

Somerset West and Taunton Council

Community Infrastructure Levy

Charging Schedule

April 2014

Community Infrastructure Levy (CIL) – Charging Schedule

Introduction

The Community Infrastructure Levy (CIL) was introduced under the Planning Act 2008 and is defined in the CIL Regulations 2010 (as amended 2011, 2012, 2013 and 2014). Local authorities in England and Wales can elect to charge CIL on new developments.

CIL takes the form of a charge per square metre of additional floorspace (new build or extensions) and can be charged on most new development. There are certain reliefs that can be claimed, such as for charitable organisations and affordable housing, together with some size thresholds for non-residential uses. Developments resulting in the creation of less than 100 sq m of net additional floorspace, are not liable for CIL as long as they do not result in the creation of a dwelling.

The introduction of CIL is seen as necessary in part because, from April 2015, the ability to pool planning obligations under Section 106 of the Town and Country Planning Act 1990 (as amended), will be restricted. It will therefore become difficult to deliver larger scale items of infrastructure such as schools, built sports facilities and transport schemes, where pooling of numerous individual planning contributions is often necessary. Section 106 agreements will continue to be used to deliver some infrastructure (as will Section 278 for highways), but this will largely be restricted to site-specific mitigation and for providing affordable housing.

The money raised through CIL will be used to deliver infrastructure that is needed to support the proposals set out in the Council's Core Strategy and the Taunton Town Centre Area Action Plan.

Evidence to support the proposed levels of CIL

The evidence to support this Charging Schedule is available on the Council's website. Other links are given at the end of this document. The viability appraisal to support the proposed charges was prepared on behalf of the Council by Three Dragons and Peter Brett Associates.

The viability appraisal looks at notional and actual housing development sites in Taunton Deane, and also considers non-residential uses. It recommends rates of CIL that can be charged without putting the majority of development proposed at risk. The evidence indicates that for residential development, CIL would not render the majority of development unviable in most of Taunton area. For non-residential uses the only type of development which could support CIL and remain viable, at present, is retailing outside the town centres of Taunton and Wellington.

The Levy

The Charging Schedule attached has been prepared in accordance with Part 11 of the Town and Country Planning Act 2008 and the Community Infrastructure Levy Regulations 2010 (as amended). The Council has sought to strike a balance between ensuring appropriate development comes forward and the impact of CIL on development viability. It has also sought to balance costs between aspects of site-specific infrastructure which will continue to be secured through Section 106 planning obligations and those that will be funded through CIL.

The CIL rates proposed are set out in the Charging Schedule and are derived from the assessment of the viability of development in different parts of the Council's area carried out by the Council's consultants. The Regulations recognise that the CIL charge may make some development unviable and that CIL should not be set at such a low rate as to ensure that every development remains viable.

Viability evidence suggests that there is no scope to charge CIL on residential development within Taunton town centre and Wellington urban area, nor on retail development within Taunton and Wellington town centres. Employment development in the area is also not able to support CIL.

The rates in the Charging Schedule will be indexed to account for inflation using a nationally recognised index (BCIS). They will be regularly reviewed to take account of changes in viability, and any proposed changes to the Charging Schedule will be submitted for further examination.

CIL Relief

The CIL Regulations provide for full relief from the CIL charge for any part of a development which is affordable housing (and includes social and affordable rent and shared ownership); for self-build housing, residential annexes and extensions. Charity landowners will also benefit from relief provided that the development is to be used for charitable purposes. If a development is initially granted CIL relief and then circumstances change, there is a claw-back period within which the development will become liable for CIL.

Relief can also be given in exceptional circumstances, subject to the Council publishing a policy to this effect. Such exceptional circumstances will only apply where there is a Section 106 planning obligation in place and where the addition of CIL would make the development unviable; additionally the amount of relief granted must not be sufficient to qualify as notifiable state aid under EU law.¹ The fact that an application may be unviable is unlikely, in itself, to constitute an exceptional circumstance in terms of the CIL Regulations. At the time of adopting its CIL proposals, the Council decided not to offer exceptional circumstances relief, although it will review the position from time to time.

Payment of CIL

CIL is payable on commencement of development. However, the Council invited views at the Preliminary Draft stage as to whether there should be a policy to allow payment of CIL by instalments. As a result of views received, the Council has adopted an instalments policy, and this is published alongside this Charging Schedule.

Relationship between CIL and Section 106 agreements

Provision for Section 106 agreements remain, but from April 2015, under Regulation 123, the ability to pool contributions from developers via S106 to deliver larger items of infrastructure will be substantially curtailed. The Council's intention is that CIL will

¹ The current de minimis threshold is €200,000 (€100,000 for undertakings in the road transport sector) over a rolling three year fiscal period. Community Infrastructure Levy Relief Information document published by CLG.

be used to deliver larger strategic items with S106 retained only for direct mitigation of site-specific impacts.

Under Regulation 123, the Council is also required to prepare a list setting out the types of infrastructure that it intends to fund through CIL, prior to the adoption of its Charging Schedule. CIL cannot be used as well as Section 106 to deliver the same piece of infrastructure. The Regulation 123 list will be published in advance of the introduction of CIL, and will be periodically updated.

CIL for local communities

The Council is required to pass a 'meaningful' proportion of CIL receipts to parish councils for use on infrastructure identified as important by the local community. Under Regulation 59A, this involves:

- 25% of CIL receipts to the parish council in areas where there is a neighbourhood plan in place.
- Where there is no neighbourhood plan in place, 15% of CIL receipts up to a maximum of £100 per extant dwelling to the parish council.

Date of Commencement

This Charging Schedule takes effect from 1st April 2014 and will remain in force until further notice.

Links

Report to Executive 13th November 2013

Report to Executive 16th January 2013

Report to Executive 20th June 2012

CIL Viability Appraisal

Taunton Deane Borough Council Infrastructure Delivery Plan

Somerset West and Taunton Community Infrastructure Levy Charging Schedule 2014

This charging schedule has been prepared in accordance with Part 11 of the Town and Country Planning Act 2008 and the Community Infrastructure Levy Regulations 2010 (as amended by the 2011, 2012, 2013 and 2014 Regulations). It is supported by local evidence regarding infrastructure requirements and the impact of the levy on the viability of development, as set out in the consultants' reports. These can be found on the Council's website as part of the Core Strategy and CIL Evidence Base (see links on previous page).

Levy Rates

The rates below will be charged against the gross internal floor area of:

- All new dwellings
- All other development exceeding 100 sq m in size

Development Uses	Levy (per sq m)
Residential Development in Taunton, including urban extensions	£70
Residential Development in Taunton town centre	£0
Residential Development within the settlement limit of Wellington	£0
Residential Development outside the settlement limits of Taunton and Wellington	£125
Retail development (classes A1 – A5) outside Taunton and Wellington town centres	£140
All other development	£0

'Residential development' excludes Class C2 but includes student housing and similar types of institutional accommodation.

How the CIL charge will be calculated

In accordance with the Regulations, where applicable the Council will issue a Liability Notice that states the chargeable amount on grant of planning permission or as soon as possible after the grant of planning permission. The Council will calculate the amount of CIL chargeable using the formulae set out in the Regulations.

Full details of the way in which CIL will be calculated, together with an overview of CIL and the full Regulations, can be found on the CLG website:
<https://www.gov.uk/government/organisations/ministry-of-housing-communities-and-local-government>.

Somerset West and Taunton Council

Community Infrastructure Levy (CIL)

Instalment Policy

In accordance with Regulation 69B of the Community Infrastructure Levy (Amendment) Regulations 2011, Somerset West and Taunton Council will allow the payment of CIL by instalments.

As permitted under Regulation 9 (4) of the Community Infrastructure Levy Regulations 2010 (as amended), where outline planning permission has been granted which permits development to be implemented in phases, each phase of the development as agreed by Somerset West and Taunton Council is a separate chargeable development, and the instalment policy will therefore apply to each separate chargeable development and the associated separate chargeable amount.

This policy will not apply in the case of any one or more of the following:

- a. A Commencement Notice has not been submitted prior to commencement of the chargeable development, as required by Regulation 67 of the Community Infrastructure Levy Regulations 2010 (as amended);
- b. On the intended date of commencement
 - (i) No-one has assumed liability to pay CIL in respect of the chargeable development;
 - (ii) A Commencement Notice has been received by Somerset West and Taunton Council in respect of the chargeable development; and
 - (iii) Somerset West and Taunton Council has not determined a deemed commencement date for the chargeable development and payment is therefore required in full (as specified in Regulation 71 of the Community Infrastructure Levy Regulations 2010 (as amended));
- c. A person has failed to notify Somerset West and Taunton Council of a disqualifying event before the end of 14 days beginning with the day on which the disqualifying event occurs, as per the Community Infrastructure Levy Regulations 2010 (as amended);
- d. An instalment payment has not been made in full after the end of the period of 30 days beginning with the day on which the instalment payment was due, as per the Community Infrastructure Levy Regulations 2010 (as amended).

Where the instalment policy is not applicable, the amount must be paid in full at the end of the period of 60 days beginning with the notified or deemed commencement date of the chargeable development or the date of the disqualifying event, whichever is the earliest, unless specified otherwise within the Community Infrastructure Levy Regulations 2010 (as amended).

Once the development has commenced, all CIL payments must be made in accordance with the CIL Instalment Policy. Where a payment is not received in full on or before the day on which it is due, the total CIL liability becomes payable in full immediately (Regulation 70(8)(a) of the Community Infrastructure Levy Regulations 2010 (as amended)).

The Instalment Policy takes effect on 1st April 2014, the date of the introduction of the Taunton Deane Community Infrastructure Levy: Charging Schedule 2014.

Total CIL liability	Number of instalments and amount payable	Payment period
Amount less than £16,000 or the amount due in respect of a single dwelling	Payable in two instalments	1 st instalment of 50% payable within 60 days of the commencement date 2 nd instalment of 50% payable within 120 days of the commencement date
Amount between £16,000 and £50,000 in respect of two or more dwellings	Payable in three instalments	1 st instalment of 25% payable within 60 days of the commencement date 2 nd instalment of 25% payable within 120 days of the commencement date 3 rd instalment of 50% payable within 180 days of the commencement date
Amount between £50,000 and £500,000	Payable in three instalments	1 st instalment of 25% payable within 90 days of the commencement date 2 nd instalment of 25% payable within 225 days of the commencement date 3 rd instalment of 50% payable within 360 days of the commencement date
Amount between £500,000 and £1m	Payable in three instalments	1 st instalment of 25% payable within 90 days of the commencement date 2 nd instalment of 25% payable within 405 days of the commencement date 3 rd instalment of 50% payable within 720 days of the commencement date
Amount over £1m	Payable in three instalments	1 st instalment of 25% payable within 120 days of the commencement date 2 nd instalment of 25% payable within 720 days of the commencement date 3 rd instalment of 50% payable within 1440 days of the commencement date

Nothing in this policy prevents payments being made at earlier times than specified above.