should have a bearing on the BLV. This, in part, informs my judgement that the approach taken in the North Tyneside CIL of a greenfield premium of up to 30 times EUV to be a reasonable approach in contrast to those submissions which assert the premium should be higher. I therefore find the approach to abnormal costs to be reasonable.

⁶ Paragraph 6.17 2018 AWVA.

33. The Council has carefully considered the risks to specific infrastructure delivery from the restrictions on the ability to pool contributions under Regulation 122 of the 2010 CIL Regulations (as amended). These are infrastructure projects that will support development wider than the strategic urban extensions. It is suggested that the issue could be de-risked through a more sophisticated approach to S106 but I am not persuaded. Conversely, there is no persuasive evidence that pooling restrictions would prevent infrastructure not identified on the Regulation 123 list or that there would be duplication between planning obligations and CIL for the same infrastructure projects
34. I have also been invited to make comparison with Newcastle-upon-Tyne's CIL rates in considering the viability of the CIL rates in Zone R2. Newcastle's CIL was examined in April 2016 and implemented in November 2016. The greenfield areas closest to North Tyneside were examined on a residential rate of £60per sqm. I have little detail on the precise viability evidence in Newcastle, including the assumptions applied. Notwithstanding the proximity it does not follow that rates in North Tyneside should precisely mirror Newcastle. I accept the Council's submission that North Tyneside does not share all of the varied characteristics of the Newcastle housing market. Instead my focus is to examine what is viable in North Tyneside and on this basis I find the specific viability evidence presented would support the residential rates proposed in Zone R2. In any event, Newcastle's £60per sqm rate established in 2016 is index linked. On the evidence before me I am satisfied that matters have moved on such that any difference between Newcastle's 2016 £60per sqm figure and North Tyneside's 2018 £68.60 per sqm figure would be only marginal.
35. The evidence is clear that the proposed CIL rate of £68.60 per sqm would be economically viable. Therefore, the suggestion that the strategic sites should be nil rated for CIL would introduce an unjustified inconsistency and unnecessary complexity to the prospective charging regime. It would also potentially risk conferring direct financial advantage on a few particular schemes, as well as setting a form of precedent for the expected treatment of future strategic projects in the area.
36. Again, whilst it is not directly for me to examine, the Council has modified its instalment policy to assist with the strategic scale of some developments such that there are higher thresholds for payments and weighted towards later instalments. I am satisfied that the proposed instalments policy would not be overly restrictive as to jeopardise delivery of development and infrastructure under CIL.
37. Overall, I find the proposed residential rates are consistent with the evidence and incorporate a sufficient buffer to allow housing development to come forward. The proposed residential rates strike an appropriate balance between the need to fund infrastructure from CIL and the effect of CIL on viability. Accordingly, the proposed residential rates would be justified.

Commercial rates

38. As submitted, and subsequently modified, all forms of retail (small retail units, retail warehouses and supermarkets) attract a positive rate of between £5 and £30 per sqm outside of commercial zone A (the four town centres). The rates

are generally very modest, particularly within Zone C which covers most of the Borough away from the coast and established trading areas. The difference in the three retail rates (supermarkets, retail warehouses and small retail) between Zones B and C is nominal at just £5per sqm in most cases. The proposed zones are not overly complex and there is no evidence before me that the rates within the zones should, for viability reasons, be equalized at the lower rates.

39. In respect of supermarkets, the modification to make supermarkets zero CIL rated in town centres has not satisfied those concerns that the viability of this sector elsewhere in the Borough is not as strong as the Council's appraisal assesses. In responding to the key areas of concern, and following the examination hearing, the Council undertook additional sensitivity testing in respect of latest build costs, different rent levels and scenarios of extending a rent free period to 12 months together with an option to look at the impact of a small reduction in yields from 6% to 5.75%. On receiving the Council's updated analysis I invited comment on its implications for proposed CIL charging rates for supermarkets and have taken into account the responses received.
40. In considering the latest data, a build cost for supermarkets of £1,304 per sqm and 20% uplift for external works would be reasonable. In light of the evidence before me I also consider it pragmatic to apply a rent free period of 12 months. From the Council's evidence there would appear to be significant variation in rent levels such that I find the initially modelled rent level of £200 per sqm to be on the high side, particularly in light of the alternative local evidence presented. This evidence generally points to rental levels in the region at or below £150per sqm for small and medium format stores. Given that the demand for additional food retailing over the plan is modest and likely to be met by small/medium scale formats I therefore find the local and regional figures more attuned to the circumstances of the NTLP rather than the Council's August 2018 evidence, based on the national CoStar market analysis.
41. I note the Council's submission that a number of deals are generally coalescing around a figure of £175per sqm but I am cautious that £175 per sqm remains too expectant a figure contrary to the £150.80 per sqm achieved at a recent supermarket development in North Tyneside. I note that the Council has submitted that yields have dipped but there is very little before me to substantiate the 5.75% figure suggested. Accordingly, I consider a 6% yield to be robust.
42. Bringing this together, the combination of build costs, an increased rent free period of 12 months and a more reasonable rent of level of £150 per sqm I find that the proposed CIL rates for supermarket development in commercial zones B and C would put the viability of such development at risk. Accordingly, I therefore recommend that the rate for supermarket development be reduced to £0 per sqm across all commercial zones so that economic growth in this sector would not be inhibited (**EM1**). Paragraph 4.16 of the Draft Charging Schedule would also need to be amended for consistency and clarity (**EM2**).
43. The differentiation based on the scale of retail development (small retail units

<280sqm net and retail warehouse (>280 sqm net) is supported by appropriate viability evidence. There is a functional difference between the various scales which I consider is in conformity with the CIL Regulations. I note the wider point about what is on the Regulation 123 list but there is no requirement for a direct link between the charges for a particular development and the infrastructure to support it.

44. The other commercial types of development in the draft Charging Schedule are office and hotel with a proposed charge of £5per sqm and £30 per sqm respectively in Zone B only. There have been no representations relating to this part of the Schedule and my examination of the AWVA leads me to conclude that this part of the Schedule would be justified.

All Other Development

45. A nil charge is proposed for a variety of uses that do not come within those specifically identified in the Schedule, as the AWVA concludes that such development would be at significant risk of not being viable across the District if a CIL charge were levied.

Does the evidence demonstrate that the proposed charge rate would not put the overall development of the area at serious risk?

46. The Council's decision to adopt a matrix approach is based on reasonable assumptions about development values, likely costs and BLVs. The evidence suggests that residential and commercial development will remain viable across most of the area if the CIL charge is applied, subject to making the modifications set out in Appendix A.

Other Matters

47. Several representations have commented on the draft Regulation 123 list at Section 7 of the Schedule. The PPG advises that it is for the Charging Authority to compile the list and to ensure they are clear on those elements of infrastructure to be secured through either Section 106 agreements or CIL. It is not for me to examine the draft Regulation 123 list, which can be updated at any time. As the list should not form part of the charging schedule, for reasons of clarity and to assist the Council should updates of the list be necessary, its removal from the Schedule is recommended (**EM3**).
48. Similarly, the Schedule at paragraphs 8.12 and 8.13 sets out an instalment policy which should not form part of the Schedule. Accordingly, for reasons of clarity and to assist the Council should it wish to review the instalment policy, I would advise its removal from the Schedule (**EM4**).
49. This CIL examination coincides at a time when the Government has consulted on the future of CIL including the potential to lift pooling restrictions on developer contributions. Consequently, some representations have submitted that the examination is paused to await the outcome of the Government's review or that the pursuance of CIL in North Tyneside is aborted.
50. The Government's consultation on reforming developer contributions to affordable housing and infrastructure ended in early May 2018. At the time of

writing this report there is no indication as to when the outcome of the consultation will be known and the next steps in any reform process including any flexibility on lifting pooling restrictions (which is envisaged, amongst various scenarios, for areas that have a CIL in place). As such it remains valid and appropriate to progress a CIL for North Tyneside. Were matters to change prior to the Council adopting CIL it would be for Council to determine whether or not to proceed with implementation.

Conclusion

51. In setting the CIL charging rate the Council has had regard to detailed evidence on infrastructure planning and the economic viability evidence of the development market in North Tyneside Borough. The Council has, on the whole, tried to be realistic in terms of achieving a reasonable level of income to address an acknowledged gap in infrastructure funding, while ensuring that a range of development remains viable across the Borough.
52. Overall, and subject to the recommended modifications, an appropriate balance would be achieved between the desirability of funding the costs of new infrastructure and the potential effects on the economic viability of development across the charging area.

LEGAL REQUIREMENTS	
National Policy/Guidance	The Charging Schedule complies with national policy/guidance.
2008 Planning Act and 2010 Regulations (as amended)	The Charging Schedule complies with the Act and the Regulations, including in respect of the statutory processes and public consultation, consistency with the adopted North Tyneside Local Plan and Infrastructure Delivery Plan and is supported by an adequate financial appraisal.

53. I conclude that subject to the modifications set out in Appendix A the North Tyneside Community Infrastructure Levy Charging Schedule satisfies the requirements of Section 212 of the 2008 Act and meets the criteria for viability in the 2010 Regulations (as amended). I therefore recommend that the Charging Schedule be approved.

David Spencer

Examiner

This report is accompanied by Appendix A (attached) – Modifications that the examiner specifies so that the Charging Schedule may be approved.

Appendix A

Modifications recommended by the Examiner so that the Charging Schedule may be approved. New text is **bold and underlined**.

Examiner Modification (EM) Number	Reference	Modification
EM1	Table 1	Delete the row for supermarket and associated foot-note. Update the footnote for 'All other development' to include Supermarkets (A1).
EM2	Paragraph 4.16	Delete last sentence and replace with <u>Viability evidence is mixed such that when applying latest regional evidence and emerging trends for longer rent free periods viability of supermarkets becomes marginal such that this type of development cannot support a CIL rate without harming deliverability.</u>
EM3	Section 7 – Regulation 123 List	Remove Section.
EM4	Paragraphs 8.12 & 8.13	Remove Instalments Policy.