

Vale of White Horse District Council

COMMUNITY INFRASTRUCTURE LEVY (CIL)

PRELIMINARY DRAFT CHARGING SCHEDULE

October 2014

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How to comment on this document

Your comments and views are welcomed on the proposed CIL rates and other elements of the proposed approach. The consultation period runs from **7 November to 19 December 2014**.

All responses must be received by 5pm on Friday 19 December 2014.

The supporting Viability Study and the Infrastructure Delivery Plan are also being made available for inspection. The documentation can be viewed at all Council Offices and Libraries. They are also available on-line at <http://www.whitehorsedc.gov.uk/ /CIL>

There are a number of ways in which you can make comments on the Preliminary Draft Charging Schedule document.

- By email to [XXXXXXX](#)
- By writing to us at:

CIL Consultation

Vale of White Horse District Council
Benson Lane
Crowmarsh Gifford
Wallingford
OX10 8ED

Once the council has considered all the representations received, it will produce a Draft Charging Schedule which will be subject to a further round of consultation. Consultation on the Draft Charging Schedule is expected to take place in February 2015. Following the second period of public consultation the Draft Charging Schedule will be submitted for independent public examination in March 2015, and an examination will take place in during Summer 2015.

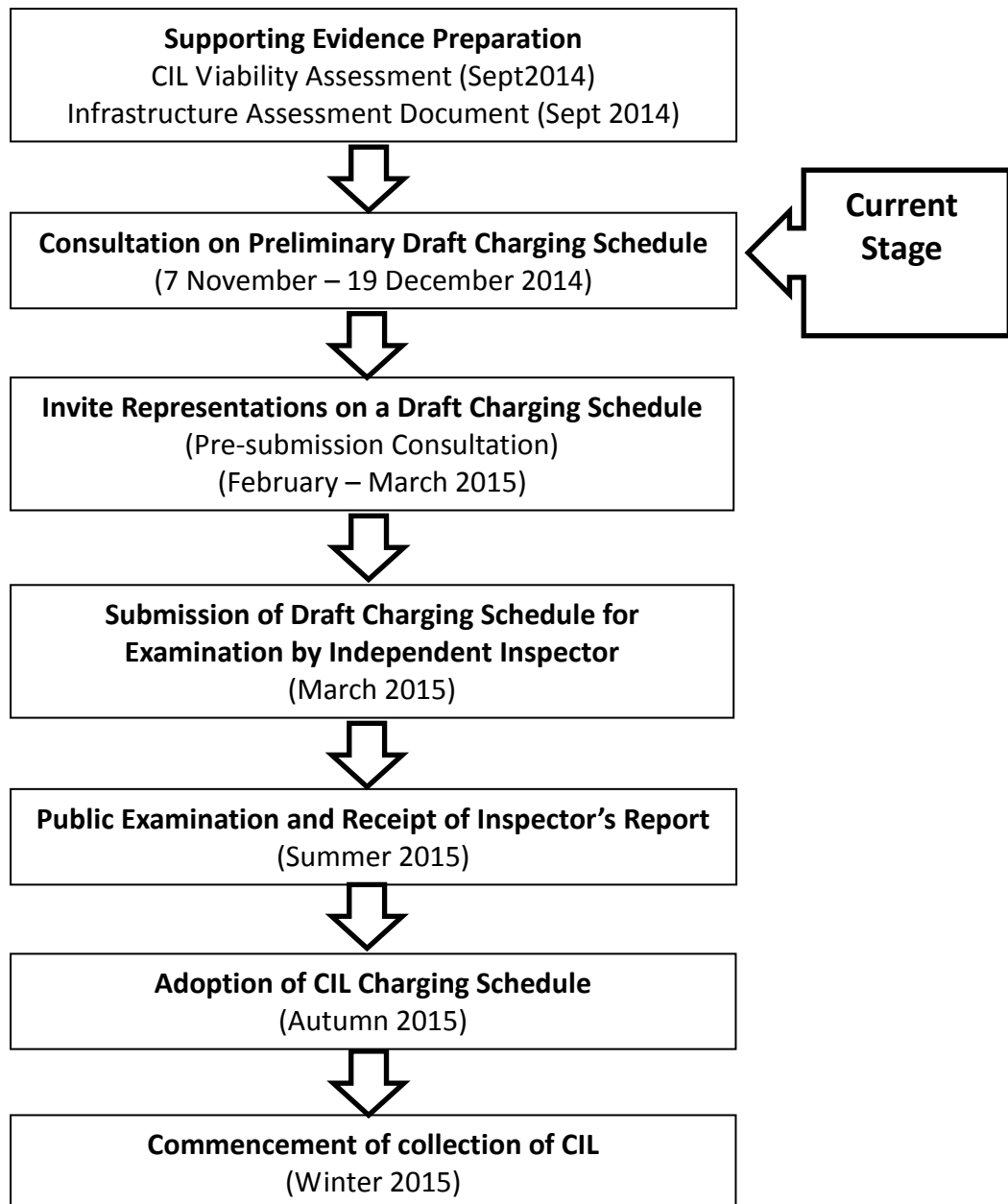
Supporting documents

The Preliminary Draft Charging Schedule is supported by the follow documents as follows:

1. Infrastructure and Funding Report (October 2014)
2. Draft Regulation 123 List (October 2014)
3. CIL Viability Study (October 2014)

The following diagram shows the stages in the production of the Community Infrastructure Levy:

Community Infrastructure Levy (CIL) Stages



1. Introduction

- 1.1 The Community Infrastructure Levy (CIL) is a levy that local authorities can choose to charge on new developments in their area. The money can be used to support development by funding the infrastructure that the council, local community and neighbourhoods deem as necessary.
- 1.2 Vale of White House District Council is a charging authority under the CIL Legislation and it is investigating the potential for adopting a CIL. The purpose of this consultation document is to set out the general principles of CIL and to seek views on the Vale of White House District Council's Preliminary Draft Charging Schedule. The Charging Schedule sets out the charges the council wishes to introduce as its CIL.

2. General Principles

- 2.1 CIL is a discretionary, tariff-based development land tax, which the council can choose to adopt to support the provision of local infrastructure. Once adopted, CIL is fixed, non-negotiable and enforceable. CIL will be charged on new development, it is charged per square metre on net additional floorspace of development. CIL is not charged on affordable housing and buildings used for charitable purposes. The amount payable will be set at the time planning permission is granted and payment will be due at the commencement of development. Larger amounts be payable in instalments over fixed time periods.
- 2.2. CIL was introduced in the 2008 Planning Act. The process for setting and implementing the Charge is set out in the CIL Regulations 2010, together with subsequent Amended Regulations the most recent of which in 2013. Under the CIL Regulations, changes to the use of s106 Planning Obligations will become law from 6 April 2015. This will significantly alter current infrastructure funding practices whether the council has adopted a CIL charge or not.
- 2.3 The Government advises Local Authorities to introduce a levy as they considered that it:
- delivers additional funding to carry out a wide range of infrastructure projects that support growth and will benefit the local community;
 - gives Local Authorities the flexibility and freedom to set their own priorities for what the money should be spent on – as well as providing a predictable funding stream that allows them to plan ahead more effectively;
 - provides developers with much more certainty 'up front' about how much money they will be expected to contribute, which in turn encourages greater confidence and higher levels of inward investment;
 - ensures greater transparency for local people, because they will be able to understand how new development is contributing to their community; and,

- enables local authorities to allocate a share of the levy raised in a neighbourhood to deliver infrastructure the neighbourhood wants.

3. S106 and CIL

- 3.1 S106 agreements will continue to be the primary mechanism for securing affordable housing through the planning system. In addition, S106 agreements will still be used in certain situations to mitigate the direct impact of the development proposed.
- 3.2 The CIL Regulations restrict the use of Planning Obligations to ensure that developments are not charged for the same items through both S106 Agreements and the CIL. The Council is required to publish a list of infrastructure it intends to fund via the levy. It will not be possible to seek planning obligations towards items on the infrastructure list. Furthermore, the Council will only be able to pool a maximum of five planning obligations towards a particular piece or type of infrastructure.

4. Development liable for CIL

- 4.1 CIL will be applied to the majority of new developments. The following types of development will be liable for CIL:
- Development comprising 100 sqm or more of new gross internal floorspace
 - Development of less than 100 sqm of new floor space that results in the creation of one or more dwellings
 - The conversion of a building that is no longer in lawful use.

5. Calculation and Charging of CIL

- 5.1 The local authority must demonstrate that new or improved infrastructure is needed to mitigate the impact of planned development. It must also show that there is a 'gap' in the available funding for the necessary infrastructure that requires the use of CIL.
- 5.2 The local authority must also show that, in its informed judgement, the proposed levy rates would not make development proposals unviable across its administrative area. It is not necessary to show that all developments would be viable, but that the majority of planned developments would not be made unviable by the proposed CIL level. The viability assessment needs to take account of the costs of other on-site requirements, including affordable housing. The council has undertaken a comprehensive viability assessment to determine its proposed CIL rates. The CIL viability assessment is available on the council website.
- 5.3 The council's proposed CIL rates will be examined by an independent examiner. This will involve an assessment of whether a charge is justified by the need for, and cost of, new or improved infrastructure, and whether the

charge will have an unacceptable negative impact on the economic viability of development.

5.4 The CIL Regulation requires that in setting its CIL rate the council must: ***“strike an appropriate balance between:***

- ***Meeting all or part of the infrastructure funding gap; and;***
- ***The potential impact of CIL upon the economic viability of development across its area.”***

6. Proposed CIL Charging Rates

6.1 The Council’s proposed charging rates are set out in the table below.

Table 1 Preliminary Draft Charging Schedule - Proposed Charges (per sqm)

Development type	CIL Charging Rate (per square metre of chargeable floorspace)		
	Residential (C3, C4)	Zone 1	Zone 2 (Faringdon, Wantage and Grove)
	£120	£85	£0
Development type	District Wide		
Supermarkets and retail warehousing (A1) exceeding 280m2 (gross internal area)	£100		

Supermarkets: are large stores selling mainly food or non-food goods. Retail warehouses: are large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items and other ranges of goods. Retail warehouses and supermarkets exceeding 280m2 are classified as larger stores under the Sunday Trading Act 1994.

6.2 Map of Residential CIL Zones

To be included prior to consultation

7. Exemptions and Payment Terms

Exemptions

7.1 The CIL Regulations exempt the following from paying the CIL:

- Development by registered charities for the delivery of their charitable purposes
- Those parts of a development which are to be used as social housing as defined in the CIL Regulations (2010 as amended)
- The conversion of any building previously used as a dwelling house to two or more dwellings
- Development of less than 100 sqm of new build floorspace, provided that it does not result in the creation of a new dwelling
- The conversion of, or works to, a building in lawful use that affects only the interior of the building
- Development of buildings and structures into which people do not normally go (eg, pylons, wind turbines, electricity sub stations)

Discretionary Relief and Exceptional Circumstances Relief

7.2 The CIL Regulations allow for the council to provide further relief, at their discretion. The council do not have to offer this relief, but if they chose to do so, they must adopt a discretionary relief policy. This is not part of the charging schedule and may be published at a different time.

7.3 The council has not made a formal decision on whether it will offer discretionary relief. If it does, further information will be published for consultation.

Payment of CIL

7.4 The default position is that the whole amount must be paid within 60 days of the development commencing as defined within the Town and County Planning Act. The Regulations allow Local Authorities to collect payment by instalments if they publish a policy. A draft instalment policy has been prepared (Annex 2) and comments on the appropriateness of the instalments are welcomed as part of the consultation on the Preliminary Draft Charging Schedule.

8. Calculation of the Charge

8.1 CIL is charged on the net additional internal eligible floor area of development. Where buildings are demolished to make way for new buildings, the charge will be based on the eligible floorspace of new buildings less the eligible floorspace of the demolished buildings, provided the buildings were in lawful use prior to demolition. A building is considered to be in lawful use if a part of that building has been in use for a continuous period of at least 6 months within the period of 12 months ending on the day planning permission first permits the chargeable development. The calculated CIL amount will be index linked in accordance with Regulation 40 of the Community Infrastructure Levy

Regulations (2010 as amended). The eligible are is that on which the charge will be levied i.e. excluding exempt areas and uses.

- 8.2 The calculation of the chargeable amount to be paid by a development is set out in Regulation 40 of the Community Infrastructure Levy Regulations (2010 as amended).

9. Supporting documentation

- 9.1 In order to set the rates, and to take into account these requirements, the following documents were used.

Draft Vale of White Horse Local Plan 2031 Part 1

- 9.2 This emerging document sets out the overall development strategy for the period to 2031. It includes strategic policies as well as locations for strategic housing and employment sites. It will provide the policy context for Neighbourhood Plans and the Science Vale Area Action Plan. Public consultation (Regulation 19) on the submission draft of the Local Plan Part 1 (LPP1) is taking place at the same time as the Preliminary Draft Charging Schedule consultation. It is expected that a concurrent public examination will take place on the LPP1 and Draft Charging Schedule in summer 2015.

CIL Viability Assessment

- 9.3 A consultant as been commissioned to carry out a comprehensive local plan viability study examining the cumulative impact of the policies and requirements in the Vale of White Horse Draft Local Plan 2031. In addition, a CIL Viability Assessment has been undertaken to inform the CIL setting process and assess the effect CIL will have on development viability.

Vale of White Horse District Council Infrastructure Delivery Plan

- 9.4 The purpose of the Infrastructure Delivery Plan (IDP) is to support the production of the Local Plan and identify the future infrastructure and service need of the District for the plan period. The IDP includes the known infrastructure required to support growth and is a continually evolving document that will be updated on a regular basis and will respond to changes. An updated IDP has been prepared to support the submission draft of the LPP1.

Annex One - Calculating the charge

Key points in calculating the CIL charge:

- CIL is charged on the net additional internal floor area of development.
- Where buildings are demolished to make way for new buildings, the charge will be based on the eligible floorspace of new buildings less the eligible floorspace of the demolished buildings, provided the buildings were in lawful use prior to demolition.
- A building is considered to be in lawful use if a part of that building has been in use for a continuous period of at least six months within the period of 12 months ending on the day planning permission first permits the chargeable development.
- If the CIL amount calculated is less than £50 no charge will apply.
- The relevant rates are the rates as set out in the Charging Schedule which apply to type and location of the relevant development. They apply at the time planning permission first permits the chargeable development.

The calculation of the chargeable amount to be paid by a development is set out in **Regulation 40 of the Community Infrastructure Levy Regulations** (2010 as amended).

The CIL Regulations and details of the calculation can be viewed at:

<http://www.legislation.gov.uk/ukxi/2014/385/regulation/6/made>

The Planning Advisory Service (PAS) has produced a series of guidance documents on the preparation and implementation of CIL. This includes an 'Applying CIL Manual' which includes a series of development scenarios and how CIL would apply.

The PAS website can be accessed at: <http://www.pas.gov.uk/community-infrastructure-levy>

The applying CIL Manual is can be viewed at: http://www.pas.gov.uk/3-community-infrastructure-levy-cil/-/journal_content/56/332612/4070581/ARTICLE

Annex Two – Draft Instalments Policy

The National Planning Guidance¹ recognises that few if any developments generate value until they are complete either in whole or in phases. Regulation 69B of the Community Infrastructure Levy Regulations 2010 (as amended), allows Charging Authorities to introduce an Instalment Policy. The authority has freedom to decide the number of payments, the amount and the time due. The authority may also revise or withdraw the policy when appropriate.

The following draft instalments policy has been prepared and comments are invited on the appropriateness of this policy as part of the public consultation on the Preliminary Draft Charging Schedule.

Instalments Policy

Total CIL Liability	Number of instalments/tranche	Payment Tranche Period
Less than £20,000	1	100% payable within 60 days
Equal to or greater than £20,000 but less than £100,000	3	1st instalment - 25% within 60 days 2nd instalment - 25% within 180 days 3rd instalment - 50% within 360 days
Equal to or greater than £100,000 but less than £2,000,000	3	1st instalment - 25% within 180 days 2nd instalment - 25% by end of yr 1 3rd instalment - 50% by end of yr 2
Equal to or greater than £2,000,000 but less than £10,000,000	4	1st instalment - 25% by end of yr 1 2nd instalment - 25% by end of yr 2 3rd instalment - 25% by end of yr 3 4th instalment - 25% by end of yr 4
Equal to or in excess of £10,000,000	7	Chargeable amounts up to £10,000,000 as instalments for £2,000,000 to £10,000,000, as detailed above, the remaining tranche payable as follows: 5th instalment - 33% by end of yr 5 6th instalment - 33% by end of yr 6 7th instalment – 34% by end of yr 7

This policy will not apply if:

- a) a commencement notice is not submitted by the developer to the Charging Authority prior to commencement of the chargeable development
- b) the developer has not notified the Charging Authority of the identity of the party liable to pay CIL in respect of the chargeable development prior to commencement of the chargeable development
- c) an instalment payment has not been made in full by the liable party to the Charging Authority after the end of a period of 30 days beginning with the day on which the instalment payment was due

¹ Planning Practice Guidance Paragraph: 056 Reference ID: 25-056-20140612