

New Forest District Council Local Development Framework

Community Infrastructure Levy
Preliminary Draft Charging Schedule

New Forest District outside the National Park

January 2012

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1.0 Introduction

- 1.1 The purpose of this document is to set out New Forest District Council's (NFDC) Preliminary Draft Charging Schedule (PDCS) for a Community Infrastructure Levy (CIL). The charging area to be covered is New Forest District (outside the National Park). The New Forest National Park Authority (NPA) is the Charging Authority for the National Park, therefore the NFDC charging schedule will not apply to that area. A map of the charging area can be seen at Figure 1 below .

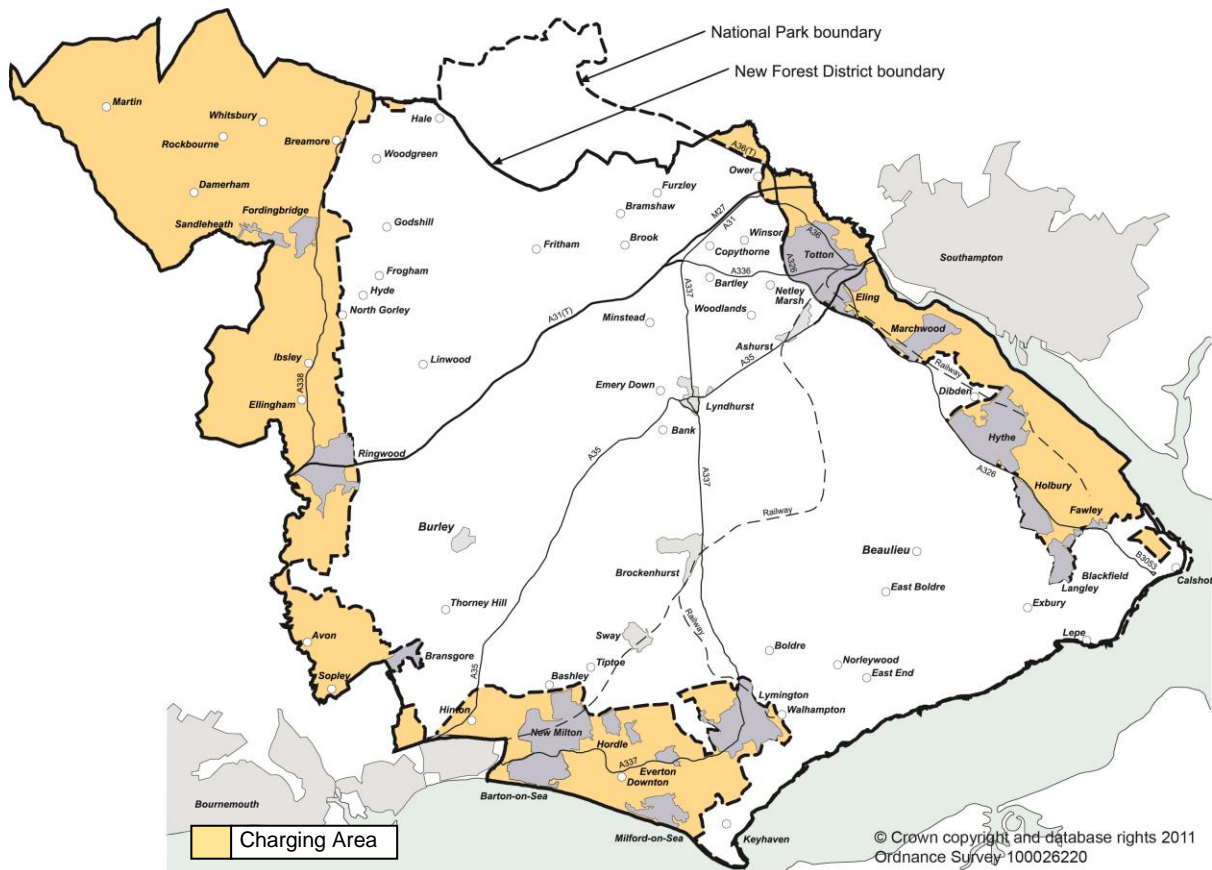


Figure 1 Area covered by New Forest District Council Charging Schedule

- 1.2 This document represents the first stage in the process. Drawing on the powers set out in Part 11 of the Planning Act 2008 and the Community Infrastructure Levy Regulations 2010¹, the legislation and the guidance issued by the Department of Communities and Local Government (DCLG) it:
- Explains how the Council will meet the various requirements in setting the CIL;
 - Contains the Preliminary Draft Charging Schedule and explains the basis on which it has been prepared;
 - Sets out the basis on which the evidence about the effect on development viability and overall development in the plan area will be developed;

¹ Community Infrastructure Levy Regulations 2010 (as amended by the in the Community Levy Regulations 2011) and Part 11 of the Planning Act 2008.

- Explains how to comment on the preliminary draft schedule and the rest of this document, and the next steps in the process.
- 1.3 The document sets out the proposed charging schedule alongside the background to the charging schedule, explaining general principles of CIL as well as the methodology, the assumptions made and the evidence base used in producing the proposed tariff. Details on how to comment on the proposals can be found in Chapter 10.0.

2.0 What is CIL?

- 2.1 On the 6th April 2010 the CIL Regulations came into force. The regulations were revised in April 2011 and are due to be revised again in 2012 to take account of the introduction of the Localism Act. The regulations allow for a Charging Authority to collect monies from an approved levy, subject to a Charging Authority having gone through an appropriate examination.
- 2.2 CIL provides a fair and transparent system of developer contributions towards infrastructure that is required to support development in accordance with the Council's adopted Local Development Framework (LDF).
- 2.3 Regulation 42 of the CIL Regulations state, if CIL is adopted, most development will come under the scope of CIL that:
- consists of buildings that are usually used by people (this excludes buildings to which people do not usually go to, or go to occasionally to inspect machinery, and structures like electricity pylons which are not buildings)
 - has 100 square metres or more of gross internal floorspace or involves creating one dwelling even where this is below 100 sq m (although any net charge of less than £50 will not be collected).
- 2.4 Charges are to be made on the net additional increase in floorspace of a development.
- 2.5 Although most new development will come under the scope of the CIL, the CIL Regulations confirm that the following development is exempt from the CIL:
- Affordable Housing;
 - Development by charities;
 - Changes of use that do not involve an increase in floorspace.
- 2.6 Further details of the CIL are set out in "The Community Infrastructure Levy – An overview", published by the Department of Communities and Local Government²
- 2.7 Liability to pay the CIL for qualifying development will be assumed at the time planning permission is granted and paid at the commencement of development. Payment of the CIL for larger amounts can be in instalments over fixed time periods as set out in the Council's Instalment Policy.
- 2.8 New development needs to be supported by physical, social and green infrastructure. The CIL provides a funding stream for this infrastructure. The finance generated from the CIL will be used to secure strategic and local infrastructure in the District which is required to accommodate the level of housing and employment growth proposed within the Local Development Framework. CIL provides a mechanism for ensuring that new development bears a proportion of the cost of new infrastructure. By establishing a tariff it will give developers certainty about the costs they need to factor in for infrastructure beyond their site.

² The Community Infrastructure Levy – An overview, can found at:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6313/1897278.pdf

- 2.9 CIL will be levied in pounds per square metre to the net additional increase in floorspace of any given development. The rate will be calculated in accordance with the CIL regulations³. This ensures that the cost of infrastructure does not rest unfairly just with the large developments, as small ones (from 100m² upwards) will also pay.
- 2.10 The chargeable rate will be index linked. The index referred to in the calculation formula is the national All-in Tender Price Index published from time to time by the Building Cost Information Service of the Royal Institution of Chartered Surveyors; and the figure for a given year is the figure for 1st November of the preceding year.
- 2.11 In the event that the All-in Tender Price Index ceases to be published, the index referred to is the retail prices index; and the figure for a given year is the figure for November of the preceding year.
- 2.12 When setting a CIL rate, the CIL Regulations are clear that the charging authority must aim to strike what appears to be an appropriate balance between:
- the desirability of funding from a CIL (in whole or in part) the actual and estimated total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding; and
 - the potential effects (taken as a whole) of the imposition of a CIL on the economic viability of development across its area.
- 2.13 Economic viability research and the Council's Infrastructure Delivery Plan have informed the proposed Levy rates set in Chapter 7.0. The evidence base is explained in further detail in Chapter 5.0. The economic viability research explored the scope for CIL charging rates for both NFDC and the NPA although this charging schedule only relates to the New Forest District Council as the National Park Authority is a Charging Authority in its own right.
- 2.14 Once CIL has been adopted, as required under Regulation 123 of the CIL Regulations the Council will publish a statement indicating what CIL will be spent on. This is explained in further detail in Chapter 9.0.

³ Regulation 40 - Community Infrastructure Levy Regulations 2010 (as amended by the in the Community Levy Regulations 2011).

3.0 Section 106 and Developer Contributions

- 3.1 Currently, NFDC operates a system of pooled contributions for certain types of S106 monies, including for open space and transport. Once the CIL charging schedule is adopted, or no later than 6th April 2014 where none is adopted, the scope for pooling S106 contributions is dramatically reduced, becoming restricted to contributions from no more than five developments for each infrastructure project. CIL will therefore become the main source of funding available from developer contributions, other than for affordable housing, which, at the time of writing, currently lies outside of the remit of CIL collection and will continue to be secured through planning obligations (although this is currently being reviewed by the Government).
- 3.2 While the CIL will therefore replace S106 agreements in many cases, planning obligations will still be used for local infrastructure requirements on development sites, such as local access, on-site open space, connection to services and some off-site requirements for individual sites.
- 3.3 Individual developments will not be charged for the same items of infrastructure through both planning obligations and the CIL. As per Regulation 123 of the CIL regulations 2010, NFDC will set out its intentions, for how revenue raised from the levy will be spent, on its website and this list will be continually reviewed. How the CIL will be spent is covered in further detail in Chapter 9.0.

4.0 The process of introducing CIL

- 4.1 Under the CIL Regulations, the amount of CIL to be paid (with a figure given per square metre of development) has to be set out in a formal document called a Charging Schedule. The Council has to carry out two rounds of public consultation on the proposed Charging Schedule:
- First, the Council must consult on a Preliminary Draft for at least 6 weeks. That is the purpose of this document.
 - Having considered the comments made on the preliminary draft, the Council must then consult again on a Draft Charging Schedule for a period of at least four weeks. Any person or organisation that makes comments at this stage will have the right to be heard at the CIL public examination (explained below).
- 4.2 The Council then has a further opportunity to make changes to the Draft Schedule and, if so, must allow a further four weeks for consultation on these changes.
- 4.3 Following the consultation on the Draft Charging Schedule, the Council has to appoint an independent “examiner” to conduct a Public Charging Schedule Examination. This may include a public hearing and will ensure that:
- The Council has complied with the procedures for setting the CIL as set out in legislation;
 - The Schedule is supported by background documents containing appropriate available evidence;
 - This evidence shows that the level of CIL proposed to be charged complies with the legal duty to ensure that an appropriate balance has been struck between the desirability of funding infrastructure through the CIL and the potential effects of doing so on the economic viability of development across its area. This judgement has to be based on infrastructure planning carried out as part of the development plan process, showing what is needed to support the growth of the area;
 - This evidence shows that the rate proposed to be charged would not put at serious risk the overall development of the area.
- 4.4 The examiner will then report to the Council, who will take a final decision on the rate to be charged in the light of any recommendations the examiner may make. The Council will then formally approve and publish the Charging Schedule. The CIL will be payable for developments that receive planning permission after the date the Charging Schedule comes formally into force. Payments are to be made by developers when they commence their developments in accordance with the Council’s Instalment Policy.
- 4.5 Once formally approved, the Charging Schedule will sit alongside the Council’s Local Development Framework, but it will not form part of it. At an appropriate time in the future, the CIL charges will be reviewed by the Council. Any review will be subject to full consultation procedures as outlined above and in the Regulations.
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4.6 Once adopted, the Council will be responsible for monitoring and reporting CIL receipts and expenditure. As required by Regulation 62, the Council will publish a report for any financial year (“the reported year”) indicating:

- How much CIL has been collected;
- How much of that money has been spent;
- The items of infrastructure on which it has been spent;
- Any amount used to repay money borrowed;
- The amount of CIL used to cover administrative expenses; and
- The amount of CIL retained at the end of the reported year.

5.0 Evidence Base

5.1 In order to strike the appropriate balance between meeting the identified funding gap and maintaining the viability of development, the Council has relied on the following three pieces of evidence to produce its charging schedule:

- The Core Strategy
- The Infrastructure Delivery Plan
- Community Infrastructure Levy Viability Assessment

The Core Strategy

5.2 New Forest District Council adopted its Core Strategy Development Plan Document (DPD) on 21 October 2009 following an Examination by the Secretary of State.⁴ The Core Strategy provides an up to date statutory development plan basis for CIL.

5.3 The Core Strategy sets out the planning framework for the District and provides for a base level of an additional 3,920 dwellings in the Plan Area (New Forest District outside the National Park), during the plan period (2006-2026). The Core Strategy also allows for up to an additional 810 dwellings over the 3,920 to be allocated in the plan area specifically to address the local need for affordable housing (Core Strategy Policy CS12).

5.4 The Core Strategy also has provision for up to 49 hectares of employment floorspace and 26,500 square metres of additional retail floorspace during the plan period (2006-2026). The employment provision will be relying on a large proportion of brownfield land and will largely involve the redevelopment of existing employment sites.

5.5 Following the adoption of the Core Strategy the Council is well in advance of producing the Sites and Development Management Development Plan Document which shows how the Core Strategy requirements can be delivered.

The Infrastructure Delivery Plan (IDP)

5.6 In 2009, NFDC produced its first Infrastructure Delivery Plan to identify the District's social, physical and green infrastructure needs. The plan had a particular focus on the infrastructure needed to support the new development planned for through the core strategy.⁵ This plan identified infrastructure projects within the District with estimated costs and potential funding sources.

5.7 A review of the infrastructure plan was undertaken by the Council in 2011 to update the projects and identify new projects required to support the proposed development in the Core Strategy.

5.8 The IDP identifies those projects currently considered a priority to support the objectives of the Core Strategy which total approximately £32m. Current identified funding reduces the funding gap of priority projects to around £25m. The Council has

⁴ The Core Strategy can be viewed at http://www.newforest.gov.uk/media/adobe/o/t/FINAL_DOCUMENT.pdf.

⁵ The 2009 Infrastructure plan can be found at:

http://www.newforest.gov.uk/media/adobe/k/d/34b_Core_Strategy_Delivery_Plan_Draft_Feb09.pdf

also identified a list of other possible projects costing over £250m for which no timeframe or budget has been identified.

- 5.9 Residential development has in recent times averaged a contribution to infrastructure of between £3,000 and £10,000 per dwelling (excluding affordable housing) without jeopardising the viability of development.

Community Infrastructure Levy Viability Assessment

- 5.10 CIL guidance is clear that the charges set should strike a balance between the desirability of funding infrastructure from the levy and the potential effects of the imposition of the levy upon the economic viability of development across the Council's plan area. For this reason, NFDC commissioned development viability assessment experts DTZ to assess the level at which a CIL could be set so that development remains viable. The study can be seen on the Council's website at: <http://www.newforest.gov.uk/media/adobe/m/s/DTZCILViabilityStudyDec2011.pdf>
- 5.11 Using well established techniques, the study explored the scope for CIL charging rates in the plan area in relation to a range of land uses and identifying the viability differences within areas of the plan area.
- 5.12 The key conclusions of the study with respect to the viability of different forms of development were as follows:
- Residential development can sustain a CIL charge and CIL should be levied on all residential development (in excess of 100sqm) throughout the District ;
 - Development for commercial uses – offices, industrial and warehouse uses – is not viable in the current market and should be subject to a CIL charge of zero;
 - Development of new floorspace for the retail uses, principally supermarkets, generates very high land values and is able to sustain a significant CIL charge. Smaller stores (both comparison and convenience) backed by major chains and likely to occur only in the major town centres are also be able to sustain a CIL charge.
 - Other small retail developments outside these centres (i.e. typically attracting local occupiers) are of marginal viability or not viable and would not support a CIL charge
 - Development of new hotels or hotel extensions is not viable on the basis of standard assumptions and hence should be subject to a CIL charge of zero;
 - Development of care homes are of marginal viability on the basis of standard assumptions and hence should be subject to a CIL charge of zero.
- 5.13 The study recommends that NFDC seeks to use CIL to somewhat enhance the overall revenue it raises from CIL compared to existing s106 policies for residential development. This will help ensure that the overall level of funding for infrastructure required to deliver the development plan is maintained.

6.0 Setting the CIL Level

- 6.1 The fundamental premise in setting a charge rate is that the CIL must be set at a level that does not put the overall level of development in an area at risk. The Government's guidance recognises that CIL may potentially make some developments non-viable but requires the Council to consider economic viability as a whole across the area.
- 6.2 In setting charge rates the Council has sought to strike a balance between the need for CIL to fund the infrastructure necessary to support the development of its area and the potential effects of the imposition of CIL on the economic viability of development.

Geographic Zones

- 6.3 One way the CIL Regulations allow Charging Authorities to maximise CIL receipts is to set variations of charges across the District. In these instances, higher values would incur a higher charge than those in lower so as long as the viability evidence shows this does not affect the viability of development.
- 6.4 With regards to this, New Forest District is unique in that it is separated by the New Forest National Park in to three clear areas in the east, south and west. Each of these areas displays its own characteristics and different value areas and considerable thought was given to separating the charging schedule into the three areas.
- 6.5 On reflection, however, the Council decided that Core Strategy policy (CS Policy CS15) adequately mitigates the differences between residential values by requiring varying levels of affordable housing across the areas. Therefore, it was decided that there was not adequate evidence to justify different charging zones within the District. Also, in a deliberate effort to keep the charging schedule as simple and transparent as possible, only a single charging zone across the District is proposed.
- 6.6 The Infrastructure Delivery Plan demonstrates that there is a significant funding gap to justify the introduction of CIL across the District and a number of different projects within the area as a whole, but also within each individual sub area where development is proposed.

Land Use

- 6.7 Government guidance is clear that any variation in the charge by land use type must be clearly justified. Therefore, it is necessary to consider two things for each land use:
- Whether it is necessary to vary the charge because the proposed charge is likely to make development of that land use unviable.
 - Whether the potential value capture from higher charges for that use can be justified by way of an appropriate level of evidence.
- 6.8 The Council has considered these items against spatial planning principles and development objectives for the Council. The Council considers that a flat rate of CIL
-

across the District is not supported by the appropriate evidence and therefore the charging schedule proposed has been produced with different charges per land use.

Affordable housing policies

- 6.9 The Council's Core Strategy requires between 40 and 50 % of all new dwellings to be affordable (as defined in Planning Policy Statement 3⁶) dependent on the location, in accordance with policy CS15. The Core Strategy also allows for Greenfield allocations to be made to specifically address the need for affordable housing (Core Strategy Policy CS12) and these allocations require a 70% level of affordable housing to be provided.
- 6.10 The viability modelling demonstrated that a CIL level was viable in all areas at the 40, 50% and 70% affordable housing target. The viability assessment modelled affordable housing using the new affordable rent tenure.
- 6.11 The proposed CIL charge can therefore be shown to strike a balance between the need to fund the necessary infrastructure by securing a reasonable level of income and the achievement of the affordable housing targets.
- 6.12 For the purposes of calculating the future receipt of CIL money, it has been assumed that between 40 and 50% of all new dwellings will be affordable with a proportion of the dwellings at 70% affordable.

Residual S106 use

- 6.13 Guidelines require that the evidence on charge setting needs to take account of other developer contributions and the impact of the economic cycle.
- 6.14 The viability modelling undertaken assumed zero residual planning obligations. However, the evidence has shown that it would be possible to charge CIL at a higher rate than proposed; it is therefore considered that the proposed charges does allow financial capacity for site-specific mitigation to be funded without affecting the viability of the majority of developments.

Overview of Findings of the CIL Viability Assessment

- 6.15 The evidence has shown that overall CIL, at whatever level, is a relatively small factor in assessing the viability of a development in the District. In modelling different types of development the conclusions set out below were reached:

Residential development (C3)

- 6.16 The viability assessment shows that residential developments are likely to be able to support a CIL contribution in all cases across the District. To help judge the impact of the proposed CIL rates it should be compared to current practice. Currently the

⁶ Planning Policy Statement 3 can be viewed at:
<http://webarchive.nationalarchives.gov.uk/+http://www.communities.gov.uk/planningandbuilding/planning/planningpolicyguidance/planningpolicystatements/planningpolicystatements/pp3/>

District Council negotiates S106 contributions for residential development on the basis of transport and public open space (where there is no provision on site). On this basis, contributions in the region of £6,500 per dwelling are sought with an affordable housing requirement of between 40/50%. For developments smaller than 4 dwellings a financial contribution can be made in lieu of providing the affordable housing on site.

- 6.17 The proposed CIL charge of £80 per sqm can be calculated at approximately £8,000 per dwelling. Discussions with local agents, developers and landowners, combined with recent rates of development, have led the Council to conclude that there are not sufficiently clear signals of a recovery in the housing market. The Council consider that there is no justification to set rates higher than £80 per sqm.

Residential Institutions (C2):

- 6.18 Evidence suggests these uses are not able to support CIL given their built form, including a requirement for communal areas and higher finance costs resulting from a slower sales rate. Due to the low local demand in the District, and the fact that quite often care homes are provided for on a not-for-profit basis, there is no justification for setting a charge. The council therefore proposes a £0 CIL rate.

Hotels (C1):

- 6.19 The Council recognises that viability varies in individual cases depending on hotel location and type. In the plan area there are no new hotel allocations and any new development likely to come forward will be in the form of small hotel extensions to existing buildings. The viability work shows that hotels are not likely to be able to support a CIL contribution. Therefore the Council believes a CIL rate of £0 to be appropriate.

Office and Industry (B1, B2 – B8):

- 6.20 The viability assessment shows that 'B' uses will not be able to sustain a CIL rate, a situation mirrored in most of the Country. Whilst a nominal charge could be applied this could put the viability of the office and industrial developments at serious risk. Therefore the Council believes a CIL rate of £0 to be appropriate.

Retail (A1, A2, A3 and A5):

- 6.21 Viability evidence has shown that a CIL rate of £200 psm on net additional floorspace for large format food store / supermarket development would not have a negative impact on the viability. For smaller food store development in the main town centres, a CIL of £200 psm could only be supported while still delivering high residual land values, if developed by a national retailer with strong covenant. Retail development of the other 'A' uses, with the exception of A4 uses, also demonstrates the same viability results.
- 6.22 Consequently, the Council has considered an option to make a distinction between different sizes of retail with a single charge of £200 psm for large format retail over

1000 sqm and a zero charge for all other retail developments under 1000 sqm which are likely to come forward with a local covenant and would be unable to support a CIL charge.

Other uses:

- 6.23 It is not anticipated that there will be a significant provision in the market for new build of other uses not discussed in this schedule. There are also no allocations made for these uses in the Local Development Framework. Therefore these uses were not modelled in the viability assessment and will be subject to a £0 CIL charge.
- 6.24 All other uses that do not fit within other categories are legally referred to as sui generis. There are no allocations in the Local Development Framework of this category and it is not anticipated that any specific sites will come forward; therefore these were not modelled and will be subject to a £0 CL charge.

Cost of infrastructure compared to expected CIL revenue

- 6.25 The rates proposed reflect the economic situation in 2011/12 when the development market is not particularly buoyant, although some development is still taking place. As explained in para 6.16 the Council has decided to stay close to that of existing S106 levels when setting the CIL rate. As can be seen in Table 1, developers are still currently agreeing to the obligations and therefore the proposed rate should not deter development.

	Year						Totals	Yearly Average
	2006	2007	2008	2009	2010	up to 30 Nov '11		
CCTV	0	0	0	0	0		0	0
Community Facilities			50,000	0	0		50,000	8,621
Cycle Way			18,000	0	0		18,000	3,103
Environmental Improvements	0	64,097	0	0	0		64,097	11,051
Open Space	596,647	551,399	433,289	201,615	374,917	131,318	2,289,186	394,687
Open Space off site	91,452	0	16,904	0	0	2,336.60	110,693	19,085
Open Space Play	46,642	20,000	0	0	0		66,642	11,490
Open Space Maintenance	4,781	22,500	15,512	50,000	112,500	3,920	209,213	36,071
Parking		25,000	135,000				160,000	27,586
Transport	82,233	0	397,696	317,776	671,221	379,756	1,848,681	318,738
Total	821,755	682,996	1,066,401	569,391	1,158,638	517,331	4,299,181	741,238

Table 1 Agreed S106 contributions (£) (excluding affordable housing) 2006 – 2011

- 6.26 Table 2, below, indicates anticipated CIL receipts based on the development projections from the Core Strategy, whilst Table 1, above, shows the S106 figures that have been agreed since 2006 (excluding affordable housing contributions).
- 6.27 On the basis of this Trajectory it is clear that the infrastructure funding gap explained in para 5.8 will not be exceeded by the introduction of CIL, although a considerable

contribution will be made to meet it. There are a number of other potential sources of funding but it is extremely difficult to predict the availability of funding to support growth.

		2013	2014	2015	2016	2017	2018
Residential		£732,800	£732,800	£735,200	£735,200	£735,200	£735,200
Non Residential	Care Homes	£0	£0	£0	£0	£0	£0
	Hotel	£0	£0	£0	£0	£0	£0
	Large Retail	£157,000	£157,200	£157,000	£157,200	£157,000	£157,200
	Small Retail	£0	£0	£0	£0	£0	£0
	Industry and Office	£0	£0	£0	£0	£0	£0
Total		£889,800	£890,000	£892,200	£892,400	£892,200	£892,400

Table 2 Anticipated CIL receipts 2013-2018

6.28 Potential support in the District includes:

- Mainstream transport funding through the LTP process
- Mainstream education funding to support growth.
- Other central government funding streams (e.g. Regional Growth Fund)
- New Homes Bonus
- Private Sector Infrastructure Providers (e.g. Water companies)

6.29 These amounts from these sources are unknown and cannot be guaranteed. This highlights the necessity to secure contributions via CIL to provide the necessary infrastructure.

Summary

6.30 The evidence produced clearly shows a substantial funding gap for the infrastructure needed to support the development of the District. Whilst it is important to maximise the income from CIL it is important not to harm the viability of development. Therefore the CIL has been set at a level that will not jeopardise development coming forward but also makes a considerable effort in meeting the funding gap. The Council will continually review the market to assess changes and review the charging schedule at the appropriate time.

7.0 Preliminary Draft Charging Schedule

This Schedule has been issued, approved and published in accordance with Part 11 of the Planning Act 2008 and the Community Infrastructure Regulations 2010.

The Charging Authority	The Charging Authority is the New Forest District Council
Date of Approval	This Charging Schedule was approved by New Forest District Council on xxxxx
Date of Effect	This Charging Schedule will become effective on xxxxxx
Index figure at adoption	xxxx

Scope of CIL

New Forest District Council is a charging authority for the purposes of Part 11 of the Planning Act 2008 and may therefore charge the Community Infrastructure Levy in respect of development within the New Forest (outside the National Park).

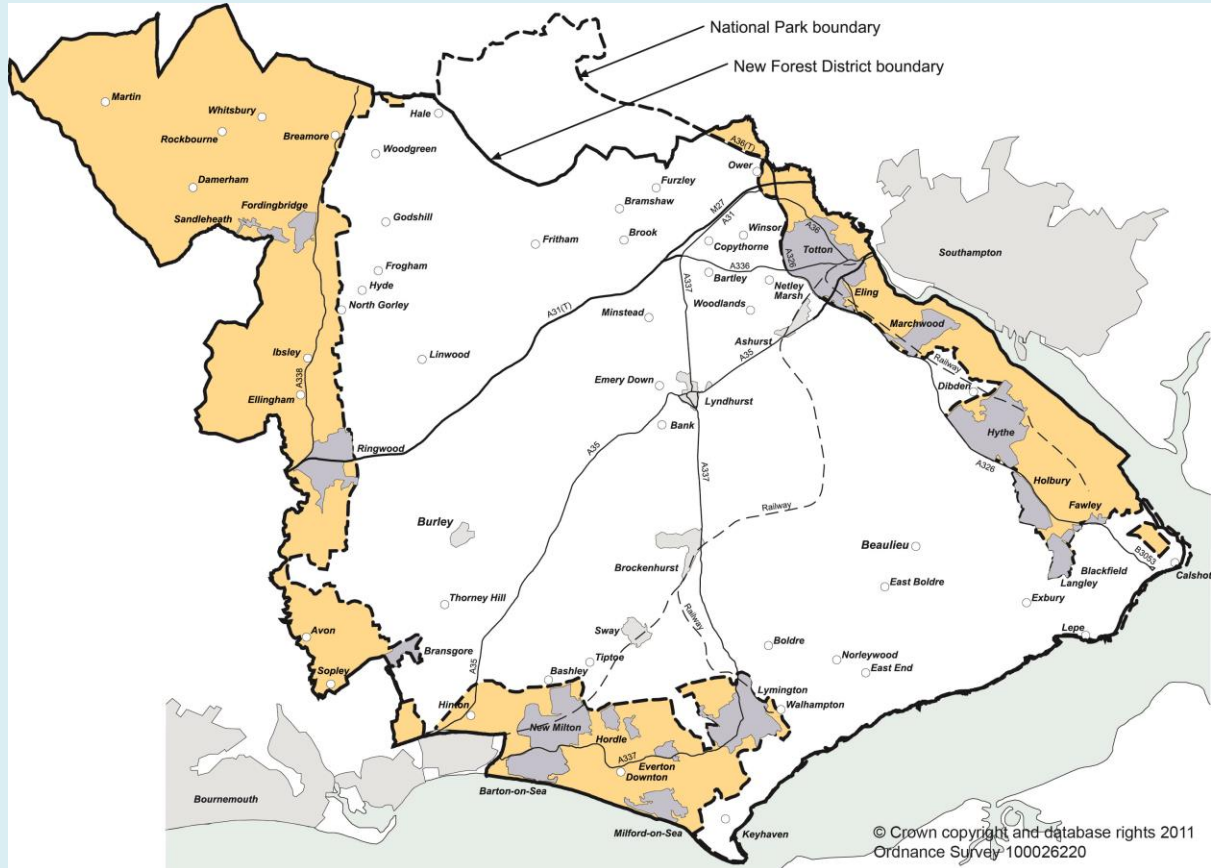
CIL will be applicable on the net additional floorspace of all new development apart from those exempt under Part 2 and Part 6 of the Community Infrastructure Levy Regulations 2010 (as amended by the Community Infrastructure Levy Regulations 2011). Those exempt from the charge are as follows:

- Buildings, or extensions to buildings, less than 100 square metres
- Buildings into which people do not normally go, or go only intermittently for the purpose of inspecting or maintaining fixed plant or machinery
- Affordable housing
- Buildings owned by charities used for a charitable purpose

After producing viability evidence for the CIL, NFDC has identified a number of uses for which CIL will be chargeable with variable CIL levels applying to each land use.

The amount to be charged for each development will be calculated in accordance with regulation 40 of the Community Infrastructure Levy Regulations 2010. For the purposes of the formulae in paragraph 5 of regulation 40 (set out in Appendix A), the relevant rate (R) is the Rate for each land use shown in Table 3 below,

The Council intends to charge the Community Infrastructure Levy at the following rates (expressed as pounds per square metre):



Key

Charging Area

	CIL Charge per sqm
Dwelling Houses (C3):	£80
Large A1, A2, A3 and A5 (≥1000sqm)	£200
Small A1, A2, A3 and A5 (< 1000sqm)	£0
Industry and offices (B1, B2 and B8):	£0
Hotels (C1):	£0
Residential Institutions (C2):	£0
Any Other uses	£0

Table 3 Council CIL charges

8.0 Exemptions from CIL

- 8.1 Part 6 (Regulations 41-58) of the CIL Regulations set out statutory exemptions for charitable and social housing relief as:
- Social Housing provided by local housing authority, registered social landlord or registered provider of social housing and shared ownership housing subject to the specific provisions of Regulation 49.
 - Charities where the development will be used for charitable purposes.
 - Any development where the gross internal area of new build is less 100 square metres. This exemption does not apply if the development relates to one or more dwellings.
- 8.2 To assist interested parties on how the level of CIL relief that may be available to them, the Planning Advisory Service has produced an online calculator⁷ that can help calculate the appropriate level of relief for affordable housing on any given development.
- 8.3 In addition to the statutory exemptions, the District Council may make discretionary relief available in exceptional circumstances and offer a discretionary charitable relief. If the Council decides to introduce these forms of relief then a policy will be made available prior to their introduction.

Exceptional Circumstances

- 8.4 Regulation 55 of the CIL Regulations allows a charging authority to grant discretionary relief in exceptional, specified circumstances. The charging authority may agree to a reduction for developments accompanied by a S106 agreement where the developer can demonstrate that development of the site is not viable (taking into account the CIL charge and Section 106 contribution) and the cost of complying with the S106 obligations exceeds the CIL charge. In such cases the developer will be expected to demonstrate this (as set out in regulation 57) by providing an independent assessor with “open book” accounts.
- 8.5 Discretionary relief could promote regeneration or the development of an allocated site regarded as critical to the delivery of the strategy for the area. In practice, however, the scope of relief which could be offered is likely to be very limited by European state aid regulations.

Discretionary Charitable Relief

- 8.6 Regulation 44 of the CIL Regulations also allows a charging authority to grant discretionary charitable relief under the following criteria:
- Discretionary charitable relief is available in the area in which the chargeable development will be situated;
 - The landowner is a charitable institution; and

⁷ PAS online calculator available on PAS website

- The whole or the greater part of the chargeable development will be held by the landowner other charitable institutions as an investment from which the profits will be applied for charitable purposes.

Payment in Kind

- 8.7 Regulation 73 provides the potential for transfer of land as CIL payment in kind. Where land is required within a development to provide built infrastructure to support that development it will be expected that land transfer will be at no cost to NFDC and will not be accepted as a CIL payment in kind.
- 8.8 Where a new facility is needed to serve more than one development, any land transfer over and above that needed for the specific development would be regarded as payment in kind of CIL.
- 8.9 As stated in Regulation 73(10) the appropriate cash amount in respect of a given land payment must be calculated by applying the following formula:

$$\frac{N \times V}{A}$$

where—

N = the area of the part of the acquired land not used for a relevant purpose;

A = the area of the acquired land; and

V = the value of the acquired land as stated in the agreement entered into in accordance with paragraph (6) (d).⁸

⁸ Regulation 73(6)(d) states: an agreement to make the land payment is entered into before the chargeable development is commenced.

9.0 Spending CIL

- 9.1 CIL revenue will be spent on the infrastructure needed to support new development within the plan area. The CIL is intended to fund the provision of new infrastructure and should not be used to remedy pre-existing deficiencies in infrastructure provision unless those deficiencies will be made more severe by new development. The CIL can be used to increase the capacity of existing infrastructure or to repair failing existing infrastructure, if it is necessary to support new development.
- 9.2 The Government requires the Council to allocate a meaningful proportion of the CIL funds raised in each neighbourhood back to that neighbourhood⁹. In October 2011, the Government issued a consultation document asking what the percentage of the CIL should be passed to the neighbourhood's via the Parish/Town Councils¹⁰, once the results of this consultation are known the Council will pass funds in compliance with this requirement. This will ensure that where a neighbourhood bears the brunt of a new development, it receives sufficient money to help it manage those impacts. The Council will work closely with neighbourhoods to decide what infrastructure they require, and balance neighbourhood funding with wider infrastructure funding that supports growth. The Council will retain the ability to use the CIL funds to address the cumulative impact on infrastructure that may occur further away from the development, which could include projects outside the immediate Parish/neighbourhood where it was collected.
- 9.3 Under Regulation 123 of the CIL Regulations 2010, the Council will publish on its website its intentions for how revenues raised from the levy will be spent. This will make clear what items will in future fall under the CIL rather than S106, but also show contributors and other interested parties what types of infrastructure the CIL will be spent on.
- 9.4 The Government's October 2011 consultation document recommends that Parish/Town Councils will not be confined to spending their CIL receipts in accordance with the District Council's Regulation 123 list, nor should they have to produce their own list. Therefore the only restriction on spending CIL for these Council's is that set out in Regulation 59 of the CIL regulations and section 216 of the 2008 Planning Act which sets out the definition of infrastructure.
- 9.5 In accordance with Regulation 62, the Council may, at its own discretion, use up to 5% of CIL collected to cover administrative expenses incurred in establishing CIL procedures and collecting the levy.
- 9.6 The CIL regime allows authorities to respond to changing local circumstances, by spending revenue from the CIL on different projects from those identified during the rate setting process. Therefore the Regulation 123 list will be continually reviewed and updated accordingly.
- 9.7 It is important that the infrastructure needed by local communities is delivered when the need arises. Therefore, the regulations allow authorities to use the CIL to support the timely provision of infrastructure, for example, by using the CIL to backfill early funding provided by another funding body.

⁹ The Community Infrastructure Levy: An Overview. DCLG November 2010, boxed text on page 6

¹⁰ Community Infrastructure Levy: Detailed proposals and draft regulations for reform – Consultation October 2011 <http://www.communities.gov.uk/publications/planningandbuilding/cilreformconsultation>

- 9.8 The CIL regime allows Charging Authorities to collaborate and pool their revenue from their respective levies to support the delivery of 'sub-regional infrastructure', for example, a larger transport project where they are satisfied that this would support the development of their own area.

10.0 Responding to this consultation

- 10.1 If you have any comments on the preliminary draft charging schedule for New Forest District Council's Community Infrastructure Levy, please complete the online form on the Council's website or put these in writing using the Council's comments form to:

Policy and Plans Team
Appletree Court
Lyndhurst
SO43 7PA

- 10.2 Please ensure responses reach us by 5pm on **27 February 2012**. If you have any queries about this document, please email cilconsultation@nfdc.gov.uk or phone 023 8028 5345.
- 10.3 Full details of how to make comments, together with the comments form are available on the Council's website

Timescale

- 10.4 After this consultation, ending 27 February 2012, the council will consider consultation responses and any other evidence that emerges and use these to inform the charging schedule it intends to adopt. Before the charging schedule can be adopted, the Council must formally publish the draft charging schedule for further comment. This is planned for May 2012.
- 10.5 The Council intends to hold the examination in to its CIL charging schedule alongside the examination of the Sites and Development Management Development Plan Document.

Timetable for the development of NFDC CIL charging schedule

- 10.6 The anticipated timescale for the adoption of the CIL charging schedule is set out in Figure 2 below.

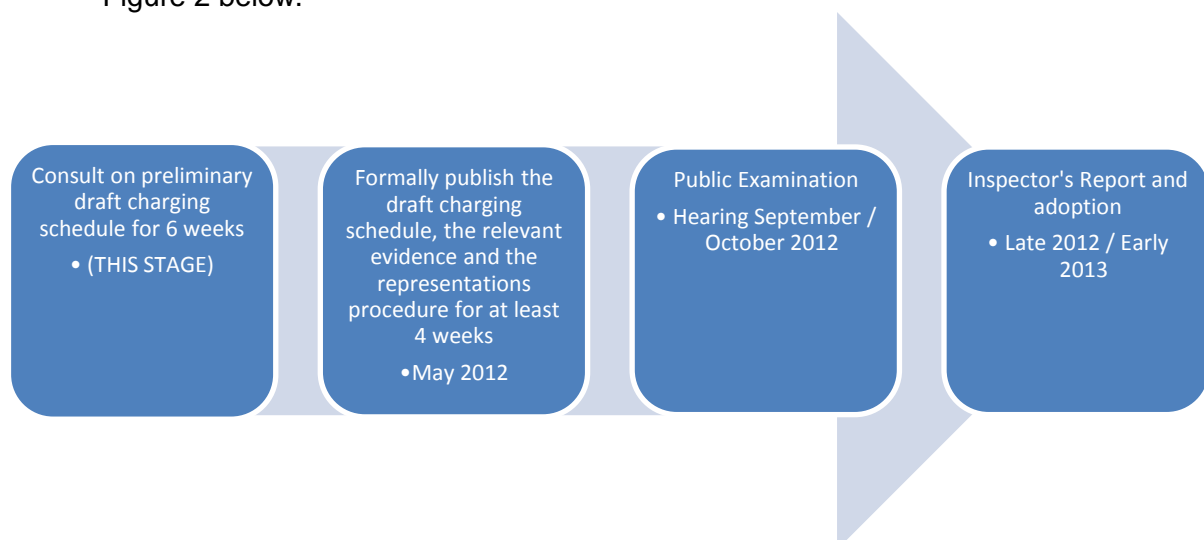


Figure 2 Timetable for CIL adoption

Appendix A

Extract from the Community Infrastructure Levy Regulations 2010

Extract from the Community Infrastructure Levy Regulations 2010

PART 5 CHARGEABLE AMOUNTS

Regulation 40

Calculation of chargeable amounts

- (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—

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

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
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—

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

where—

C_R = the gross internal area of the part of the chargeable development 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.
 - (7) The index referred to in paragraph (5) is the national All-in Tender Price Index published from time to time by the Building Cost Information Service of the Royal Institution of Chartered Surveyors; and the figure for a given year is the figure for 1st November of the preceding year.
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- (8) But in the event that the All-in Tender Price Index ceases to be published, the index referred to in paragraph (5) is the retail prices index; and the figure for a given year is the figure for November of the preceding year.
- (9) Where the collecting authority does not have sufficient information, or information of sufficient quality, to enable it to establish—
 - (a) the gross internal area of a building situated on the relevant land; or
 - (b) whether a building situated on the relevant land is in lawful use, the collecting authority may deem the gross internal area of the building to be zero.
- (10) For the purposes of this regulation 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.
- (11) In this regulation “building” does not include—
 - (a) a building into which people do not normally go;
 - (b) a building into which people go only intermittently for the purpose of maintaining or inspecting machinery; or
 - (c) a building for which planning permission was granted for a limited period.

Appendix B

How will the levy be collected?

B1.0 How will the levy be collected?

- B1.1 The CIL charges will become due from the date that a chargeable development commences. The definition of commencement of development for the levy's purposes is the same as that used in planning legislation, unless planning permission has been granted after commencement.
- B1.2 When planning permission is granted, the Council will issue a liability notice setting out the amount of CIL that will be due for payment when the development is commenced, the payment procedure and the possible consequences of not following this procedure.
- B1.3 The responsibility to pay the levy runs with the ownership of land on which the liable development is situated. This is in keeping with the principle that those who benefit financially when planning permission is given should share some of that gain with the community.
- B1.4 Figure 3 below shows the process by which NFDC will be collecting CIL contributions.

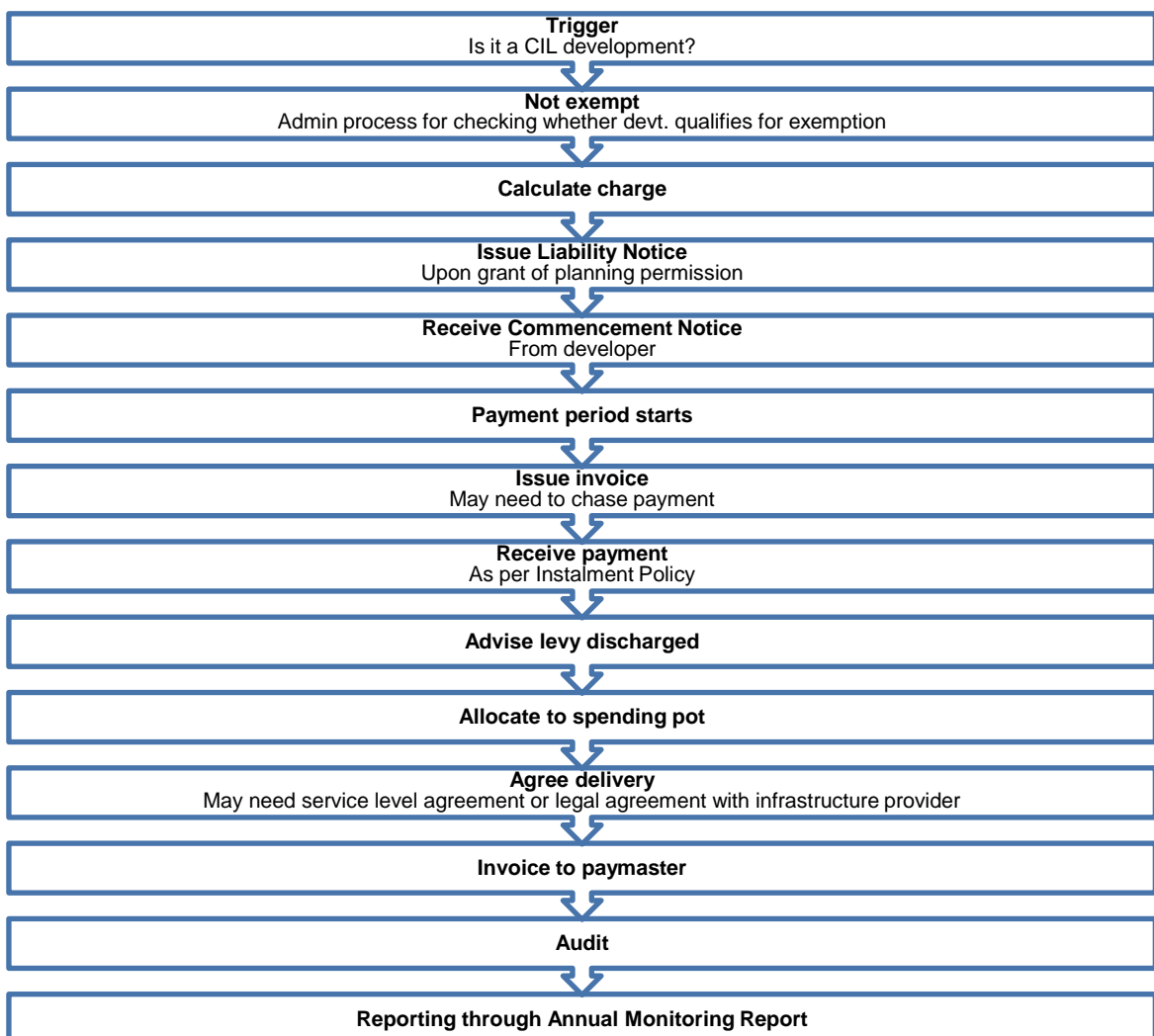


Figure 3 CIL collecting process

Appendix C

CIL Instalment Policy

C1.0 CIL Instalment Policy

C1.1 Regulation 69b of the Community Infrastructure Levy (Amended) Regulations 2010 allow Charging Authorities to set out an Instalment Policy to offer developers favourable payment arrangements. The regulations require that the Instalment Policy sets out:

- The date on which it takes effect, which must be no earlier than the day after the instalment policy is published on the website;
- The number of instalment payments;
- The amount or proportion of CIL payable in any instalment;
- The time (to be calculated from the date the development is commenced) that the first instalment payment is due, and the time that any subsequent instalment payments are due; and
- Any minimum amount of CIL below which CIL may not be paid by instalment.

C1.2 The Instalment Policy will apply to all development on which CIL is liable. Where there is no instalment policy, payment will be payable in full at the end of a period of 60 days beginning with the intended commencement date of development.

C2.0 Indicative Policy for staging payments of Community Infrastructure Levy

C2.1 In accordance with Regulation 69 (b) of the Community Infrastructure Levy (Amended) Regulations 2010, *New Forest District Council* (the Charging Authority) will apply the following instalment policy to all development which is CIL liable.

C2.2 This policy will come into effect on xxxxxx

C2.3 In all cases, the calculation of the total amount payable will include the value of any payment in kind as assessed by an independent person.

C3.0 Number, Proportion and Timing of Instalments

C3.1 Development incurring CIL liability up to £ 80,000

One instalment at 60 days after commencement of the development.

C3.2 Development incurring CIL liability over £80,000

Three equal instalments.

1. 60 days after commencement
2. 180 days after commencement
3. 365 days after commencement or on occupation of the first dwelling, whichever is the sooner.