

**HUNTINGDONSHIRE COMMUNITY INFRASTRUCTURE LEVY
DRAFT CHARGING SCHEDULE**

(Report by Head of Planning Services)

1. INTRODUCTION

- 1.1 The purpose of this report is to update Cabinet on the outcomes of the recent consultation on the 'Huntingdonshire Community Infrastructure Levy - Preliminary Draft Levy Charging Schedule' and, subject to the views of the Overview and Scrutiny Panel (Environmental Wellbeing), to recommend that Cabinet approves the amended 'Draft Charging Schedule' for a statutory four week consultation in November / December 2011.

2. BACKGROUND

- 2.1 The 'Huntingdonshire Community Infrastructure Levy - Preliminary Draft Charging Schedule' sets out the Council's framework for justifying the introduction of a new Community Infrastructure Levy (CIL) that will be charged on most new development across the District. The CIL is a mechanism, introduced by Government in 2010, to allow local planning authorities to raise funds from development to pay for the infrastructure that is, or will be, needed as a result of new development.
- 2.2 The CIL is based on identified community infrastructure needs, and is payable per net additional square metre of floorspace. Affordable housing development, development by charities and a limited range of minor ancillary development is exempt from CIL. Domestic household extensions up to 100 square metres of net additional floorspace are not liable for CIL. All other development is liable for CIL which is charged on a scale of rates based on viability testing. The outcome of the viability testing means that some types of new development, such as new business space, are subject to a nil charge, whilst other types of new development, including all new dwellings (houses and flats), are subject to a viability tested charge. The proposed charges for the 'Draft Charging Schedule' are set out section 3 of this report.
- 2.3 The CIL 'Draft Charging Schedule' is complementary to the 'Developer Contributions Supplementary Planning Document' (SPD) which was subject to a consultation at the same time as the CIL 'Preliminary Draft Charging Schedule'. The adoption of the SPD is to be considered by Cabinet in December 2011. The SPD will come into operation when it is adopted, and the SPD and the CIL will operate together when the CIL is adopted. It is envisaged that the CIL 'Draft Charging Schedule' will be subject to an Examination in Public, followed by adoption by Spring 2012. The next steps for the CIL are set out in section 4 of this report.

3. CONSULTATION OUTCOMES

- 3.1 The CIL 'Preliminary Draft Charging Schedule' was subject to a widespread public consultation for a 6 week period between 25th July 2011 and 9th September 2011. The proposed CIL rates set out in the CIL 'Preliminary Draft Charging Schedule' were as follows:

CIL PRELIMINARY DRAFT CHARGING SCHEDULE Proposed charge for development types	CIL RATE per sq metre
All development types unless stated otherwise in this table (standard rate - which includes all new dwellings)	£100
Retail < 1,000 sq m (A1/A2/A3/A4/A5)	£50
Retail = 1,000 sq m or above (A1/A2/A3/A4/A5)	£140
Hotel (C1)	£60
Nursing Home (C2)	£45
Health (D1)	£140
Business (B1), General Industrial, Storage & Distribution (B2 and B2) and Community Uses (within D1 and D2)	£0

- 3.2 A total of 134 representations from 39 respondents were received. Members of the Huntingdonshire Developers and Agents Forum attended a presentation and Q&A session on 5th September 2011. The key themes raised within the consultation representations were:

- Impacts on development viability and challenges on the justification and scale of proposed CIL charges.
- Clarifications on the viability testing and evidence base used to inform the CIL.
- Linkages with the proposed Developer Contributions Supplementary Planning Document.

- 3.3 The detailed representations and related officer comments are contained in the Consultation Statement at Appendix A.

- 3.4 A range of minor changes have been incorporated into the CIL 'Draft Charging Schedule' in line with the officer comments. In response to consultation comments, the proposed CIL rates have been reviewed through further viability testing. Consequently, amendments have been made to the proposed CIL rates, including:

- A reduction in the standard rate (which includes all new dwellings) from £100 per sq m to £85 per sq m.
- A change to the thresholds for retail uses based on development under and above 500sq m (as opposed to under and above 1,000 sq m).
- A reduction in the retail charges to £40 per sq m below 500sq m, and £100 per sq m above 500 sq m.
- Clarification that agricultural uses would have a zero charge (but agricultural dwellings would be subject to the standard charge of £85 per sq m).

- 3.5 The CIL 'Draft Charging Schedule' table has consequently been amended as follows, and it is these rates that will be subject to the four week statutory consultation.

CIL DRAFT CHARGING SCHEDULE Proposed charge for development types	CIL RATE per sq metre
All development types unless stated otherwise in this table (standard rate - which includes all new dwellings)	£85
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 B2) and Community Uses (within D1 and D2), and agricultural	£0

- 3.6 The full CIL 'Draft Charging Schedule' document that will be subject to consultation in November / December 2011 can be found at Appendix B.

4. NEXT STEPS

- 4.1 Following the four week statutory consultation in November / December 2011 the 'Draft Charging Schedule', its supporting evidence and the consultation responses will be submitted for an Examination in Public (EiP), to be held by an independent Examiner. It is envisaged that the EiP will take place in February 2012 and the Examiners report will be issued by April 2012. Following formal adoption, likely to take place late April 2012, a formal Adoption Statement and the CIL Charging Schedule will need to be published on the Council's website.
- 4.2 The detailed governance and procedural aspects of distributing and implementing the CIL are being developed to enable the introduction of CIL charging in the 2012/13 financial year.

5. CONCLUSIONS

- 5.1 The 'Huntingdonshire Community Infrastructure Levy - Draft Charging Schedule' provides a robust, evidenced basis for the introduction of a new CIL charge in the District. Once adopted the CIL will be used with the Developer Contributions SPD to determine developer contributions towards site related infrastructure and wider community infrastructure across the District.

6. RECOMMENDATION

- 6.1 It is recommended that Cabinet:
- (i) approves the 'Huntingdonshire Community Infrastructure Levy - Draft Charging Schedule' (attached at Appendix B) for a four week statutory consultation in November / December 2011.

- (ii) authorises the Executive Councillor for Planning and Housing in conjunction with the Head of Planning Services to make minor amendments as necessary prior to and following the statutory consultation to prepare the 'Huntingdonshire Community Infrastructure Levy - Draft Charging Schedule' for submission for Examination.

BACKGROUND PAPERS

- Huntingdonshire Local Investment Framework 2009
- Core Strategy 2009
- Huntingdonshire Market Report, August 2010 published with Preliminary Draft Charging Schedule
- Huntingdonshire Viability Testing of Community Infrastructure Levy Charges Report, 2011 published with Preliminary Draft Charging Schedule
- Huntingdonshire Preliminary Draft Charging Schedule Project Plan List
- Huntingdonshire Draft Charging Schedule Project Plan List Update, November 2011
- Huntingdonshire CIL Addendum Report, November 2011
- Huntingdonshire Draft Charging Schedule Explanatory Note, November 2011

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