

HAMBLETON DISTRICT COUNCIL

COMMUNITY INFRASTRUCTURE LEVY

CHARGING SCHEDULE

HAMBLETON

DISTRICT COUNCIL

April 2015

(with effect from 7th April 2015)

Hambleton District Council

Community Infrastructure Levy (CIL) Charging Schedule

Introduction

- 1 The Community Infrastructure Levy (CIL) was introduced under the Planning Act 2008 and is defined in the CIL Regulations 2010 (as amended). Local authorities in England and Wales can elect to charge CIL on new developments. Essentially, it is a tariff-based approach to assist in funding infrastructure associated with planned growth.
- 2 The introduction of CIL is seen as necessary in part because, from April 2015, the ability to pool planning obligations under Section 106 of the Town and Country Planning Act 1990 (as amended), will be restricted. It will therefore become difficult to deliver larger scale items of infrastructure such as schools and transport schemes, where the pooling of numerous individual planning contributions is often necessary. Section 106 will continue to be used to deliver some infrastructure but this will largely be restricted to site-specific mitigation and providing affordable housing.

The Charging and Collecting Authority

- 3 Hambleton District Council, as the local planning authority, is a charging authority and will therefore charge the CIL in respect of Hambleton District¹.
- 4 The collecting authority for the finance generated by CIL will typically be Hambleton District Council as the charging authority. However, where North Yorkshire County Council grants planning permission for development in the Hambleton District it will be the County Council who will be the collecting authority.² Where the County Council is the collecting authority for a development it will pass the CIL payment on to the charging authority minus any reasonable administrative expenses incurred in collecting the CIL on the charging authority's behalf.³

Development Liable To Pay CIL

- 5 Most development that involves the creation of buildings that people normally go into will be liable to pay CIL.⁴ However, the CIL Regulations make provision for a number of exemptions to CIL⁵ against which the levy will not be charged, including:
 - new buildings or extensions under 100 square metres of gross internal floorspace which does not involve the creation of a new dwelling;
 - the change of use, conversion or subdivision of a building that does not involve an increase in floorspace;
 - the creation of a mezzanine floor within a building;
 - temporary development permitted for a limited period;
 - buildings into which people go only intermittently for the purpose of inspecting or maintaining fixed plant or machinery;
 - structures which are not buildings, such as pylons and wind turbines;
 - affordable housing (defined as social rented and intermediate housing); and
 - development by charities for charitable purposes.
- 6 CIL is charged on the gross internal floorspace⁶ of new development. Where planning permission is granted for a development that involves the extension or demolition of a

¹ Under the terms of Part 11 of the Planning Act 2008.

² Regulation 10(4) of the CIL Regulations 2010 (as amended).

³ In line with Regulation 76 of the CIL Regulations 2010 (as amended)

⁴ This includes development permitted by a 'general consent' (including permitted development).

⁵ Under Part 2 and Part 6 of the CIL Regulations 2010 (as amended).

⁶ The gross internal floorspace is the internal area of the building and should include rooms, circulation and service space such as lifts and floorspace devoted to corridors, toilets, ancillary floorspace (e.g. underground car parking) etc.

building in lawful use⁷, the level of CIL payable will be calculated based on the net increase in floorspace. This means that the existing floorspace contained in the building to be extended or demolished will be deducted from the total floorspace of the new development when calculating the CIL liability. This means that most developments on previously developed brownfield sites will generally have a lower CIL liability than developments that take place on greenfield sites.

- 7 The Council will have the ability to claw back any CIL relief where a development no longer qualifies for that relief within a period of 7 (seven) years from the commencement of the development. For example, should a charity develop a building for charitable purposes and subsequently sell the building to the open market within seven years then the Council will be able to claw back the CIL that would have been charged on the building had it been originally in private use.

Discretionary Relief

- 8 The Regulations also allow charging authorities to permit discretionary relief from CIL in certain circumstances (e.g. where a reduced or nil payment may be accepted). The cases for relief are likely to be rare but can include the following:

- Development by charities for investment activities from which the profits will be applied for charitable purposes (as defined by CIL Regulation 44);
- Development by charities where relief would normally constitute State Aid (as defined in CIL Regulation 45); and
- Where the Council considers there are exceptional circumstances to justify relief (as defined in CIL Regulation 55). In these situations the development site must also have a planning obligation (Section 106 Agreement) relating to the planning permission which is greater than the value of the CIL charge, and the combined cost of the Section 106 Agreement and CIL charge would have an unacceptable impact on the economic viability of the development. In such cases the developer would be expected to demonstrate this (as set out in CIL Regulation 57) via an 'open book' approach with an independent valuer. Relief can also only be granted if it does not constitute notifiable State Aid (as defined in European law).

- 9 Given these requirements, most development will not be eligible for charitable or exceptional circumstances relief. However, the District Council will be prepared to consider applications for relief and has published an Exceptional Circumstances Relief Policy alongside the Draft Charging Schedule.⁸

How CIL Will Be Calculated

- 10 The amount of CIL a development is liable to pay will be calculated according to Regulation 40 of the CIL Regulations 2010 (as amended). The method involves multiplying the relevant CIL rate for the type of the development by the net additional floorspace – and factoring in an inflation measure to allow for changes in building costs over time. A summary of this method is set out below:

CIL Rate x Net Additional (new build) Floorspace x Inflation Measure

- 11 The inflation measure used will be the national 'All-in Tender Price Index' published by the Building Cost Information Service (BCIS) of the Royal Institute of Chartered Surveyors. The inflation measure involves dividing the Index costs from the year when planning

⁷The definition of lawful use is contained in Regulation 40(10) of the CIL Regulations 2010 (as amended), which states that: "...a building is in 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."

⁸ The draft Exceptional Circumstances Relief Policy, Infrastructure Funding Gap paper, draft Regulation 123 List and draft Instalments Policy are all available to view and download at: www.hambleton.gov.uk/cil

permission is granted, by the Index costs from the year the Charging Schedule is adopted. Full details of the method are set out in the CIL Regulations 2010 (as amended).

- 12 The CIL Regulations specify that where the overall chargeable amount on a scheme is less than £50, it is deemed to be zero.

Liability and Collection of CIL

- 13 CIL takes the form of a charge per square metre of additional floorspace (new build or extensions) and can be charged on most new development. There are exemptions for charitable organisations and affordable housing, together with some size thresholds for non-residential uses. Any new build – that is a new building or an extension – is only liable for the levy if it has 100 square metres, or more, of gross internal floor space, or involves the creation of one dwelling, even when that is below 100 square metres. The money raised will be used to deliver prioritised infrastructure that is needed to support the growth proposals set out in the Council’s Local Development Framework (LDF) Core Strategy.

- 14 CIL is payable on commencement of development but the Council is able to introduce payments by instalments. This would need to be agreed before any development commences and be in accordance with a published instalment policy.

- 15 The Council recognises the viability issues associated with the payment of financial contributions and considers that a policy on the potential deferment or payment by instalments of contributions through an instalment policy is appropriate. An instalment policy is in place to assist developers in this respect and can be viewed or downloaded at www.hambleton.gov.uk/cil

Payment of CIL ‘in-kind’

- 16 Under CIL Regulations charging authorities may, at their own discretion, consider accepting land as payment in kind in lieu of CIL. This will only normally be considered for land in excess of that needed to deliver infrastructure required as a direct result of the permitted development (e.g. if the permitted development requires a children’s play area on-site, that land will not be accepted as payment in lieu of CIL). The value of the land for in lieu payment will be determined by an independent valuer.

Relationship Between CIL and Section 106 Agreements

- 17 Provision of Section 106 agreements will remain but from April 2015, under CIL Regulation 123 (as amended) the ability to pool contributions from developers via Section 106 to deliver larger items of infrastructure will be substantially curtailed. The Council’s intention is that CIL will be used to deliver larger strategic items with Section 106 retained only for direct mitigation of site-specific impacts.

- 18 Under CIL Regulation 123 (as amended), the Council has also prepared a list (the Regulation 123 List) setting out the infrastructure that it considers will be funded either wholly or in part through CIL. CIL cannot be used as well as Section 106 to deliver the same element of infrastructure. The Regulation 123 list aims to provide clarity on what infrastructure will and will not be funded by CIL. The Regulation 123 list can be reviewed at any time, with appropriate public consultation. It is initially suggested that this would be done on an annual basis linked to the publication of the Council’s Annual Monitoring Report which will identify progress on collecting and spending CIL.

- 19 Given the relatively low rates of CIL likely to be viable, the Regulation 123 list is likely to be restricted to “core infrastructure” and items where contributions need to be pooled. It might include, for example, key road improvement schemes, new schools and sustainable transport. Other items such as affordable housing, site specific highway works and school place contributions would continue to be negotiated via Section 106 agreements unless where stated.

- 20 There will be a need to continually liaise and discuss any emerging Regulation 123 list issues with key infrastructure providers such as North Yorkshire County Council, the Environment Agency and the local Clinical Commissioning Group for healthcare facilities. Additionally, other forms of funding will also need to be investigated.

Spending the CIL Levy

- 21 The funding generated from CIL must be used to deliver infrastructure in the District that is needed to support the level of housing and employment growth proposed within the Hambleton Local Development Framework (LDF). This could include funding new highway infrastructure, schools, open spaces, health and leisure facilities. This may be new infrastructure, or could involve repairing, expanding or enhancing existing infrastructure, if that is necessary to support new development. In certain circumstances it may also be spent on the on-going costs of providing infrastructure, which could include maintenance and operational activities. Under CIL Regulation 123, the Council has published the schemes and projects on which it will seek to spend CIL receipts to deliver (its 'Regulation 123 List'). This can be viewed online at: www.hambleton.gov.uk/cil and copies are available to view at District Council offices and local libraries during normal opening hours..
- 22 It is important to make clear that CIL is not meant to replace mainstream sources of funding for infrastructure and will not cover the full costs of all of the infrastructure projects identified in the Council's Infrastructure Delivery Plan (IDP). The Council will work closely with relevant infrastructure and service providers to discuss and deliver the funding for infrastructure projects.
- 23 The CIL Regulations also allow for up to 5% of the CIL receipts collected each year to be used to pay for the setting up and administrative expenses incurred by the charging authority. The Council anticipates that it is likely to seek an element of reimbursement, to cover the costs associated with collection, implementation and monitoring of the CIL. This will be accounted for in the Council's monitoring of the expenditure of the CIL.

CIL for Local Communities

- 24 The Council will be required to pass a proportion of CIL receipts to parish and town councils for use on infrastructure identified as important by the local community. A local council (i.e. parish/town council) with an adopted neighbourhood plan will receive 25% of the CIL receipts generated by development within the neighbourhood plan boundary (provided that development was given planning approval after the neighbourhood plan was adopted). In areas where no neighbourhood plan is in place, the local council will receive 15% of CIL receipts generated by development in the area (with a cap on the CIL revenue the charging authority has a duty to give local councils equal to £100 per Council tax dwelling in the area each financial year).
- 25 This 'local fund' will be passed on to parish/town councils where development occurs and these locally elected councils will be directly accountable for its spending and reporting. Where an area does not have a town or parish council, the charging authority will hold the local fund on the areas' behalf and spend the money in line with the local areas needs, guided by the results of appropriate local consultation.
- 26 Parish/town councils are not restricted to spending funds on the infrastructure projects identified in the charging authorities Regulation 123 List and are not required to prepare their own list of infrastructure projects. However, 'local funds' must be spent on:
- i. the provision, improvement, replacement, operation or maintenance of infrastructure (e.g. roads, schools, open space, village halls etc.); or
 - ii. anything else that is concerned with addressing the demands that development places on an area.

27 Following the adoption of the CIL the Council intends to produce guidance for town/parish councils on all aspects of the CIL process, including what information will need to be reported annually on the use of local funds.

28 Amendments to the CIL Regulations allow the charging authority to require the repayment of local funds that remain unspent 5 years after they were transferred to a local council.⁹ Any returned funds will be placed in the pooled CIL fund to be spent on district-wide infrastructure projects.

Reporting

29 The Council will publish an annual report (as part of its Authority Monitoring Report) on the operation of the levy over each financial year.¹⁰ This will include the following information:

- The amount of CIL monies that have been collected;
- How much of that money has been spent;
- Information on how CIL monies have been spent, including on which infrastructure projects, and how much has been used to cover administrative costs; and
- The amount of CIL retained at the end of the reporting year.

30 Parish/town councils who receive CIL monies will have a duty to report to the District Council annually on how they have used their local funds.

Monitoring and Review

31 The Council recognises the need to closely monitor the proposed CIL charges, given that changes in the property market, construction costs and changes in local or national policy over time can impact on development viability. Following the adoption of the CIL Charging Schedule, the Council intends to review the CIL every two years, if necessary, in response to significant changes in local development viability.

Further Information

32 For further information on the Hambleton Community Infrastructure Levy, please contact:

Technical Services Unit
Hambleton District Council
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Stone Cross
Northallerton
North Yorkshire
DL6 2UU

By tel: 01609 779977

by email: cil@hambleton.gov.uk

by web: www.hambleton.gov.uk/cil

⁹ Regulation 59E of the CIL (Amendment) Regulations 2013

¹⁰ As required by Regulation 62 of the CIL Regulations 2013 (as amended)

HAMBLETON DISTRICT COUNCIL COMMUNITY INFRASTRUCTURE LEVY (CIL) CHARGING SCHEDULE – WITH EFFECT FROM 7TH APRIL 2015

This Charging Schedule has been prepared in accordance with Part 11 of the Town and Country Planning Act 2008 and the Community Infrastructure Levy Regulations 2010 (as amended). It is supported by local evidence regarding infrastructure requirements and the impact of the levy on the viability of development, as set out in the background reports. These can be found on the Council's website as part of the CIL evidence base (www.hambleton.gov.uk/cil)

Levy Rates

The rates below will be charged against the gross internal floor area of:

- All new dwellings.
- All other built development (over 100 sq m in size).
- All net additional floor area of replacement development where it exceeds 100 sq m.

Development Uses	Levy Rate (per sqm)
Private Market Housing ¹¹ (excluding apartments) ¹²	£55
Retail Warehouses ¹³	£40
Supermarkets ¹⁴	£90
Public/Institutional Facilities as follows: education, health, community and emergency services	£0
Agricultural related developments*	£0
All Other Chargeable Development ¹⁵	£0

How the CIL charge will be calculated

In accordance with the Regulations, where applicable, the Council will issue a Liability Notice that states the chargeable amount on the granting of planning permission or as soon as possible after the grant of planning permission. The Council will calculate the amount of CIL chargeable using the formulae set out in the CIL Regulations (as amended).

Full details of the way in which CIL will be calculated, together with an overview of CIL and the full CIL Regulations can be found on the Government website:

<https://www.gov.uk/government/publications/community-infrastructure-levy-guidance-charges>

¹¹ Private market housing is defined as houses that are developed for sale or for private rent on the open market at full market value. As such, 'affordable housing' of any type is excluded from this definition.

¹² 'Apartments are separate and self-contained dwellings within the same building. They generally have shared access from the street and communal areas from which individual dwellings area accessed. Apartment buildings have dwellings on more than one floor and are subdivided horizontally by floor.

¹³ Retail warehouses are usually large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items and other ranges of goods. They can be stand-alone units but are also often developed as part of retail parks. In either case, they are usually located outside of existing town centres and cater mainly for car-borne customers. As such, they usually have large adjacent, dedicated surface parking.

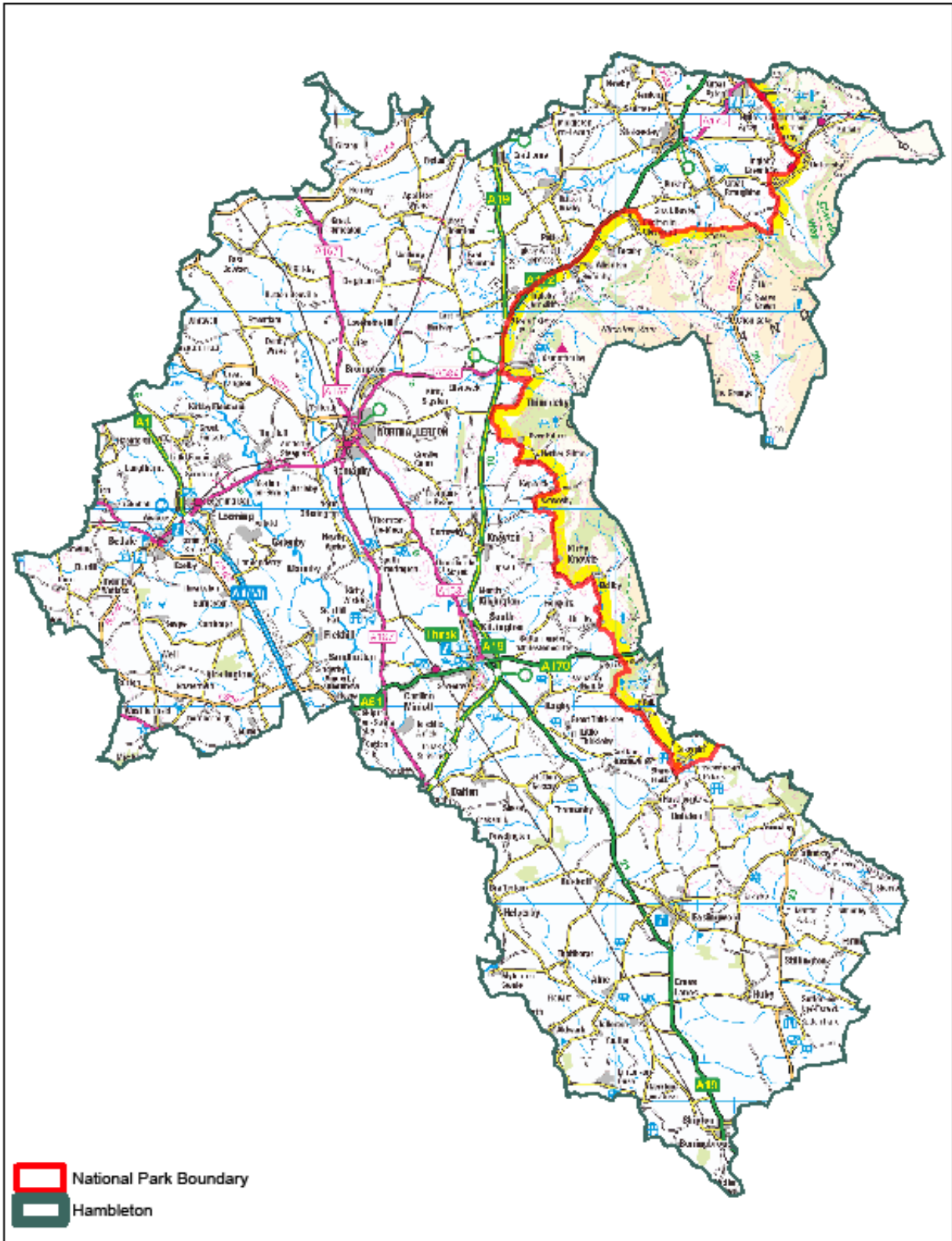
¹⁴ Supermarkets are large convenience-led stores where the majority of custom is from people doing their main weekly food shop. As such, they provide a very wide range of convenience goods, often along with some element of comparison goods. In addition to this, the key characteristics of the way a supermarket is used include:



- They are used for the sale of goods and will generally be above 500sq. m;
- The majority of customers will use a trolley to gather a large number of products;
- The majority of customers will access the store by car, using the large adjacent car parks provided; and
- Servicing is undertaken via a dedicated service area, rather than from the street.

¹⁵ This means all other chargeable development as identified in Regulations and Guidance – industrial, office etc.

* Agricultural related developments excludes agricultural workers dwellings. These are covered by the residential charge.

Hambleton CIL Charging Zone



-  National Park Boundary
-  Hambleton

HAMBLETON
DISTRICT COUNCIL

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