

Community Infrastructure Levy: Draft Charging Schedule

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1 Introduction to the Community Infrastructure Levy

1.1 This Community Infrastructure Levy (CIL) Draft Charging Schedule has been published by West Berkshire District Council for consultation in June and July 2013 and subsequent submission, with Examination planned for Autumn 2013. As a Unitary Authority, the Council will be both a Charging Authority and a Collecting Authority.

1.2 The Draft Charging Schedule has been approved for publication by a meeting of Full Council on xx June 2013. It is published in accordance with Part 11 of the Planning Act 2008 (as amended by Part 6 of the Localism Act 2011), and the Community Infrastructure Levy Regulations 2010 (as amended by the CIL (Amendment) Regulations 2011, the CIL (Amendment) Regulations 2012, and the CIL (Amendment) Regulations 2013) (“the Regulations”).

What is CIL?

1.3 The Community Infrastructure Levy (commonly known as CIL) is a tool intended to secure contributions from developers towards improvements and enhancements to infrastructure required as a result of development. It is intended to supplement other funds to provide new infrastructure in the District - it is not intended to provide the full costs associated with all the infrastructure required.

1.4 The purpose of the levy is to give developers more certainty about costs and to give councils and local communities more flexibility about how infrastructure is funded. The money raised through the levy can be used to fund a range of projects including towards:

- roads and other transport facilities;
- flood defences;
- schools and other educational facilities;
- medical facilities;
- sporting and recreational facilities; and
- open spaces.

How is it calculated and what development is liable?

1.5 CIL will be levied at a rate per m² (based on Gross Internal Floorspace) on new development of more than 100m² of floorspace (net) or when a new dwelling is created (even if it is less than 100m²)

1.6 There will be no CIL charge for Change of Use applications unless additional floorspace is created and no charge for the subdivision of existing dwellings. In addition CIL is not payable on:

- Structures into which people do not normally go;
- Structures which are not buildings;
- All Affordable Housing (including the element of a mixed development which is provided as affordable housing);
- Temporary buildings;
- Development for charitable purposes; and
- Applications for development where no buildings are proposed (e.g. mineral extraction sites).

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When is it payable?

1.7 As set out in Regulations, CIL is payable within 60 days of commencement of development, although the Regulations allow for an instalment policy to be adopted alongside CIL if the authority wishes. West Berkshire Council is proposing an instalment policy which is attached as Appendix B to this document.

1.8 The responsibility to pay the levy lies with the owner of the land, unless liability is assumed as set out in Regulations 31 to 39 (as amended), and the amount payable will be calculated in accordance with Regulation 40 (as amended).

2 CIL and its relationship with S106

2.1 With the introduction of a CIL charge, the use of S106 obligations will be restricted to site specific impacts (i.e. access roads, or the provision of facilities on larger sites to serve the new development) and the provision of affordable housing.

2.2 This Council currently seeks developer contributions on a formulaic basis to mitigate the impact of development, guidance for which is set out in our Developer Contributions SPD⁽¹⁾, (TO BE) adopted in June 2013. Contributions are requested by service units during the planning application process and the requirements are detailed in a legal agreement under S106 of the Town & Country Planning Act 1990. Contributions received are used by the service units to mitigate the impact of the development on the Council's infrastructure and services.

2.3 For clarification, it is intended that contributions currently sought on a formulaic basis under S106 will no longer be sought once a CIL charge is adopted, in accordance with Regulation 123. In general this is intended to include contributions towards highways, education, libraries, open spaces, healthcare, waste management and adult social care.

2.4 The exception to this is intended to be large scale development where facilities and infrastructure are required to be delivered on site, or where impacts are directly related to a particular site, including enabling works such as site access.

2.5 The Council has prepared an Initial Draft Regulation 123 list, setting out the infrastructure intended to be funded from the levy. This is intended to provide further background and is still subject to amendment.

3 Discretionary Relief

3.1 West Berkshire Council does not intend to adopt an Exceptional Circumstances policy.

1 Delivering Investment from Sustainable Development SPD: <http://www.westberks.gov.uk/index.aspx?articleid=4436>

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4 Evidence Base

4.1 In setting its CIL rates (in accordance with Regulation 14(1) of the Community Infrastructure Regulations 2010), West Berkshire District Council has aimed to strike what appears to the Council to be an appropriate balance between:

- the desirability of funding from CIL (in whole or part) the infrastructure required to support the development of its area; and
- the potential effects of the imposition of CIL on the economic viability of its area.

4.2 In order to set appropriate rates the Council has had regard to:

- The adopted West Berkshire Local Plan Core Strategy (June 2012)⁽²⁾.
- The refreshed Infrastructure Delivery Plan (IDP) (March 2013)⁽³⁾, which details the infrastructure required to support development in the period of the West Berkshire Local Plan Core Strategy (2006 - 2026).
- The West Berkshire CIL Viability Study (January 2013) prepared for the Council by Dixon Searle LLP.

4.3 These documents are available to download from the Council's website as supporting information used to guide the proposed rates of CIL.

West Berkshire Local Plan Core Strategy

4.4 The Core Strategy was adopted by the Council in July 2012. This document forms part of the West Berkshire District Local Plan. It sets out the long term vision for the District to 2026 and translates this into spatial planning terms, setting out proposals for where development will go and how this development will be built.

4.5 The Core Strategy sets out top level spatial policies on the four areas which make up the District, it sets out a settlement hierarchy and broad housing numbers for each of the spatial areas. It also provides core policies to guide development, including policies on retail, employment, affordable housing, flooding, infrastructure and the historic environment. The Core Strategy identifies two strategic site allocations, one at Newbury Racecourse and one at Sandford Park, to help deliver the District's housing requirement of 10,500 net additional dwellings over the plan period.

4.6 The Core Strategy provides an overall framework for the more detailed policies and site specific proposals to be contained in other documents of the Local Plan.

Infrastructure Delivery Plan

4.7 The latest update to the Infrastructure Delivery Plan (IDP) took place in February and March 2013. The refresh involved contacting all service units, infrastructure providers, and all Parish and Town Councils. The IDP shows a gross funding requirement in excess of £257 million. Funding already earmarked, or expected to be available totals £93.8 million, leaving a shortfall in funding of £163.5 million. The following table shows the additional housing requirement across West Berkshire's four spatial areas and an estimate of CIL receipts based on delivery in line with the housing requirement at the proposed CIL rates. It shows that CIL receipts will contribute towards the funding requirement, but there will be a substantial shortfall.

2 West Berkshire Core Strategy DPD: <http://www.westberks.gov.uk/index.aspx?articleid=4021>

3 West Berkshire Infrastructure Delivery Plan: <http://www.westberks.gov.uk/index.aspx?articleid=19636>

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4.8 Funding Gap Analysis

	A	B	C	D	E	F	G
Spatial Area	Additional Housing Requirement 2014 – 2026 ⁽¹⁾	CIL Rate per m ²	Estimate of Minimum Floorspace created ⁽³⁾ (M ²)	Estimate of Maximum Floorspace created ⁽⁴⁾ (M ²)	Minimum Anticipated CIL Receipt (B x C)	Maximum Anticipated CIL Receipt (B x D)	Net Funding requirement from IDP
Newbury / Thatcham ⁽²⁾	2,200	£75	99,000	275,000	£7.425m	£20.625m	
Eastern Urban Area	690	£75	31,050	86,250	£2,329m	£6.469m	
East Kennet Valley	260	£125	11,700	32,500	£1.462m	£4.062m	
North Wessex Downs AONB	670	£125	30,150	83,750	£3.769m	£10.469m	
TOTALS	3,820		171,900m²	477,500m²	£14.985m	£41.625m	£163.5m

Notes to Table:

1. Additional Housing requirement taken from Infrastructure Delivery Plan Table 2.1 'Anticipated additional housing requirement 2014-2026'
2. Housing Requirement includes 1,000 planned for Sandleford Strategic Site within the plan period
3. Minimum floorspace based on dwelling size of 1bed private flat, taken from DSP viability study Figure 4: Residential Unit Sizes
4. Maximum floorspace based on dwelling size of 4bed private house, taken from DSP viability study Figure 4: Residential Unit Sizes

4.9 Calculation of Shortfall

Net Funding Requirement from Infrastructure Delivery Plan	£163.5 million (Column G)
Shortfall based on Minimum CIL Receipt	£148.5 million (Column G minus Column E)
Shortfall based on Maximum CIL Receipt	£121.9 million (Column G minus Column F)

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4.10 Given that the likely scale of development in terms of unit size cannot be accurately predicted, the above calculation shows a significant shortfall even if the largest homes are delivered over the plan period.

Viability Study

4.11 The West Berkshire CIL Viability Study was prepared in January 2013 by Dixon Searle LLP. The study investigated the potential scope for CIL charging in West Berkshire. This was done by considering the economic viability of residential and commercial / non-residential scenarios within West Berkshire; taking into account the range of normal costs and obligations associated with development, as would be borne by development schemes alongside the CIL charge. It provided the Council with advice as to the likely viability of seeking developer contributions towards infrastructure provision through the CIL. This included the consideration of viability and the potential charging rate or rates appropriate in the local context as part of a suitable and achievable overall package of planning obligations. The viability study ensures that the rate set is not at the limits of site viability and that delivery of development is not threatened.

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5 Draft Charging Schedule

5.1 Based on the findings and outcomes of the West Berkshire CIL Viability Study the following rates of CIL are proposed:

	Newbury & Thatcham, and Eastern Urban Area	Area of Outstanding Natural Beauty, and East Kennet Valley
Type of Development	CIL Rate per sq.m	CIL Rate per sq.m
Residential (See Notes 1 and 2 below)	£75	£125
Retail (A1 to A5)	£125	£125
Business Development - Offices	£0	£0
Business Development - Industrial	£0	£0
Business Development - Warehousing	£0	£0
Hotels	£0	£0
Residential Institutions	£0	£0
Community and Other Uses	£0	£0

5.2 Notes:

(1) Please see Differential Rate Map at Appendix A. It is intended, once adopted, that the differential rate map will be available on the Council's mapping system. This will allow the service units and public to view which rate is chargeable for a particular site.

(2) Detailed Differential Rate Maps for Residential development are available as supporting information at Appendix C.

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6 Further Supporting Information

6.1 The following documents are available from the Council's website as supporting information to the Draft Charging Schedule:

Initial Draft Reg123 list

6.2 The Council has prepared an Initial Draft Regulation 123 list, setting out the infrastructure intended to be funded from the levy. This is intended to provide further background information and is still subject to amendment.

Preliminary Draft Charging Schedule (PDCS)

6.3 The PDCS was produced in February 2013 and was consulted on between 15th February 2013 and 2nd April 2013, in accordance with Regulation 15.

PDCS Statement of Consultation

6.4 The Statement of Consultation for the PDCS shows all the consultation responses received and the Council's consideration of those responses, together with any action taken or amendments made as a result (in accordance with Regulation 15).

Representations Procedure Statement

6.5 This document sets out how and when representations can be made on the Draft Charging Schedule, and how people may request to appear at the Examination, and how they can request to be kept informed of the progress of the CIL implementation (in accordance with Regulation 16).

S106 Financial Statement

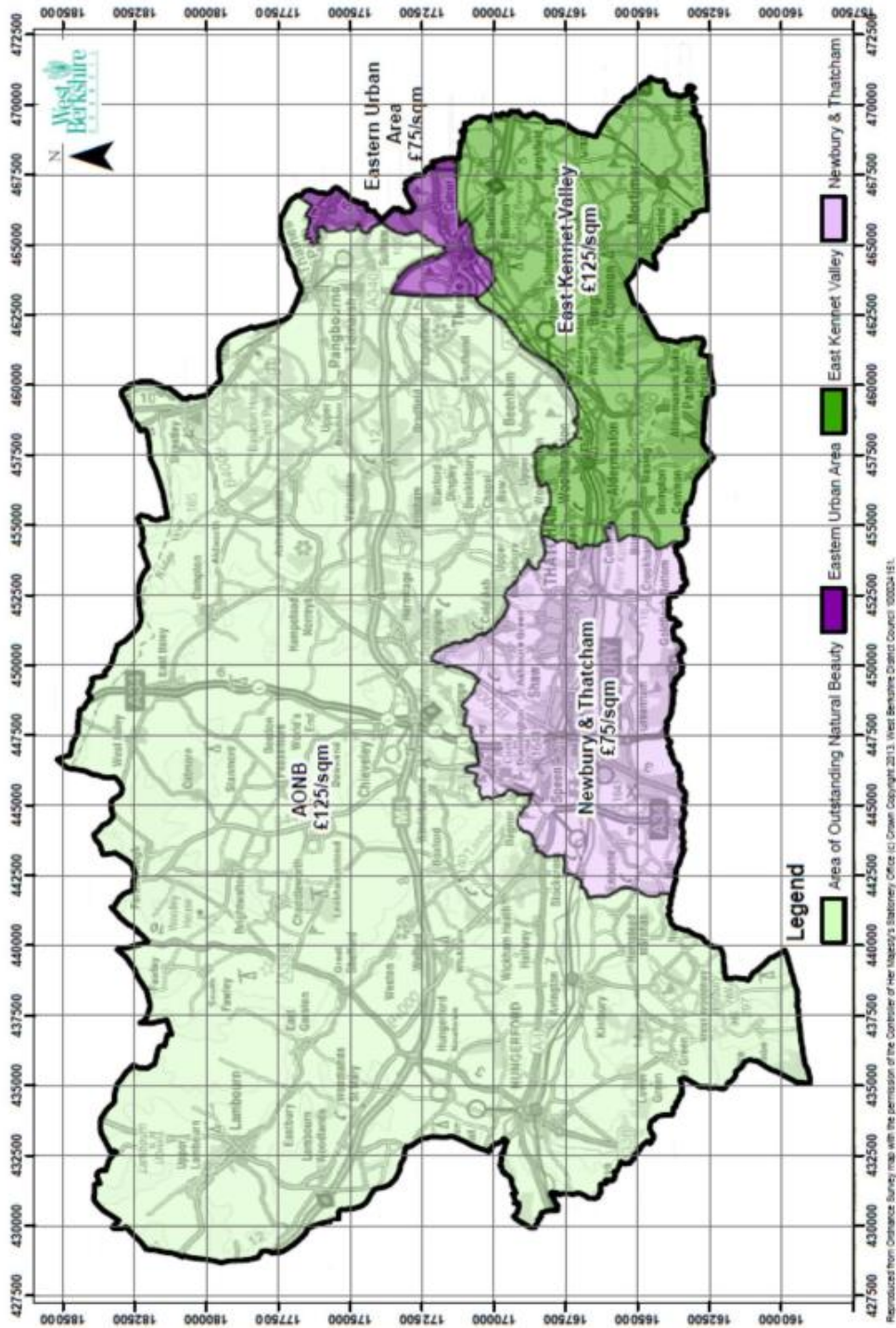
6.6 This document explains the level of S106 receipts received in recent years, and which Council services and infrastructure have benefited from the developer contributions received.

Report to Full Council June 2013

6.7 The report which has approved the publication for consultation and submission of the Draft Charging Schedule for Examination in Autumn 2013.

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Appendix A: Differential Rate Map



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Appendix B: Proposed Instalment Policy

Level of CIL Payable	Instalment Policy
Where the chargeable amount is less than £15,000	No instalments - the full amount is payable within 60 days of commencement
£15,000 or greater but less than £100,000	50% within 60 days of commencement, and 50% within 180 days of commencement
£100,000 or greater but less than £200,000	35% within 60 days of commencement, 35% within 180 days of commencement, and 30% within 270 days of commencement
£200,000 or greater but less than £1,000,000	25% within 60 days of commencement, 25% within 180 days of commencement, 25% within 270 days of commencement, and 25% within 360 days of commencement
£1,000,000 or greater	25% within 180 days of commencement, 25% within 360 days of commencement, 25% within 540 days of commencement, and 25% within 720 days of commencement

Notes:

B.1 The commencement date is the date given on the commencement notice as advised by the liable party under Regulation 67. The failure to provide such notification in accordance with the Regulations results in the removal of the use of the instalments policy. Full payment would then become due within 60 days of commencement, including payment of the surcharge as detailed in Part 9 of the Regulations.

B.2 This instalment plan is subject to change at any time in accordance with Regulation 69B of the CIL (Amendment) Regulations 2011.

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Appendix C: Appendix C: Residential Differential Rate Maps

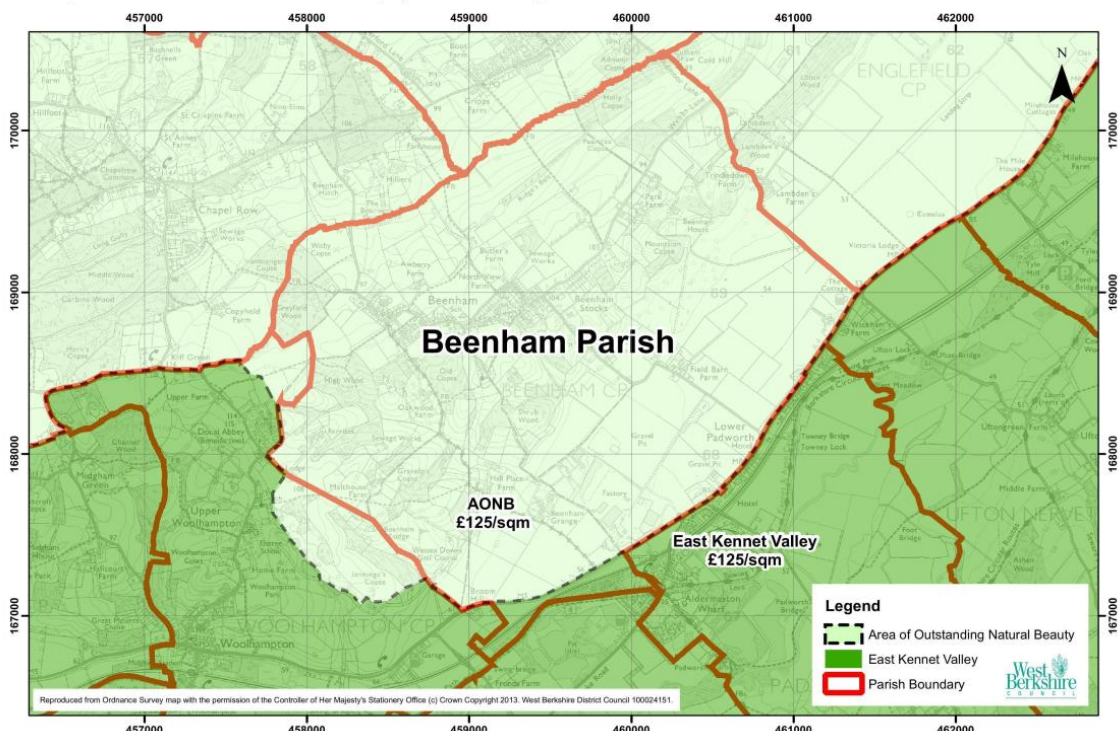
C.1 The following maps show every parish where there are two different residential charging zones:

- Map 1 - Beenham Parish
- Map 2 -Bucklebury Parish
- Map 3 -Cold Ash Parish
- Map 4 - Englefield Parish
- Map 5 - Hamstead Marshall Parish
- Map 6 - Purley-on-Thames Parish
- Map 7 - Shaw cum Donnington Parish
- Map 8 - Speen Parish
- Map 9 - Theale Parish
- Map 10 - Tilehurst Parish
- Map 11 - Woolhampton Parish

C.2 Please note these maps are available via our website as larger scale pdf documents, which will enable you to view in more detail by using the zoom function.

C.3 Map 1

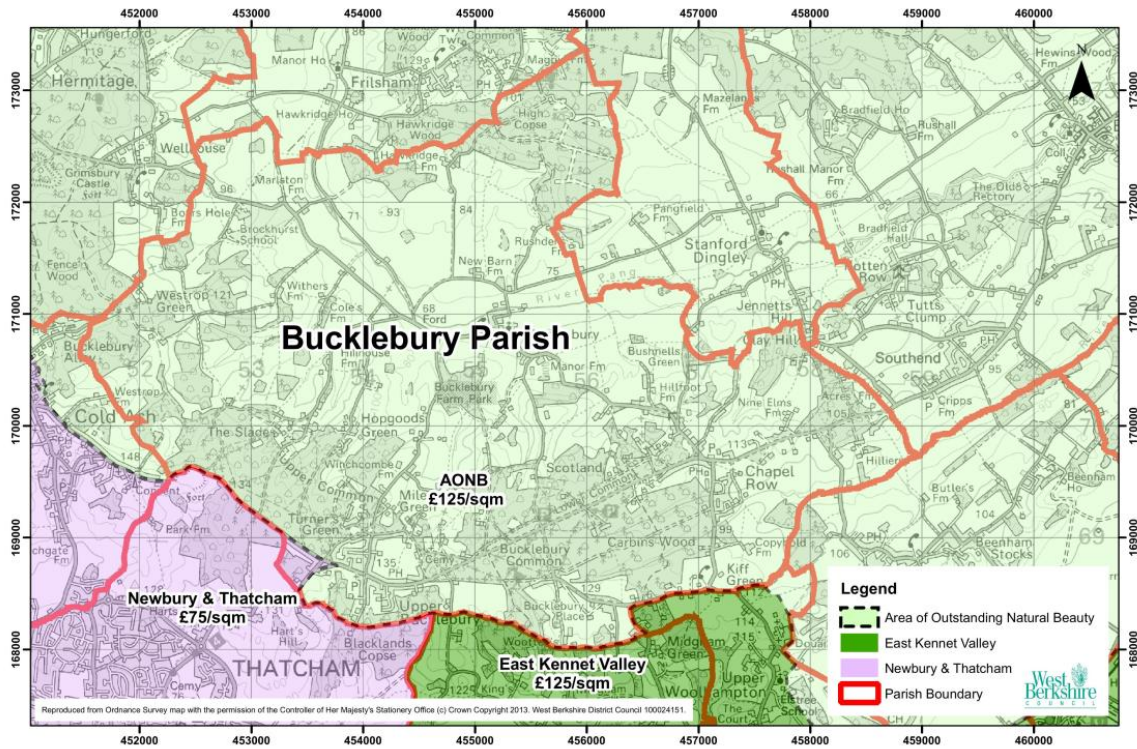
Proposed Differential Rate Map (Residential) - Beenham Parish



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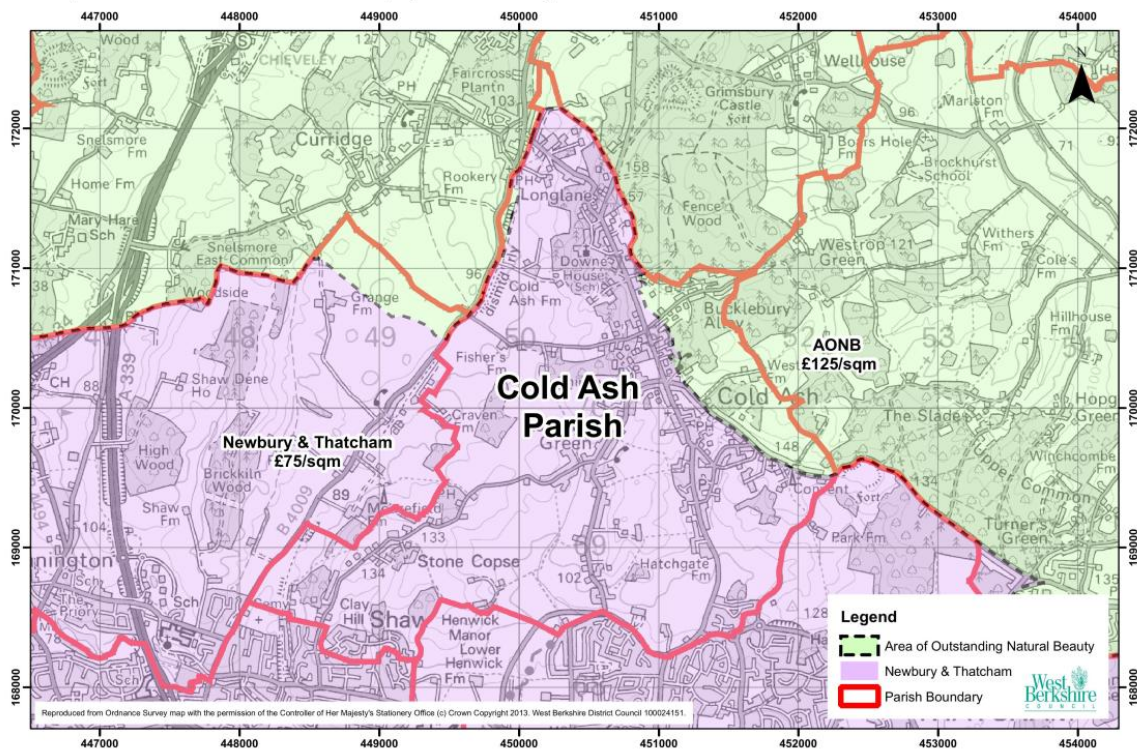
C.4 Map 2

Proposed Differential Rate Map (Residential) - Bucklebury Parish



C.5 Map 3

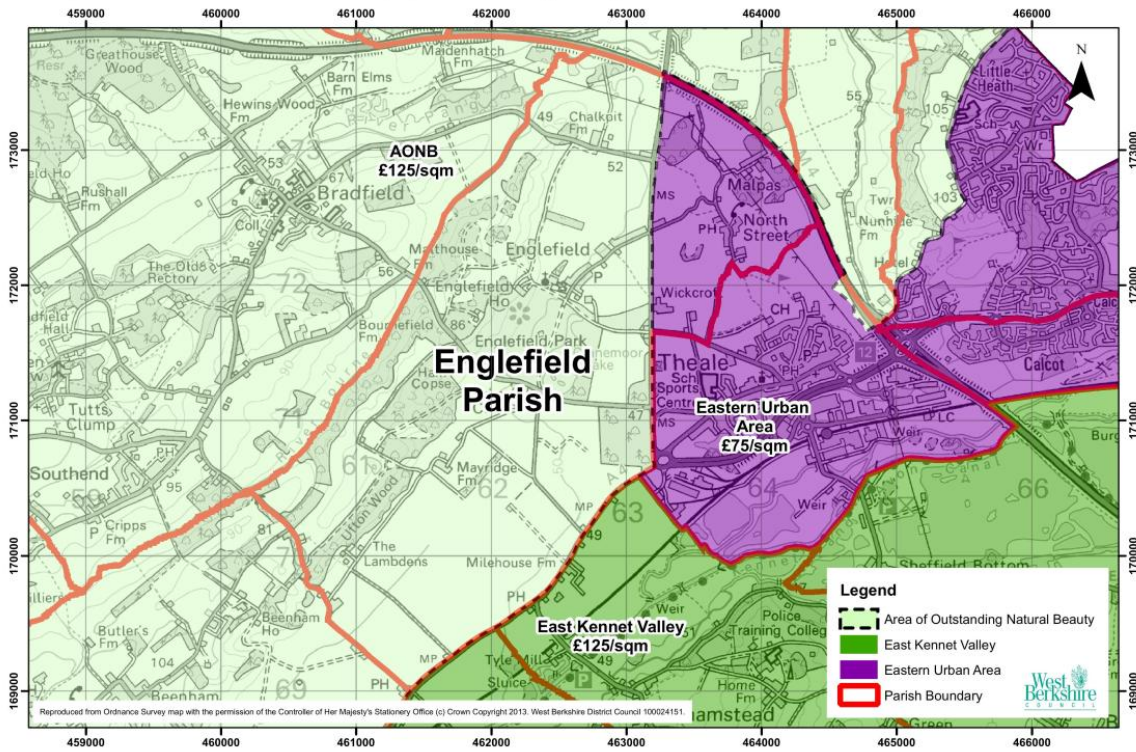
Proposed Differential Rate Map (Residential) - Cold Ash Parish



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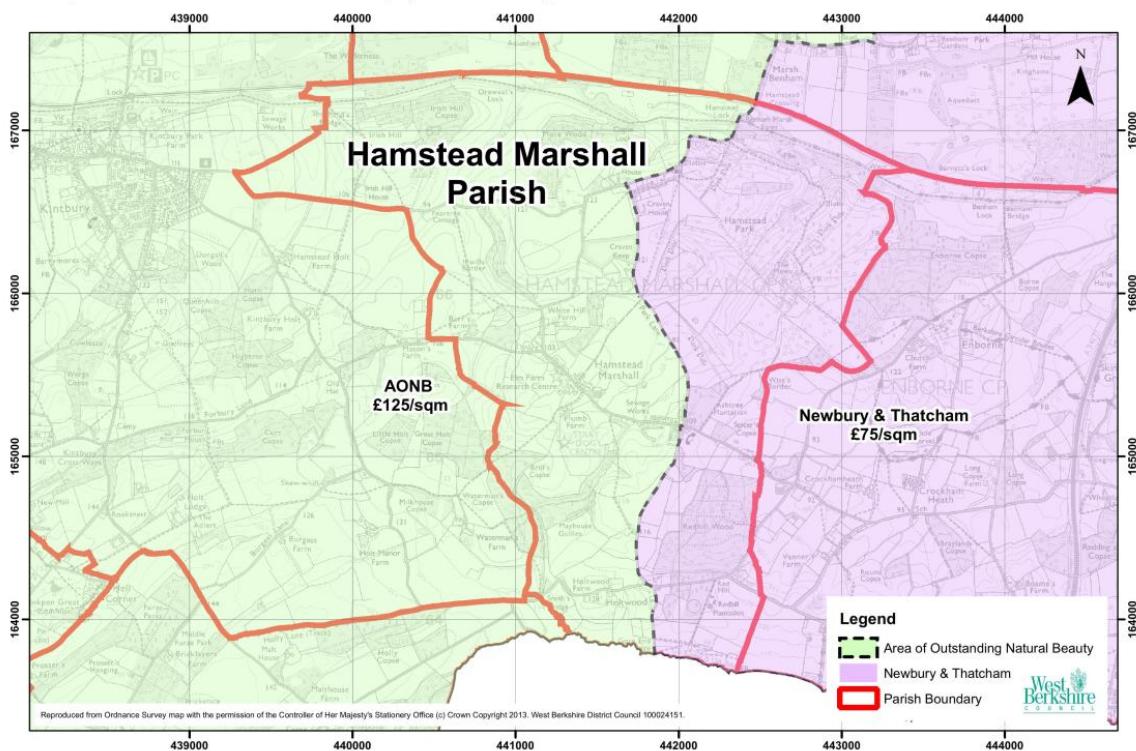
C.6 Map 4

Proposed Differential Rate Map (Residential) - Englefield Parish



C.7 Map 5

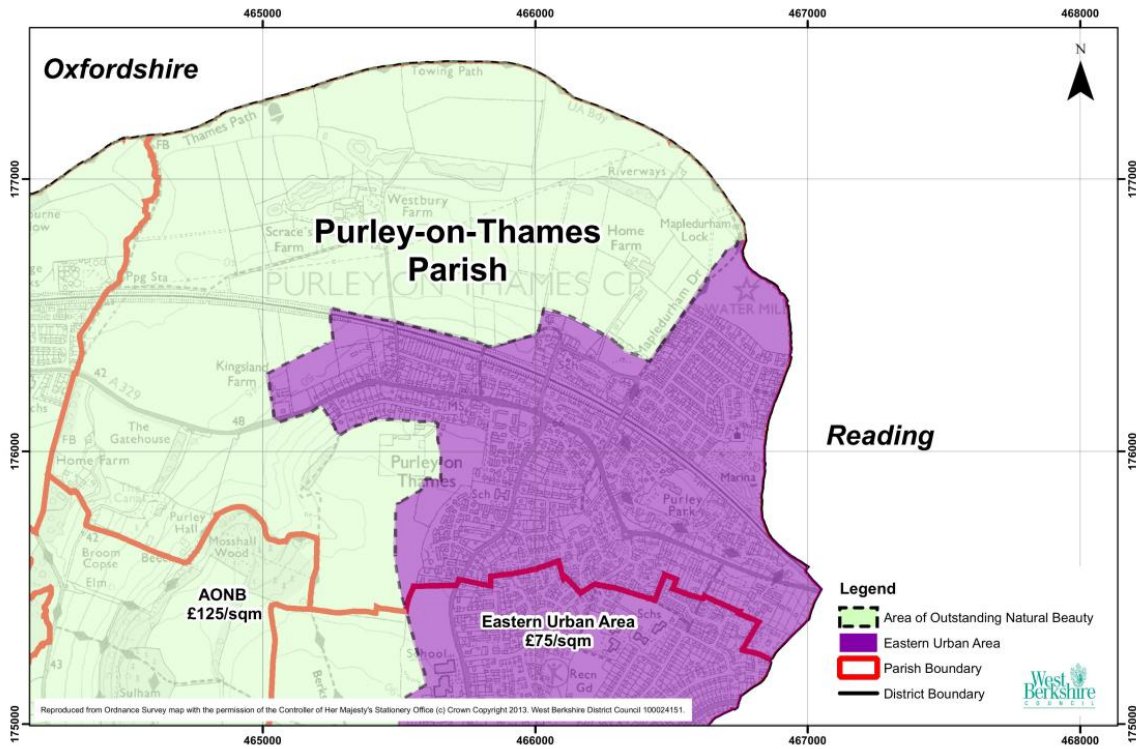
Proposed Differential Rate Map (Residential) - Hamstead Marshall Parish



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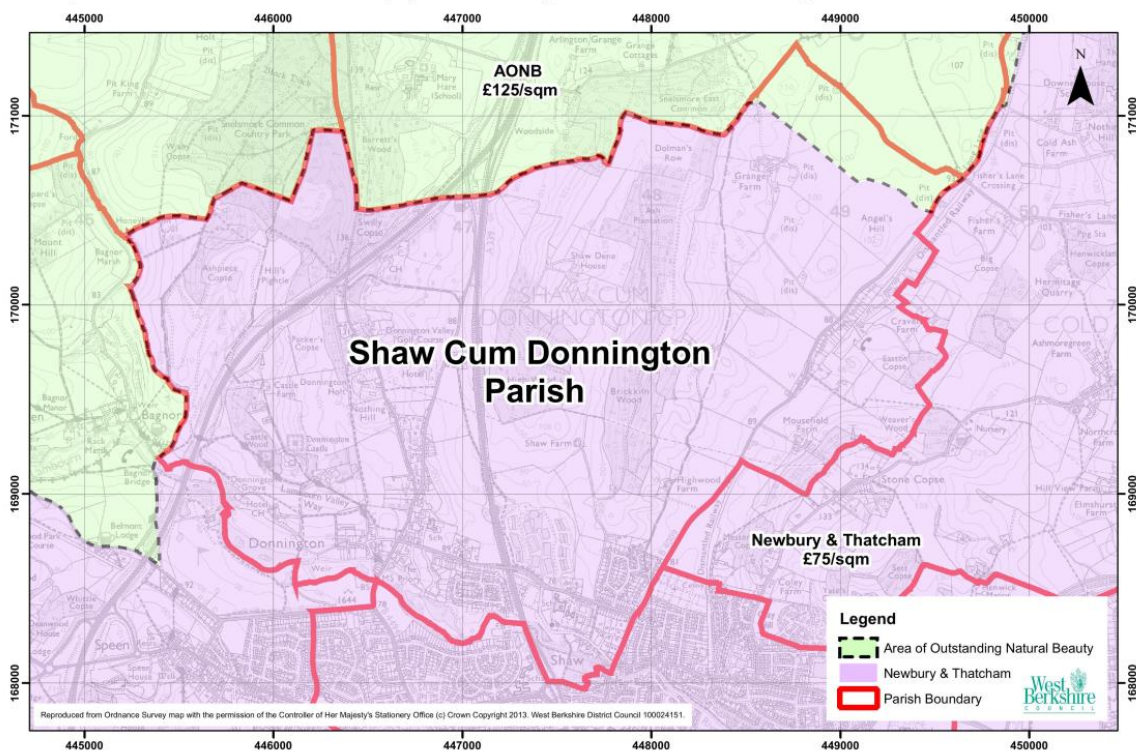
C.8 Map 6

Proposed Differential Rate Map (Residential) - Purley-on-Thames Parish



C.9 Map 7

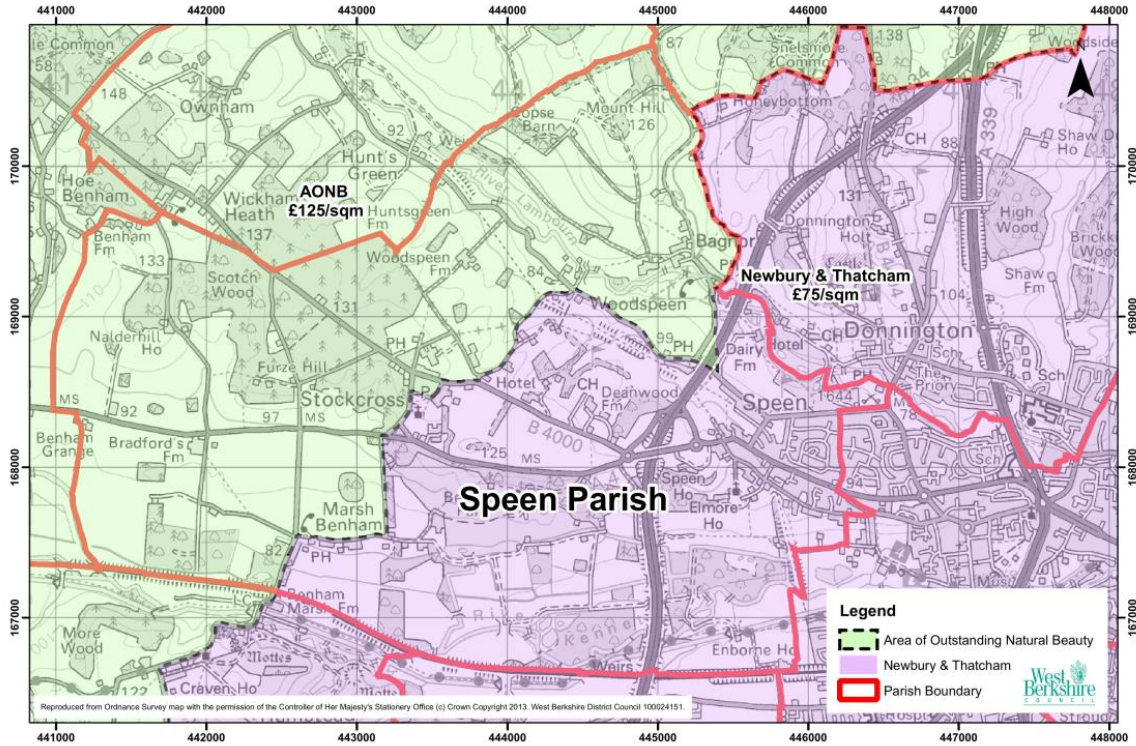
Proposed Differential Rate Map (Residential) - Shaw Cum Donnington Parish



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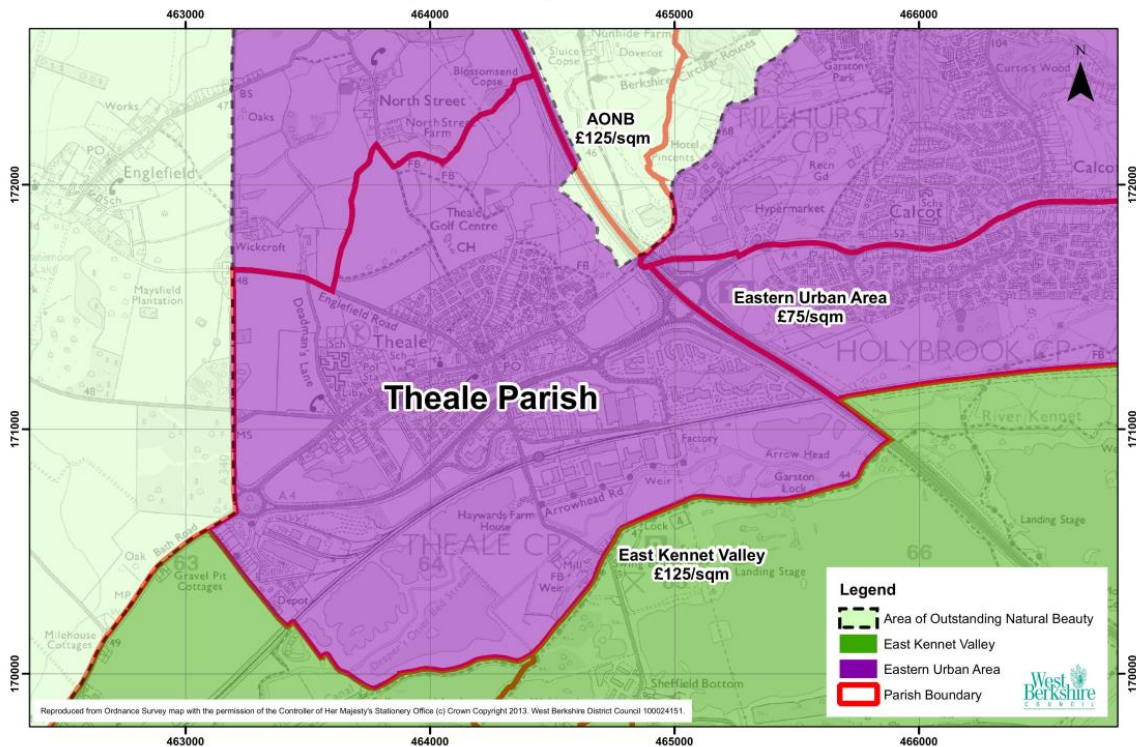
C.10 Map 8

Proposed Differential Rate Map (Residential) - Speen Parish



C.11 Map 9

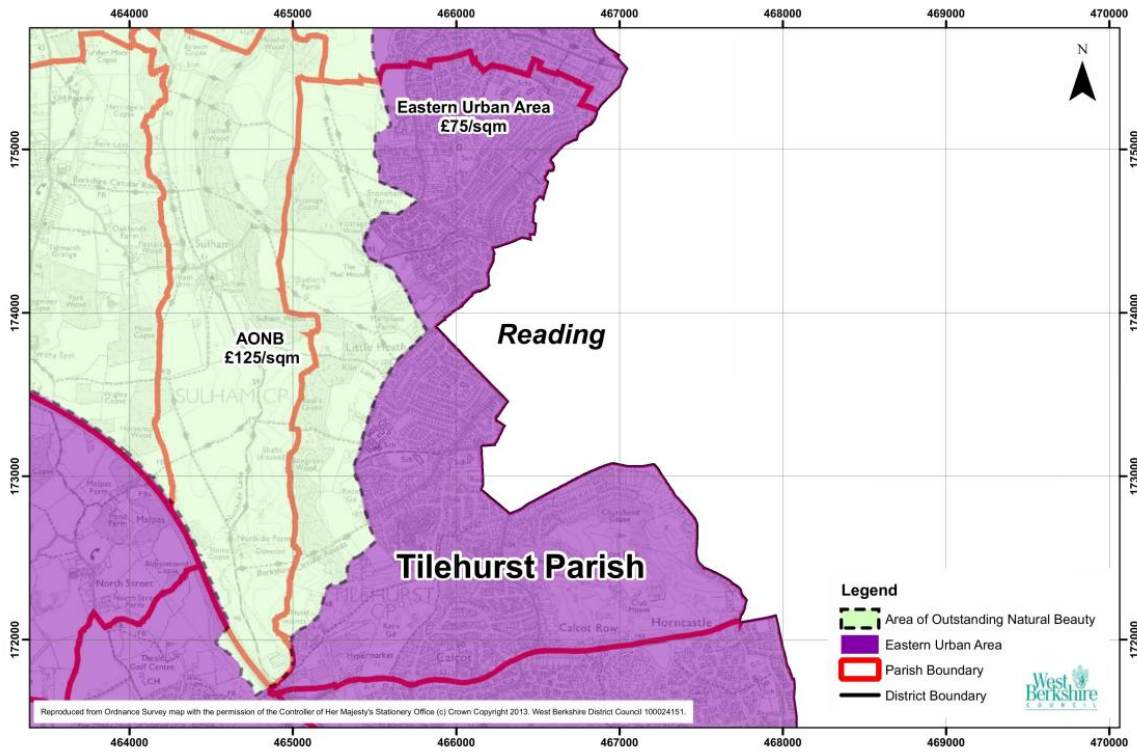
Proposed Differential Rate Map (Residential) - Theale Parish



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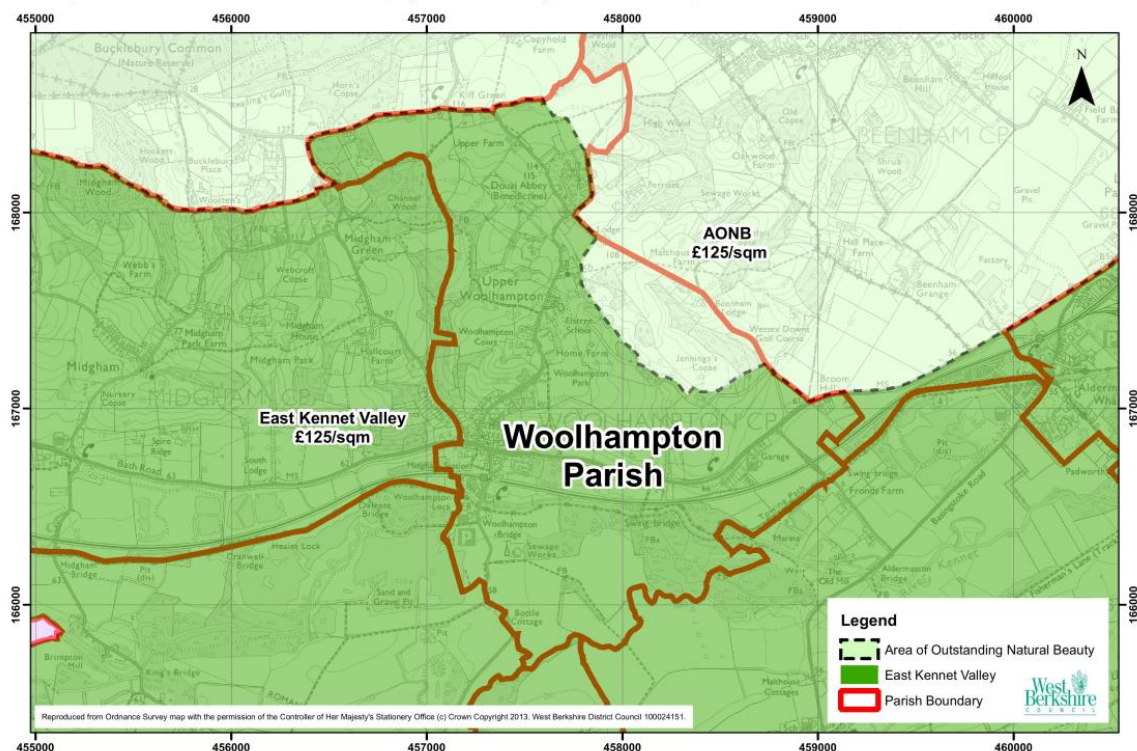
C.12 Map 10

Proposed Differential Rate Map (Residential) - Tilehurst Parish



C.13 Map 11

Proposed Differential Rate Map (Residential) - Woolhampton Parish



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