Community Infrastructure Levy

Draft Charging Schedule

Nick Tait - SDC

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What is CIL?

- Came into force in April 2010
- Local authorities can choose to charge on new developments (over 100sqm or new dwellings) to support development by funding infrastructure.
- The local authority must ***strike the balance*** between supporting development and raising CIL by taking account of economic viability and the wider objectives of the council.
- The levy must be approved by an independent Examiner.
- From 2014 Section 106 contributions will not be able to be ‘pooled’ for more than 5 developments.

Benefits of CIL

- Provides a flexible non-negotiable funding stream for infrastructure that allows the Council to set it local priorities for what the funds should be spent on.

- Provides greater transparency for local people as they will be able to understand how new development is contributing to their community and where this money is being invested

- Provides greater certainty ‘up front’ for developers and applicants and enables the fixing of development costs early in the process
- Is payable once development commences

- Provides a ‘meaningful proportion’ of the levy raised to local communities to deliver services and infrastructure they need

'Meaningful Proportion'

"This government is determined to persuade communities to accept more house-building by giving them a tangible share of the benefits it brings."

(Nick Boles, Planning Minister 10th January)

- Where a neighbourhood Plan is in place, communities will receive an uncapped **25%** of any CIL from development in their area
- Where no neighbourhood plan, communities will receive **15%** of CIL from development BUT capped at £100 per household
- Can spend on infrastructure or "anything else that is concerned with addressing demands that development places on an area".

Previous draft CIL Rates

Development Uses	CIL range identified as viable (per sqm)	Proposed CIL (per sqm)	% of Maximum
Residential in urban areas	£10 - £57	**£50***	88%
Residential in rest of District	£157 - £600	**£150****	25%
Large retail development over 6000m2	£355	**£100**	28%
Hotel Development	£97- £489	**£200**	41%
All other development	£0	**£0**	-

**4 bedroom house (100sqm) = £5000 CIL*

***4 bedroom house (100sqm) = £15000 CIL*

- Compares to current S106 ask of £1500 for RLT2 and 3 and £2000 for Flood Tariff

- Based on above rates CIL projection for remainder of Plan period would be around £30m leaving a funding gap of £90m

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Key Issues Raised at Consultation

- Definition of rural and urban is unclear – *new maps clarify*
- Rural levy rate is unjustified and too high – *now reduced*
- Overall impact on infrastructure priorities and affordable housing not fully considered – *evidence base does address this*
- Relationship with S106 is unclear and risk of double counting – *clarification will be provided by new national regulation and local policy*
- 'Meaningful Proportion' for Local Communities…. – *Minister's statement provides some clarity*
- Evidence is not robust for Hotel and Retail rate and should be zero rated on viability grounds – *not agreed, evidence supports CIL on large retail*
- Agricultural Workers, Extra Care housing and Older person schemes should be discounted or exempt – *not agreed although care homes are £0 rated*
- Clarification on domestic extensions needed – *only charged on extension over 100 sq.m*

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Draft Charging Schedule

Development Uses	**Levy (per sqm)**	**(Previous Levy)**
Urban Resident development	£40	*(£50)*
Residential development in all areas other than the urban areas	£80	*(£150)*
Supermarkets and Retail Warehousing	£100	*(£100)*
Hotel Development	£10	*(£200)*
All other development	£0	*(£0)*

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Implementation of CIL

Indicative timetable:

- Public consultation April – May 2013
- Submission to Examiner - August 2013
- Examination - October 2013
- Adoption - April 2014

Supporting material/policies:

- Production of 123 List setting out what CIL will be spent on (reviewed annually)
- Instalments Policy

Consultation material at will be available at www.sedgemoor.gov.uk/cil

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Further information

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