

# Huntingdonshire Community Infrastructure Levy - Draft Charging Schedule

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## 1 Introduction

- 1.1 This consultation document is Huntingdonshire District Council's "Draft Community Infrastructure Levy Charging Schedule". It is supported by appropriate information and evidence regarding the creation of a reasonable levy for the locality.
- 1.2 A Preliminary Draft Community Infrastructure Levy Charging Schedule was subject to 6 weeks consultation between 29 July and 9 September 2011. 134 responses were received from 39 consultees and, as a result, elements of the evidence base supporting the Draft Charging Schedule have been reviewed and consequent amendments incorporated into this draft.

### What is the Community Infrastructure Levy?

- 1.3 The Community Infrastructure Levy (CIL) allows local planning authorities to raise funds from developers towards the cost of the infrastructure that is or will be needed as a result of new development. It came into force on 6<sup>th</sup> April 2010.
- 1.4 The CIL is an amount payable per net additional m<sup>2</sup> of floorspace. The levy set is based on community infrastructure needs identified in the Huntingdonshire Local Investment Framework which formed part of the evidence base for the adopted Huntingdonshire Core Strategy. It is further supported by updated infrastructure modelling which takes other potential funding sources into account, and an analysis of the impact of any levy on the viability of development across the district.
- 1.5 Funds raised through the CIL will be used to help pay for a wide range of community infrastructure required to support the needs of sustainable developments in the District. It will not fund 100% of the costs of the infrastructure requirements and will therefore be one element in a range of funding opportunities that need to be used to ensure that community infrastructure is effectively delivered.

### Who will have to pay the CIL?

- 1.6 CIL will be charged on most new development. Liability to pay CIL arises when, on completion of the development, the gross internal area of new build on the relevant land is 100 square metres or above. The development of all new dwellings, even if it is less than 100m<sup>2</sup>, is liable to pay CIL. The levy is chargeable on the basis of a calculation related to pounds per square metre on the net additional floorspace.
- 1.7 CIL will not be charged on changes of use that do not involve new additional floorspace or on structures which people do not normally go into or do so only intermittently for the purpose of inspecting or maintaining fixed plant or machinery<sup>(1)</sup>. Affordable housing development and development by charities is exempt from charge.
- 1.8 Details on the Draft Charging Schedule levy rates can be found at Appendix One.

### What are the benefits of CIL?

- 1.9 Most development has some form of impact on the infrastructure needs of an area and, as such, it is fair that the development contributes towards the cost of the needs. Those needs could be physical, social and green / environmental infrastructure.
- 1.10 The CIL simplifies the process of developer contributions. Developer contributions will still be payable through negotiated Section 106 Agreements in line with the Developers Contributions SPD. Once a CIL Charging Schedule is formally adopted, the range of developer contributions payable through Section 106 Agreements will be significantly streamlined in the majority of cases.

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1 Regulation 6 Community Infrastructure Regulations 2010 (as amended)

# 1 Introduction

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- 1.11** The CIL is a fair, transparent and accountable levy which will be payable by the majority of new housing developments, whether 1 unit or 1000 units, and a range of other development types. The CIL gives developers a clear understanding of what financial contribution will be expected towards the delivery of community infrastructure needs, whilst providing the Local Planning Authority with a simple developer contributions process.

### What happens to Section 106?

- 1.12** The CIL is intended to provide infrastructure to support the development of an area rather than making an individual planning application acceptable in planning terms (which is the purpose of Section 106 Agreements). CIL does not fully replace Section 106 Agreements. On particular developments some site specific mitigation requirements may still need to be provided through a Section 106 Agreement in addition to the CIL levy.
- 1.13** However, the CIL Regulations have placed limitations on the use of planning obligations by:
- Putting three of the five policy tests on the use of planning obligations as set out in Circular 5/05 on a statutory basis for developments which are capable of being charged the Levy
  - Ensuring the local use of the CIL levy and planning obligations does not overlap
  - Limiting pooled contributions from planning obligations, from no more than five developments, towards infrastructure which may be funded by the Levy.
- 1.14** CIL will therefore become the main source of funding available through development management decisions. The provision of affordable housing lies outside of the remit of CIL and will continue to be secured through Section 106 Agreements.
- 1.15** Section 106 Agreements and planning conditions will also continue to be used for local infrastructure requirements on development sites, such as site specific local provision of open space, connection to utility services (as required by legislation), habitat protection, access roads and archaeology. The principle is that all eligible developments must pay towards CIL as well as any site specific requirement to be secured through Section 106 Agreements. Details on this can be found in the Developer Contributions SPD, which should be read in conjunction with this document.
- 1.16** **Large scale major developments**<sup>(2)</sup>, usually also necessitate the provision of their own development specific infrastructure, such as schools. These are dealt with more suitably through a Section 106 agreement, in addition to the CIL charge. It is important that the CIL Charging Schedule differentiates between these infrastructure projects to ensure no double counting takes place between calculating the district wide CIL rate for funding of infrastructure projects and determining Section 106 Agreements for funding other development site specific infrastructure projects.
- 1.17** The Local Planning Authority will not be able to charge individual developments for the same specific infrastructure project through both planning obligations and the Levy. An infrastructure project list will be published on the Huntingdonshire District Council website once a Charging Schedule has been adopted to show the infrastructure projects or types of infrastructure that it intends will be, or may be, wholly or in part funded by CIL<sup>(3)</sup>.

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2 DCLG Development Control PS 1/2 statistical definition 2007/8

3 Regulation 123 Community Infrastructure Levy Regulations 2010 (as amended)

## 2 Policy Background

**2.1** This section sets out the evidence the District Council has used to produce this Draft Charging Schedule. The core elements of this are the outline of infrastructure necessary to support development that will be funded through CIL and the viability assessments that have been carried out to identify the charge. Forthcoming planning reforms are likely to change the planning policy context, particularly through the introduction of a new National Planning Policy Framework (NPPF) and the enactment of the Decentralisation and Localism Bill.

**2.2** In setting a Community Infrastructure Levy rate, a Charging Authority must comply with both Regulation 14 of the Community Infrastructure Levy Regulations 2010 which states:

*14.—(1) In setting rates (including differential rates) in a charging schedule, a charging authority must aim to strike what appears to the charging authority to be an appropriate balance between—*

- a. the desirability of funding from CIL (in whole or in part) the actual and expected estimated total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding; and*
- b. the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.*

*(2) In setting rates in a charging schedule, a charging authority may also have regard to actual and expected administrative expenses in connection with CIL to the extent that those expenses can be funded from CIL in accordance with regulation 61.*

and Section 211 (2) and (4) from Part 11 of the Planning Act 2008:

*211. (2) A charging authority, in setting rates or other criteria, must have regard, to the extent and in the manner specified by CIL regulations, to—*

- a. actual and expected costs of infrastructure (whether by reference to lists prepared by virtue of section 216(5)(a) or otherwise);*
- b. matters specified by CIL regulations relating to the economic viability of development (which may include, in particular, actual or potential economic effects of planning permission or of the imposition of CIL);*
- c. other actual and expected sources of funding for infrastructure.*

*211. (4) The regulations may, in particular, permit or require charging authorities in setting rates or other criteria—*

- a. to have regard, to the extent and in the manner specified by the regulations, to actual or expected administrative expenses in connection with CIL;*
- b. to have regard, to the extent and in the manner specified by the regulations, to values used or documents produced for other statutory purposes;*
- c. to integrate the process, to the extent and in the manner specified by the regulations, with processes undertaken for other statutory purposes;*
- d. to produce charging schedules having effect in relation to specified periods (subject to revision).*

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- 2.3** The Charging Schedule levy rate should, therefore, strike a balance between the desirability for funding and the impact any levy may have on the economic viability of development across the whole development of Huntingdonshire.

#### Supporting Documents

- 2.4** Huntingdonshire District Council has considered a range of evidence and policy documents in reaching the conclusion set out in the Preliminary Draft Charging Schedule.
- 2.5** The **Huntingdonshire Core Strategy 2009** sets the strategic spatial planning framework for development in Huntingdonshire to 2026 and contains strategic policies to manage growth and guide new development in Huntingdonshire based on the Vision that:
- 2.6** *“In 2026 Huntingdonshire will have retained its distinct identity as a predominantly rural area with vibrant villages and market towns. Residents will be happier, healthier and more active and will enjoy an improved quality of life with improved access to a wider range of local jobs, housing, high quality services and facilities and green infrastructure.”*
- 2.7** Core Strategy Policy CS10 outlines contributions to infrastructure required by new developments.

#### Policy CS 10

##### Contributions to Infrastructure Requirements

Development proposals will be expected to provide or contribute towards the cost of providing appropriate infrastructure, and of meeting social and environmental requirements, where these are necessary to make the development acceptable in planning terms where this complies with the requirements set out in Circular 5/2005 or successor documents.

Contributions may also be required to meet the management and maintenance of services and facilities provided through an obligation where this complies with the requirements set out in Circular 5/2005. The appropriate range and level of contributions will be assessed in a comprehensive manner, taking into account strategic infrastructure requirements and using standard charges where appropriate. Standards and formulae for calculating contributions will be set out in separate Supplementary Planning Documents or Development Plan Documents. Where appropriate, the particular requirements of specific sites, including any additional or special requirements will be set out in other DPDs.

In order to prevent avoidance of contributions any requirement will be calculated on the complete developable area, rather than the area or number of homes/ floorspace of a proposal, where the proposal forms a sub-division of a larger developable area.

The nature and scale of any planning obligations sought will be related to the form of development and its potential impact upon the surrounding area. Where appropriate, any such provision will be required to be provided on site. Where this is not possible, a commuted payment is likely to be sought. In determining the nature and scale of any planning obligation, specific site conditions and other material considerations including viability, redevelopment of previously developed land or mitigation of contamination may be taken into account. The timing of provision of infrastructure and facilities will be carefully considered in order to ensure that appropriate provision is in place before development is occupied.

Contributions that may be required include the following:

- affordable and key worker housing;
- open space and recreation (including leisure and sports facilities);
- strategic green infrastructure and biodiversity enhancement/ mitigation;

- transport (including footpaths, bridleways, cycleways, highways, public transport, car parks and travel planning);
- community facilities (including meeting halls, youth activities, play facilities, library and information services, cultural facilities and places of worship);
- education, health and social care and community safety;
- utilities infrastructure and renewable energy;
- emergency and essential services;
- environmental improvements;
- drainage / flood prevention and protection;
- waste recycling facilities; and
- public art, heritage and archaeology.

Contributions will be calculated taking into account provisions of the Community Infrastructure Levy.

**2.8** The **Huntingdonshire Local Investment Framework (LIF) 2009** is a key supporting document to the Core Strategy and the development of the Charging Schedule. It identifies the physical, social and green infrastructure needs arising from the planned growth of Huntingdonshire to 2026 and the potential funding sources, including planning obligations and Community Infrastructure Levy that could viably be secured to help meet this need.

**2.9** The **Huntingdonshire Local Strategic Partnership Sustainable Community Strategy Vision 2008 – 2028** is that:

*“The Huntingdonshire Strategic Partnership is working together to achieve a long term vision for Huntingdonshire as a place where current and future generations have a good quality of life and can –*

- *make the most of opportunities that come from living in a growing and developing district;*
- *enjoy the benefits of continued economic success;*
- *access suitable homes, jobs, services, shops, culture and leisure opportunities;*
- *realise their full potential;*
- *maintain the special character of our market towns, villages and countryside; and*
- *live in an environment that is safe and protected from the effects of climate change and where valuable natural resources are used wisely.”*

**2.10** The **Cambridgeshire Horizons Integrated Development Plan** considers the goals set out in the East of England Plan and the Regional Economic Strategy and identifies and costs, where possible, project-level interventions needed to achieve them. These projects are sub-regional in scale and, as such, are strategic in nature, having greater than district-level impact.

**2.11** The **Cambridgeshire Local Investment Plan (CLIP)** provides the context for future strategic funding discussions with the Homes and Communities Agency (HCA). The objective of the CLIP is to address the need for investment across Cambridgeshire whilst encompassing the key objectives of the HCA by delivering sustainable growth and regeneration, and representing excellent value for money. It summarises the investment priorities identified by each district to achieve this goal.

**2.12** The **Greater Cambridge Greater Peterborough Local Enterprise Partnership** was established in 2010 and is based on the complementary functional economic areas of the cities of Cambridge and Peterborough, together with neighbouring market towns and communities. The LEP area covers Cambridgeshire, Peterborough City, Rutland, Cambridge, East Cambridgeshire, Fenland, Huntingdonshire and South Cambridgeshire Districts but beyond these administrative boundaries, the real economic geography extends into parts of North Hertfordshire, Uttlesford, St Edmundsbury and Forest Heath; South Holland and King's Lynn & West Norfolk. The LEP mission is to:

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*"lead our area's growth to 100,000 significant businesses and create 160,000 new jobs by 2025 in an internationally renowned low carbon, knowledge-based economy"*

**2.13** The LEP aims to ensure the delivery of:

- A doubling of GVA<sup>(4)</sup> over a twenty year period - from £30 billion to £60 billion annually
- Growth in number of significant businesses (as measured by Inter-Departmental Business Register) from 60,000 to 100,000 by 2025
- Creation of 160,000 net new jobs by 2025
- Delivery of 100,000 new homes over a 20 year period

### Setting the CIL rate

**2.14** The Local Investment Framework 2009 was the first piece of work undertaken to look at the potential for introducing a Community Infrastructure Levy across Huntingdonshire and utilised a single hectare development model to initially assess viability. At that time the viability assessment suggested a maximum viability rate for residential development at what equated to £217 per square metre and a maximum viability rate of £54 per square metre for commercial.

**2.15** Economic circumstances have changed since that work was undertaken, a new coalition government has come into power, the CIL Regulations 2010 and the CIL (Amendment) Regulations 2011 have come into force, and Parliament is considering the Decentralisation and Localism Bill which contain major potential planning reforms, including neighbourhood planning, and the CIL (Amendment) Regulations, linked to this Bill, are expected to come into force in 2012.

**2.16** A review of work undertaken to date was therefore required in order to progress towards a Charging Schedule for Huntingdonshire. The key evidence review has been:

- Huntingdonshire Market Report by Drivers Jonas Deloitte, August 2010
- Huntingdonshire District Council Viability Testing of Community Infrastructure Levy Charges by Drivers Jonas Deloitte, 2011
- Huntingdonshire Infrastructure Project Plan List, 2011

**2.17** The updated Project Plan List outlines the need for infrastructure from planned growth, taking into account current capacity, and identifies whether it will be funded by CIL, S106 obligations or other funding. The table below summarises this information, broken down into multi-areas, spatial planning areas (SPAs), key service centres (KSCs) and other area infrastructure needs, to show the total cost of the infrastructure required and the resulting funding gap, once known or potential other funding sources have been deducted.

**Table 1 Infrastructure Costs**

	Total Infrastructure Cost (£)	Assumed / potential funding deductions, inc development specific (£)	Funding Gap (£)
Multi-area infrastructure	1,662,607,000	1,615,199,000	47,408,000
Huntingdon SPA infrastructure	45,199,665	28,084,274	17,035,391

4 Gross Value Added (GVA) measures the contribution to the economy of each individual producer, industry or sector in the United Kingdom and is used in the estimation of Gross Domestic Product (GDP).



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	Total Infrastructure Cost (£)	Assumed / potential funding deductions, inc development specific (£)	Funding Gap (£)
Ramsey SPA infrastructure	11,566,807	7,522,500	4,044,307
St Ives SPA infrastructure	12,371,181	8,402,088	3,969,093
St Neots SPA infrastructure	87,945,185	45,633,309	42,311,876
Yaxley / Sawtry / Fenstanton KSCs	7,761,177	4,000,000	3,761,177
Other KSCs and small settlements	3,286,318	n/a	3,286,318
<b>TOTAL</b>	<b>1,830,657,333</b>	<b>1,708,841,171</b>	<b>121,816,162</b>

**2.18** Based on the residential trajectory of planned growth, excluding those which already have planning permission, 7582 dwellings could come forward between 2011 and 2026. Of these, a target of 40% affordable housing contributions would be sought, which are not liable to pay CIL, resulting in 4549 units potentially liable to pay CIL during the plan period. Taking an average house floorspace as 92 sq m, this would mean that the following amount would need to be charged per square metre in order to meet the funding gap:

**Table 2 Maximum CIL level**

Charge per unit	= £121,816,162 / 4549 = £26,778
Charge per square metre	= £26,778 / 92 = £291
NB: This is for indicative purpose only and only considers residential development.	

**2.19** However, Regulation 14 of Community Infrastructure Regulations 2010 requires a charging authority to:

*aim to strike what appears to the charging authority to be an appropriate balance between—*

*(a) the desirability of funding from CIL (in whole or in part) the actual and expected estimated total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding; and*

*(b) the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.*

**2.20** In order to achieve this, the Council commissioned Drivers Jonas Deloitte to carry out an update into current market conditions and undertake a range of viability assessments, as noted in paragraph 2.16. This began by undertaking simple assessments using a single hectare development model to assess generic viability at varying levels of CIL followed by more specific site scenario appraisals. The outcome of this work has been to propose a number of CIL use charges applicable to the one geographical zone covering the whole of Huntingdonshire. In setting these levels, consideration has been given to development

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specific infrastructure needs, including affordable housing provision, through S106 obligations and the need not to set the levy to the highest feasible level. In doing so, it is important to note that the Levy is not the only form of funding infrastructure and should dovetail with, and not duplicate, other mechanisms by which contributions towards infrastructure are made by developers.

- 2.21** The aforementioned work along with the evidence of the adopted Core Strategy 2009 has helped to establish a new Community Infrastructure Levy being proposed in the Draft Charging Schedule.

#### Reviewing the Infrastructure projects suitable for CIL

- 2.22** The Huntingdonshire Local Investment Framework – the infrastructure development plan supporting the Huntingdonshire Core Strategy – was adopted in 2009. It provides a full breakdown of the infrastructure needs of the district based on the projected growth outlined in the Core Strategy, namely from 2001 to 2026, a total of at least 14000 homes will be provided in Huntingdonshire with about 85ha of new land for employment in order to contribute to the creation of at least 13,000 jobs.

- 2.23** The LIF looked at a range of infrastructure types. However, development progress has moved on and been affected by an economic recession. There has also been a change in government and the CIL Regulations 2010 have gained Royal Assent and one phase of amendments have come into force with a second phase anticipated by April 2012.

- 2.24** A review of the list of infrastructure needs identified in the Local Investment Framework has therefore been undertaken. This has been undertaken with key partners and infrastructure providers specifically considering potential CIL funded projects, as set out in para 16 of the DCLG Community Infrastructure Levy Guidance 2010. The revised list has taken into account:

- reviewed housing trajectory
- current alternative funding availability
- CIL infrastructure projects excluding large scale major site-specific projects, as noted below.

- 2.25** It is important to remember that whilst CIL will have the potential to raise significant funding for local infrastructure needs, it should be recognised as one of a range of funding options that can be utilised in the delivery of infrastructure.

- 2.26** In reviewing the infrastructure list, further work has been undertaken to consider large scale major developments<sup>(5)</sup>, those of 200 residential units or more, in more detail. This is for a number of reasons, as outlined in the Viability Testing of Community Infrastructure Levy Charges, undertaken by Drivers Jonas Deloitte on behalf of Huntingdonshire District Council. Primarily, such sites usually necessitate the provision of their own development specific infrastructure, such as schools, which are dealt with more suitably through a Section106 agreement, in addition to the CIL charge. It is important that the CIL Charging Schedule differentiates between these infrastructure projects to ensure no double counting takes place between calculating the district wide CIL rate for funding of infrastructure projects and determining Section 106 Agreements for funding other on-site specific infrastructure projects.

- 2.27** The large scale major developments identified so far are:

- St Neots Eastern Expansion (development site to East of the East Coast mainline railway) as defined in approved Urban Design Framework
- St Ives West (as defined in the emerging Urban Design Framework)
- Huntingdon West (as defined in the Area Action Plan)
- RAF Brampton (as defined in the emerging Urban Design Framework)
- Bearscroft Farm, Godmanchester (as defined in the SHLAA)
- Ermine Street (Northbridge), Huntingdon (as defined in the SHLAA)

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5 DCLG Development Control PS 1/2 statistical definition 2007/8

# Policy Background 2

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- 2.28** In line with Policy CS10 of the Core Strategy, to prevent avoidance of contributions any requirement will be calculated on the complete developable area, rather than the area or number of homes/ floorspace of a proposal, where the proposal forms a sub-division of a larger developable area, such as an identified large scale major development.
- 2.29** It is advisable for each large scale major development to come forward in its entirety at outline application stage in order for the scheme as a whole to be considered. Outline applications will need to agree phases of development in order for each phase to be considered as a separate development and enable CIL to be levied per agreed phase.<sup>(6)</sup>
- 2.30** This is not an exhaustive list and may change in time, should new large scale major<sup>(7)</sup> developments come forward.
- 2.31** Taking into account the above, the revised infrastructure list now looks at the infrastructure areas as identified in the LIF but has excluded certain categories including certain development specific infrastructure on large scale major developments to be secured by S106 obligations and items required by condition. The table below outlines the infrastructure funding split from the project list in order to ensure that no double counting takes place. It should be noted that this is not a definitive list of infrastructure types.

<b>CIL funded infrastructure type</b>	<b>Development Specific (Non- CIL funded) infrastructure</b>
Roads and other transport facilities	Local site-related road / transport requirements
Schools and other educational facilities	Large scale major <sup>(8)</sup> development specific school provision
Health facilities	Large scale major <sup>(9)</sup> development specific health provision
Sport and recreational facilities	Large scale major <sup>(10)</sup> development specific sport and recreational facilities
Green infrastructure open spaces / facilities	Development specific provision of informal and formal green space land requirements
Social infrastructure	Large scale major <sup>(11)</sup> development specific library provision and community facilities
Economic regeneration	Local site-related economic inclusion requirements
Emergency services	Large scale major <sup>(12)</sup> development specific police provision
Utilities	Local site-related utility requirements
Flood defences	Local site-related flood risk solutions requirements

- 2.32** Further information on this and the project list can be found at Appendix 2: 'Infrastructure Needs'.

6 Regulations 8 - 9 Community Infrastructure Regulations 2010 (as amended.)

7 DCLG Development Control PS 1/2 statistical definition 2007/8

8 DCLG Development Control PS 1/2 statistical definition 2007/8

9 DCLG Development Control PS 1/2 statistical definition 2007/8

10 DCLG Development Control PS1/2 statistical definition 2007/8

11 DCLG Development Control PS 1/2 statistical definition 2007/8

12 DCLG Development Control PS 1/2 statistical definition 2007/8

# 3 Implementing the Charging Schedule

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## 3 Implementing the Charging Schedule

**3.1** A chargeable development, one for which planning permission is granted, that is liable to pay CIL covers all new developments<sup>(13)</sup>.

### Exemptions/ Relief to Pay CIL

**3.2** A number of new developments are not required to pay CIL for a number of reasons.

- If the gross internal area of **new build is less than 100 square metres**, and does not comprise of one or more dwellings, then liability to pay CIL does not arise<sup>(14)</sup>.
- If the owner of a material interest in the relevant development land is a **charitable institution**, it is exempt from liability to pay CIL subject to conditions<sup>(15)</sup>.
- If there is discretionary charitable relief to do so, discretionary charitable relief from liability to pay CIL may be given for a development that is held by a **charitable institution as an investment** from which the profits will be applied for charitable purposes subject to conditions<sup>(16)</sup>.
- If the chargeable development comprises or is to comprise qualifying **social housing** (in whole or in part), it is eligible for relief from liability to pay CIL subject to conditions<sup>(17)</sup>.
- If there are **exceptional circumstances** for doing so, relief (“relief for exceptional circumstances”) from liability to pay CIL may be given subject to conditions<sup>(18)</sup> – see section below.
- If the development only concerns a **change of use** and no additional new floorspace then it will not be liable to pay CIL, although it could be liable to S106 Developer Contributions.
- If the new development is for a **building into which people do not normally go** or into which people go only intermittently for the purpose of inspecting or maintaining fixed plant or machinery, it is not liable to pay CIL, although it could be liable to S106 Developer Contributions<sup>(19)</sup>.

### Discretionary Relief for Exceptional Circumstances

**3.3** Regulation 55 of the Community Infrastructure Regulations 2010 (as amended) permit a charging authority to:

*grant relief (“relief for exceptional circumstances”) from liability to pay CIL in respect of a chargeable development (D) if—*

- it appears to the charging authority that there are exceptional circumstances which justify doing so; and*
- the charging authority considers it expedient to do so.*

**3.4** The above may only happen if a planning obligation of greater value than the chargeable amount has been entered into in respect of the planning permission which permits the chargeable development and the charging authority considers that payment of the levy would have an unacceptable impact on the economic viability of the development<sup>(20)</sup>  
**Broken link - possible circular reference**<sup>(21)</sup>

13 Regulation 9 CIL Regulations 2010 (as amended)

14 Regulation 42 CIL Regulations (as amended)

15 Regulation 43 CIL Regulations 2010 (as amended)

16 Regulation 44 CIL Regulations 2010 (as amended)

17 Regulation 49 CIL Regulations 2010 (as amended)

18 Regulation 55 CIL Regulations 2010 (as amended)

19 Regulation 6 CIL Regulations 2010 (as amended)

20 Regulations 55 – 57. Community Infrastructure Regulations 2010 (as amended)

21 DCLG Community Infrastructure Levy Relief Information Document, May 2011

# Implementing the Charging Schedule 3

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- 3.5** It is the intention of Huntingdonshire District Council to offer such relief. A statement confirming this will be issued once the Charging Schedule has been adopted, in compliance with Regulation 56. It should be noted that the Council has undertaken viability assessments to carefully consider the level at which the proposed CIL charges have been set, taking into account the provision of affordable housing at 40% and development specific S106 obligations. In view of this, the consideration for relief will be rare and any relief given must be done in accordance with the procedure stated above and state aid rules.

### Calculating the Chargeable Amount

- 3.6** 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<sup>(22)</sup>. This states:

1. *The collecting authority must calculate the amount of CIL payable (“chargeable amount”) in respect of a chargeable development in accordance with this regulation.*
2. *The chargeable amount is an amount equal to the aggregate of the amounts of CIL chargeable at each of the relevant rates.*
3. *But where that amount is less than £50 the chargeable amount is deemed to be zero.*
4. *The relevant rates are the rates at which CIL is chargeable in respect of the chargeable development taken from the charging schedules which are in effect—*
  - a. *at the time planning permission first permits the chargeable development; and*
  - b. *in the area in which the chargeable development will be situated.*
5. *The amount of CIL chargeable at a given relevant rate (R) must be calculated by applying the following formula—*

$$\frac{R \times A \times I_p}{I_c}$$

$I_c$

where—

$A$  = the deemed net area chargeable at rate  $R$ ;

$I_p$  = the index figure for the year in which planning permission was granted; and for the year in which planning permission was granted; and

$I_c$  = the index figure for the year in which the charging schedule containing rate  $R$  took effect.

6. *The value of  $A$  in paragraph (5) must be calculated by applying the following formula—*

$$\frac{C_r \times (C - E)}{C}$$

$C$

where—

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22 As amended by the Community Infrastructure Levy (Amendment) Regulations 2011

# 3 Implementing the Charging Schedule

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$C_R$  = the gross internal area of the part of the chargeable development chargeable at rate  $R$ , less an amount equal to the aggregate of the gross internal area of all buildings (excluding any new build) on completion of the chargeable development which –

- a. on the day planning permission first permits the chargeable development, are situated on the relevant land and in lawful use:
- b. will be part of the chargeable development upon completion: and
- c. will be chargeable at rate  $R$ .

$C$  = the gross internal area of the chargeable development; and

$E$  = an amount equal to the aggregate of the gross internal areas of all buildings which –

- a. on the day planning permission first permits the chargeable development, are situated on the relevant land and in lawful use; and
- b. are to be demolished before completion of the chargeable development.

### Collection of the Levy

**3.7** A notice of liability will be issued by Huntingdonshire District Council as soon as practicable after the day on which a planning permission first permits development stating the chargeable amount in relation to the development. The responsibility to pay the levy runs with the ownership of land on which the liable development will be situated and is a local land charge.

**3.8** Payment of the levy is due from the date the chargeable development commences. A commencement notice must be submitted to Huntingdonshire District Council no later than the day before the day on which the chargeable development is to be commenced. Regulation 69B of the amended Community Infrastructure Regulations permits a charging authority to allow persons liable to pay CIL to do so by instalments following the publication of an instalment policy. Huntingdonshire District Council will publish an instalment policy at the point of adoption of the Charging Schedule. However the time permitted for payment will be no less than as stated in the former Regulation 70 of the Community Infrastructure Regulations 2010 i.e. as follows:

2. Where the chargeable amount is equal to or greater than £40,000, payment of the amount of CIL payable in respect of  $D$  ( $A$ ) is due in four equal instalments at the end of the periods of 60, 120, 180 and 240 days beginning with the intended commencement date of  $D$ .<sup>(23)</sup> ( $A$ ) is due in four equal instalments at the end of the periods of 60, 120, 180 and 240 days beginning with the intended commencement date of  $D$ .
3. Where the chargeable amount is equal to or greater than £20,000 and less than £40,000, payment of  $A$  is due in three equal instalments at the end of the periods of 60, 120 and 180 days beginning with the intended commencement date of  $D$ .
4. Where the chargeable amount is equal to or greater than £10,000 and less than £20,000, payment of  $A$  is due in two equal instalments at the end of the periods of 60 and 120 days beginning with the intended commencement date of  $D$ .
5. Where the chargeable amount is less than £10,000, payment of  $A$  is due in full at the end of the period of 60 days beginning with the intended commencement date of  $D$ .

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23 Where  $D$  is the chargeable development

# Implementing the Charging Schedule 3

## Huntingdonshire Community Infrastructure Levy - Draft Charging Schedule

- 3.9** For developments where the outline planning permission permits development to be implemented in phases, planning permission first permits a phase of the development on the day of the final approval of the last reserved matter associated with that phase (Regulation 8 Community Infrastructure Regulations 2010). As such, each phase can be considered as a separate development and CIL will be levied per agreed phase rather than the site in its entirety.
- 3.10** Developments granted planning permission by way of a general consent will first be required to submit a notice of chargeable development prior to commencement of development (Regulations 5, 8 and 64 Community Infrastructure Regulations 2010).
- 3.11** From commencement of development, a demand notice will be issued by Huntingdonshire District Council to the liable person/s requesting payment of the levy amount.

### Spending of the CIL Levy

- 3.12** CIL resources will be spent on the infrastructure needed to support the new development across Huntingdonshire. It will fund new infrastructure and will not be used to fund the provision of any deficit in provision unless this is necessary to meet the need of the new development. The levy can also be used to expand, repair or refurbish existing infrastructure where necessary for new development. In addition, it may, in the future, be spent on the ongoing costs of providing infrastructure; and could consider funding maintenance, operational and promotional activities.
- 3.13** The Government intends to require charging authorities to allocate a 'meaningful proportion' of levy receipts back to the neighbourhood in which the development has taken place. This will enable the local community to decide on what infrastructure priorities they have, whether in their locality or covering a wider geography, and take control to address them. Huntingdonshire District Council will provide a proportion of the CIL monies to local neighbourhoods from the adoption of their Charging Schedule, whether the Localism Bill and Amendment of CIL Regulations (II) have gone through all necessary parliamentary processes or not by that time. The level of funding has yet to be determined.
- 3.14** As required<sup>(24)</sup>, Huntingdonshire District Council will publish on its [website](#) a list of infrastructure projects or types of infrastructure that it intends will be, or may be, wholly or partly funded by CIL.
- 3.15** The collection and subsequent expenditure of any levy contributions received from developers will be carefully monitored so that the handling of CIL monies is managed in a transparent and accountable way.
- 3.16** The District Council will:
- maintain an ongoing overview of progress with the implementation of community infrastructure levy and site specific infrastructure projects. A clear focus for liaising between the various District Council Service Areas, partner Authorities and other delivery agencies which are responsible for ensuring particular projects are completed satisfactorily will be provided.
  - maintain a Developer Contributions Database to record progress with all CIL contributions and Section 106 Agreements, and enable the correct procedures to be followed and notices issued as projects move forward.
  - prepare a comprehensive Developer Contributions Annual Monitoring Report which will be published on the District Council's website<sup>(25)</sup>.
- 3.17** It is anticipated that in the future, through an agreed process working with the Huntingdonshire Strategic Partnership, the Greater Cambridge Greater Peterborough Local Enterprise Partnership and Town/Parish Councils, an Annual Business Plan outlining the coming years future infrastructure priorities will be

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24 Community Infrastructure Regulations 2010, Regulation 123

25 Regulation 62 Community Infrastructure Regulations 2010 (as amended)

# 3 Implementing the Charging Schedule

Huntingdonshire Community Infrastructure Levy - Draft Charging Schedule

produced. This would work with a range of other agendas and plans including Neighbourhood Plans / Development Orders as they come forward, Homes & Communities Agency Local Investment Plan, Enterprise Zones and Business Improvement Districts.



## 4 Next Steps

### Future Timetable

- 4.1 Following this consultation of the Huntingdonshire Draft Charging Schedule, all responses will be considered along with any further information in order for the District Council to decide whether any additional changes are required. If it is deemed appropriate for further changes then a schedule of changes will be published <sup>(26)</sup> prior to the Charging Schedule being submitted for examination.
- 4.2 After an Examination in Public has taken place, the CIL examiner will issue a report, which will recommend that the charging schedule should be approved, rejected, or approved with modifications. If he or she considers the CIL charging schedule acceptable, the District Council must then formally adopt the charging schedule in order for it to come into effect.
- 4.3 The table below outlines the time frame for the future steps in this process through to adoption by Huntingdonshire District Council.

Timescale <sup>(1)</sup>	
November / December 2011	Consultation on the Draft Charging Schedule for 4 weeks
February 2012	Examination in Public held
April 2012	Inspector's Report
April / May 2012	Adoption of Charging Schedule

- 1. subject to change

26 Regulation 19 Community Infrastructure Regulations 2010(as amended)

# Appendix 1: Draft Charging Schedule

Huntingdonshire Community Infrastructure Levy - Draft Charging Schedule

## Appendix 1: Draft Charging Schedule

1.1 This is the Draft Charging Schedule for Huntingdonshire and has been prepared in accordance with:

- Part 11, Planning Act 2008
- Community Infrastructure Levy Regulations 2010
- Community Infrastructure Levy (Amendment) Regulations 2011
- Community Infrastructure Levy Guidance: Charge setting and charging schedule procedures
- Planning Policy Statement 12: Creating strong safe and prosperous communities through Local Spatial Planning

1.2 Huntingdonshire District Council, as the local Planning Authority, is the Charging Authority and will also be the Collecting Authority.

### Liability to Pay CIL

1.3 A chargeable development, one for which planning permission is granted, that is liable to pay CIL covers all new developments<sup>(27)</sup>.

### The CIL Rate

1.4 The charge detailed below will be levied on most new building developments that people would normally use. It is chargeable in pounds per square metre on the net additional floorspace **if** that floorspace is more than 100m<sup>2</sup>. However, if the development involves the creation of a new dwelling, even if it is less than 100m<sup>2</sup>, it is still liable to pay CIL.

1.5 Huntingdonshire District Council proposes to set a standard rate across the district of £100 per square metre for all development types unless specifically stated otherwise, based on the viability work undertaken – see Appendix 3: 'Assessment of Viability'.

Proposed Charge for development types	CIL rate (per square metre)
All development types unless stated otherwise in this table	£85 (standard rate)
Retail 500 sq m or less (A1/ A2/ A3/ A4/ A5)	£40
Retail > 500 sq m (A1/ A2/ A3/ A4/ A5)	£100
Hotel (C1)	£60
Nursing Home (C2)	£45
Health (D1)	£140
Business (B1), General Industrial, Storage & Distribution (B2 and B8), Community Uses (within D1 and D2) and Agricultural	£0

1.6 The rate shown shall be updated annually for inflation in accordance with the Building Cost Information Service (BCIS) of the Royal Institute of Chartered Surveyors "All In Tender Price Index".

27 Regulation 9 CIL Regulations 2010 (as amended)

# Draft Charging Schedule Appendix 1:

Huntingdonshire Community Infrastructure Levy - Draft Charging Schedule

- 1.7** Site specific contributions may also be required through a Section 106 agreement or as part of the Conditions attributed to a planning consent. Details on this can be found in the Draft Developer Contributions SPD, which, following a statutory consultation process at the same time as the Preliminary Draft Charging Schedule, is due to be considered for adoption in December 2011.

## **CIL Geographical Zone**

- 1.8** The proposed levy rates will apply uniformly to all land uses across the whole geographic extent of the district of Huntingdonshire.

# Appendix 2: Infrastructure Needs

Huntingdonshire Community Infrastructure Levy - Draft Charging Schedule

## Appendix 2: Infrastructure Needs

**2.1** In preparing the Draft Charging Schedule, the necessary infrastructure, phasing and cost needs to be ascertained. This is not a definitive list but an indication of the likely infrastructure required by new development, taking account of any current surpluses – this is in line with CLG Community Infrastructure Guidance, March 2010.

**2.2** Under Section 216 of the Planning Act 2008, infrastructure includes:

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

**2.3** It is important to note that the wording used in the act is ‘includes’ and, as such, this is not an exhaustive list. Regulation 63 of the Community Infrastructure Regulation 2010 has amended this listing to exclude affordable housing.

**2.4** The infrastructure considered within Huntingdonshire is shown in the following table.

<b>CIL funded infrastructure type</b>	<b>Development Specific (Non- CIL funded) infrastructure</b>
Roads and other transport facilities	Local site-related road / transport requirements
Schools and other educational facilities	Large scale major <sup>(28)</sup> development specific school provision
Health facilities	Large scale major <sup>(29)</sup> development specific health provision
Sport and recreational facilities	Large scale major <sup>(30)</sup> development specific sport and recreational facilities
Green infrastructure open spaces / facilities	Development specific provision of informal and formal green space land requirements
Social infrastructure	Large scale major <sup>(31)</sup> development specific library provision and community facilities
Economic regeneration	Local site-related economic inclusion requirements
Emergency services	Large scale major <sup>(32)</sup> development specific police provision
Utilities	Local site-related utility requirements

28 DCLG Development Control PS 1/2 statistical definition 2007/8

29 DCLG Development Control PS 1/2 statistical definition 2007/8

30 DCLG Development Control PS1/2 statistical definition 2007/8

31 DCLG Development Control PS 1/2 statistical definition 2007/8

32 DCLG Development Control PS 1/2 statistical definition 2007/8

# Infrastructure Needs Appendix 2:

Huntingdonshire Community Infrastructure Levy - Draft Charging Schedule

CIL funded infrastructure type	Development Specific (Non- CIL funded) infrastructure
Flood defences	Local site-related flood risk solutions requirements

## Infrastructure Projects

- 2.5** The Infrastructure plan projects required due to the planned growth across Huntingdonshire up to 2026 have been assessed and costed, as required by Planning Policy Statement: Creating strong safe and prosperous communities through Local Spatial Planning. The phasing of development, potential other funding sources and responsibilities for delivery have also been considered. The list is not an exhaustive list and can change at any time.
- 2.6** Full details on the project list can be accessed on the Council's [website](#).

# Appendix 3: Assessment of Viability

Huntingdonshire Community Infrastructure Levy - Draft Charging Schedule

## Appendix 3: Assessment of Viability

**3.1** In deciding the rate of CIL, a Charging Authority is required to have regard to the economic viability of the area. Regulation 14 Community Infrastructure Regulations 2010 (as amended) states:

*14.—(1) In setting rates (including differential rates) in a charging schedule, a charging authority must aim to strike what appears to the charging authority to be an appropriate balance between—*

- a. the desirability of funding from CIL (in whole or in part) the actual and expected estimated total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding; and*
- b. the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.*

**3.2** The Local Investment Framework included viability assessments on the area. However, the market has seen considerable changes in the last 18 months and Huntingdonshire District Council commissioned Drivers Jonas Deloitte to undertake a market review update and further viability assessments, taking into account the change in market conditions and the change in the affordable housing landscape and availability of grant funding support.

**3.3** The market review was undertaken in August 2010 and highlights the current position regarding the residential, employment and retail markets in Huntingdonshire following the global recession. The full document outlining the affect this has had on housing supply, market prices and incentives and residential land values can be accessed in the Huntingdonshire Market Report by Drivers Jonas Deloitte, August 2010.

**3.4** The global recession and a range of legislative changes has also necessitated an update of viability assessments. These were undertaken by Drivers Jonas Deloitte on behalf of Huntingdonshire District Council and completed in May 2011.

**3.5** The viability work has taken into account the findings of the Market Report and outlines the methodology used to assess the viability of residential and commercial development in Huntingdonshire to inform the setting of the levy in the Draft Charging Schedule. In assessing the viability, the payment periods as noted in Regulation 70 of the Community Infrastructure Regulations 2010 were used namely that:

*(2) Where the chargeable amount is equal to or greater than £40,000, payment of the amount of CIL payable in respect of D (A) is due in four equal instalments at the end of the periods of 60, 120, 180 and 240 days beginning with the intended commencement date of D.<sup>(33)</sup> (A) is due in four equal instalments at the end of the periods of 60, 120, 180 and 240 days beginning with the intended commencement date of D.*

*(3) Where the chargeable amount is equal to or greater than £20,000 and less than £40,000, payment of A is due in three equal instalments at the end of the periods of 60, 120 and 180 days beginning with the intended commencement date of D.*

*(4) Where the chargeable amount is equal to or greater than £10,000 and less than £20,000, payment of A is due in two equal instalments at the end of the periods of 60 and 120 days beginning with the intended commencement date of D.*

*(5) Where the chargeable amount is less than £10,000, payment of A is due in full at the end of the period of 60 days beginning with the intended commencement date of D.*

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33 Where D is the chargeable development

# Assessment of Viability Appendix 3:

## Huntingdonshire Community Infrastructure Levy - Draft Charging Schedule

- 3.6** Regulation 69B Community Infrastructure Levy Amendment Regulations 2011 permit a charging authority to allow persons liable to pay CIL to do so by instalments following the publication of an instalment policy. Huntingdonshire District Council will publish an instalment policy at the point of adoption of the Charging Schedule. The time permitted for payment will be no less than as stated in the former Regulation 70 of the Community Infrastructure Regulations 2010 as noted above and so will either have no bearing on viability to that shown or could improve it, all other matters being equal.
- 3.7** Following the consultation on the Preliminary Draft Charging Schedule, further testing and research has been undertaken. Full details can be found on the Council's [website](#).

# Glossary

Huntingdonshire Community Infrastructure Levy - Draft Charging Schedule

## Glossary

### **Adoption**

The point at which the final agreed version of a document comes fully into use.

### **Affordable Housing**

Housing available at a significant discount below market levels so as to be affordable to householders who cannot either rent or purchase property that meets their needs on the open market. It can include social-rented housing and intermediate housing. It is defined in Planning Policy Statement 3: 'Housing'.

### **Annual Monitoring Report (AMR)**

Document produced each year to report on progress in producing the Local Development Framework and implementing its policies.

### **Community Infrastructure**

Facilities available for use by the community that could provide for a range of social, economic and environmental infrastructure needs.

### **Core Strategy**

The main document in the Local Development Framework. It is a Development Plan Document containing the overall vision, objectives, strategy and key policies for managing development in Huntingdonshire.

### **Development Plan**

The documents which together provide the main point of reference when considering planning proposals as defined in legislation.

### **Development Plan Documents**

A document containing local planning policies or proposals which form part of the Development Plan, which has been subject to independent examination.

### **Examination**

Independent inquiry into the soundness of a draft Development Plan Document chaired by an Inspector appointed by the Secretary of State, whose recommendations are binding.

### **Infrastructure**

A collective term for services such as roads, electricity, sewerage, water, education and health facilities.

### **Large Scale Major Development**

A development comprising of a:

- residential development of 200 or more dwellings or ,where the residential units is not given, a site area of 4 hectares or more, or
- any other development where the floor space to be built is 10,000 sq m or more or where the site is 2 hectares or more

as per the DCLG Development Control PS 1/2 statistical definition 2007/8.

### **Local Development Framework (LDF)**

The collective term for the group of documents including Local Development Documents, the Local Development Scheme and Annual Monitoring Reports.

### **Mitigation measures**

These are measures requested/ carried out in order to limit the damage by a particular development/ activity.

### **Open Space and Recreational Land**



Open space within settlements includes parks, village greens, play areas, sports pitches, undeveloped plots, semi-natural areas and substantial private gardens. Outside built-up areas this includes parks, sports pitches and allotments.

### **Planning Obligation**

Obligation (either an agreement or unilateral undertaking) under Section 106 of the Town and Country Planning Act 1990 (as amended).

### **Regional Spatial Strategies (RSS)**

Plan covering the East of England as a whole, and setting out strategic policies and proposals for managing land-use change (NB. Likely to be abolished as part of emerging planning reforms).

### **Spatial Planning**

Spatial planning goes beyond traditional land use planning. It brings together and integrates policies for the development and use of land with other policies and programmes which influence the nature of places and how they function. This will include policies which can impact on land use, for example, by influencing the demands on or needs for development, but which are not capable of being delivered solely or mainly through the granting of planning permission and may be delivered through other means.

### **Submission**

Point at which a draft Development Plan Document (or the draft Statement of Community Involvement) is submitted to the Secretary of State for examination.

### **Supplementary Planning Documents**

Provides additional guidance on the interpretation or application of policies and proposals in a Development Plan Document.

### **Sustainable Development**

In broad terms this means development that meets the needs of the present without compromising the ability of future generations to meet their own needs. The Government has set out five guiding principles for sustainable development in its strategy "Securing the future - UK Government strategy for sustainable development". The five guiding principles, to be achieved simultaneously, are: Living within environmental limits; Ensuring a strong healthy and just society; Achieving a sustainable economy; Promoting good governance; and Using sound science responsibly.

### **Unilateral Undertaking**

Where a planning obligation is required to secure a financial contribution, instead of agreeing obligations through the standard process of negotiation and agreement between the Council and the developer, developers may provide a Unilateral Undertaking. This is a document that contains covenants given by the developer and enforceable by the Council, but with no reciprocal covenants given by the Council. The Council will only rely on such a Unilateral Undertaking to secure a financial contribution if its provisions are acceptable to the Council. The provider of the undertaking will have to submit evidence of legal title to the application site with the undertaking and will be responsible for the Council's legal costs in checking the suitability and acceptability of the undertaking.

### **Use Class Order**

Planning regulations outlining a schedule of uses to which a given premises or building can be put. Some changes of use require planning permission.

### **Vitality and Viability**

In terms of retailing, vitality is the capacity of a centre to grow or to develop its level of commercial activity. Viability is the capacity of a centre to achieve the commercial success necessary to sustain the existence of the centre.