

**HUNTINGDONSHIRE COMMUNITY INFRASTRUCTURE LEVY
CHARGING SCHEDULE 2012**

(Report by Head of Planning Services)

1. INTRODUCTION

- 1.1 The purpose of this report is to recommend that the Cabinet endorses and Council formally approves the Huntingdonshire Community Infrastructure Levy Charging Schedule, the related Instalment Policy, and the Regulation 123 Infrastructure List.

2. BACKGROUND

- 2.1 The Community Infrastructure Levy (CIL) is a mechanism, introduced by Government in 2010, to allow local planning authorities to seek to raise funds from development in order to pay for the infrastructure that is, or will be, needed as a result of new development. The proposed Huntingdonshire CIL Charging Schedule sets out the charges that will apply to most new development across the District.
- 2.2 The draft Huntingdonshire CIL Charging Schedule was subject to a formal Public Examination on the 6th and 7th March 2012. The Examination was carried out by Mr Nigel Payne, an independent Examiner appointed by the Planning Inspectorate, with his final report being submitted in mid April 2012. The Examiner recommends that as the submitted CIL Charging Schedule is viable, it should be approved, subject to a number of requested minor wording modifications.
- 2.3 The proposed Huntingdonshire CIL Charging Schedule 2012, which incorporates the minor modifications identified by the Examiner, is attached as Appendix A. In summary, the proposed Huntingdonshire CIL Charging Schedule 2012 recommended for approval by the Examiner is as follows:

Charge for development types	CIL rate (per square metre)
All development types unless stated otherwise in this table	£85 (standard rate)
All A Class Uses 500 sq m or less	£40
All A Class Uses > 500 sq m	£100
All Class C1 Uses	£60
All Class C2 Uses	£45
Health (D1)	£65
Business (B1), General Industrial, Storage & Distribution (B2 and B8), Community Uses ⁽¹⁾ (within D1 - except Health Uses - and D2), and Agricultural <i>(1. Community uses are ones provided by the public, not-for-profit or charitable sectors)</i>	£0

- 2.4 The CIL is based on the need to finance identified community infrastructure needs, and it would be payable per net additional square metre of floorspace. The identified community infrastructure needs are contained within Draft Charging Schedule Infrastructure Project List, November 2011, which was submitted as evidence with the Draft CIL Charging Schedule and can also be viewed on the CIL Examination page of the HDC website.
- 2.5 The CIL charge is payable on commencement of development and the CIL Regulations include strict rules on payments. The CIL charge is noted as a Land Charge, and continued non-payment constitutes a criminal offence. The Council will be permitting payment by instalments, as is allowable under Regulation 69B of the Community Infrastructure Levy Regulations 2010 (as amended). The Instalment Policy will be applicable to all developments liable to pay CIL and allows 120 days before the first instalment has to be paid. The CIL charges for some larger scale developments may be paid in phases, if this approach is agreed at planning permission stage. In such cases, each phase is treated as a separate CIL charge and the instalment policy reflected against each phase. The Instalment Policy for Huntingdonshire is attached as Appendix B and, once approved, will be published on the Council's website.
- 2.6 The proposed CIL Charging Schedule is complementary to the Developer Contributions Supplementary Planning Document (SPD) which was approved by Cabinet in December 2011 and is on the HDC website. The SPD and the CIL will operate in conjunction with each other when the CIL is approved.
- 2.7 Affordable housing development, certain development by charities and a limited range of minor ancillary development is exempt from CIL. All new dwellings, irrespective of size, are liable to pay CIL. Domestic household extensions under 100 square metres of net additional floorspace are not liable for CIL. All other development is liable for CIL if 100 square metres or above and is charged on a scale of rates based on viability testing that has been carried out. 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.

3. CONSULTATION

- 3.1 The Huntingdonshire CIL Charging Schedule and its supporting evidence base were subject to extensive consultation, and the outcomes of the consultation process have been reported to Cabinet. The consultations were advertised in the local press, and the consultation material was available to view at specified public places across the District and on the HDC website. The key consultation opportunities were as follows:
- Preliminary Draft CIL Charging Schedule: 29th July 2011 to 9th September 2011
 - Draft CIL Charging Schedule: 23rd November 2011 to 3rd January 2012
 - Draft CIL Charging Schedule Statement of Modifications: 20th January 2012 to 20th February 2012

- 3.2 To complement the formal consultations, the Council held two Developers and Agents Forum meetings, on 5th September 2011 and 16th December 2011, and a series of meetings with individual developers and interested parties.

4. NEXT STEPS

- 4.1 Subject to Cabinet and Council approval of the recommendations of this report, the approved Charging Schedule will be published on the Council's website. This will enable the Huntingdonshire Community Infrastructure Levy Charging Schedule to be implemented from 1st May 2012. From that date all eligible planning permissions will be subject to the relevant charge, and the appropriate systems are being put in place in order for the Council to collect the Levy from that date.

- 4.2 The Charging Schedule requires a correctable error, in accordance with Regulation 26 of the Community Infrastructure Regulations 2010 (as amended), as a point of legal clarification regarding charging. This would not affect the amount chargeable on any given chargeable development as it is a point of law. A correction notice would be issued if approved and the process undertaken to notify this matter as required. It is proposed that at the end of paragraph 1.4 of the Charging Schedule the following sentence is added

“In certain circumstances CIL may also be charged where planning permission is granted to change the use of existing floorspace.”

- 4.3 The detailed governance aspects of distributing and implementing the CIL receipts are being developed. The CIL receipts in the first year of operation are likely to be relatively minimal and therefore it is recommended that approval is given to initially 'bank' receipts in order for the funds to build-up to enable distribution to priority community infrastructure projects in subsequent years. The Regulation 123 List is attached as Appendix C. This can be reviewed at least annually. Once approved, the list will also be published on the Council's website as required.
- 4.4 It is likely that the CIL Charging Schedule will be reviewed after it has been in place for 3 years, following the introduction of the new Local Plan. The Examiner acknowledged this timescale and considered it to be appropriate.

5. CONCLUSIONS

- 5.1 The Huntingdonshire CIL Charging Schedule has been developed in conjunction with a sound evidence base and has been subject to extensive consultation and independent Examination. The independent Examiner has concluded that the Charging Schedule satisfies the necessary legal and regulatory criteria and has recommended that, with minor modifications, it should be approved. Once approved by the Council, the CIL will be used in conjunction with the Developer Contributions SPD in order to determine the scale of developer contributions towards site related infrastructure and wider community infrastructure across the District.

6. RECOMMENDATION

6.1 It is recommended that:

- (i) the Cabinet endorses, and Council approves the Huntingdonshire Community Infrastructure Levy Charging Schedule 2012 (attached at Appendix A), the CIL Instalment Policy (attached at Appendix B), and the CIL Regulation 123 Infrastructure List (attached at Appendix C);
- (ii) the Cabinet endorses, and Council approves the correctable error for the Charging Schedule as a point of legal clarification as noted in paragraph 4.2 of this report
- (ii) the Executive Councillor for Planning and Housing in conjunction with the Head of Planning Services are authorised to undertake the necessary procedures required to make the correctable error identified and to commence implementation of the approved Huntingdonshire Community Infrastructure Levy Charging Schedule from 1st May 2012.

APPENDICES

- Appendix A Huntingdonshire Community Infrastructure Levy Charging Schedule
[effective 1st May 2012]
- Appendix B Huntingdonshire Instalment Policy
[effective 1st May 2012]
- Appendix C Huntingdonshire Regulation 123 Infrastructure List
[effective 1st May 2012]

BACKGROUND PAPERS

All background papers can be viewed on the CIL Examination page of the HDC website <http://www.huntingdonshire.gov.uk/Planning/Community%20Infrastructure%20Levy/Pages/CommunityInfrastructureLevyExamination.aspx>

CONTACT OFFICER

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