

Community Infrastructure Levy Draft Charging Schedule

At present...

All new housing developments in South Cambridgeshire are currently required to pay for improvements to existing play areas, sports fields and village halls where development occurs, to meet the needs of the new residents. This money is paid to Parish Councils to allocate against local projects.

Larger housing developments also pay money towards other facilities such as local schools, libraries, public transport improvements, recycling centre upgrades and health facilities etc. This money is secured through a legal agreement commonly known as Section 106 agreements.

The future...

The Government has decided that the use of section 106 agreements should, to a large extent, be replaced by a new development tax called the Community Infrastructure Levy or 'CIL' for short.

The introduction of the CIL Regulations means section 106 agreements are to be scaled back to mitigate site specific impact only, and can only constitute a reason for granting planning permission if it meets the following tests:

- i. Necessary to make the development acceptable in planning terms
- ii. Directly related to the development
- iii. Fairly and reasonably related in scale and kind to the development

CIL also prevents us from securing more than 5 section 106 contributions to fund a single item or type of infrastructure after April 2015. From this date we will be unable to secure (for example) offsite open space monies for Parish Councils.

The option to implement CIL was introduced nationally in April 2010 and has started to be adopted by Council's. CIL is a tax payable on new market housing and building extensions greater than 100 square metres in size. Government has decided that self-build developments and residential extensions will be exempt from CIL. CIL will be levied on the gross internal floorspace of new development, and will take into consideration any floorspace of existing buildings being replaced.

The Government's objective for CIL is to help generate more money from new development and to break the relationship between (a) the impact of development and (b) where money is spent. This will give Council's more freedom for where money is spent. The Planning Act 2008 provides a definition of the infrastructure that can be funded through the levy:

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| a) Roads and other transport facilities | d) Medical facilities |
| b) Flood defences | e) Sporting and recreational facilities |
| c) Schools and other educational facilities | f) Open spaces |

The Council is required to transfer, within 6 months of receipt, 15% of CIL receipts to Parish Councils, but increasing to 25% where a Parish Council has adopted a Neighbourhood Development Plan. This neighbourhood fund provides greater flexibility than section 106 agreements as Parish Councils will be able to spend their contributions on:

- a) The provision, improvement, replacement, operation or maintenance of infrastructure
- b) Anything else that is concerned with addressing the demands that development places on the area

The remaining parts of the fund will be used by the District, in co-operation with Parish Council's and the County Council, to pay for other infrastructure items to support and enable development.

The draft charging schedule...

The table below shows the proposed rates that the Council will charge new development following the introduction of CIL.

Use	Charge £/sqm
Residential	£100
Residential and Retail (strategic development sites at Northstowe, Wing, Darwin Green II and III, Cambourne West, Bourn airfield new village, Waterbeach new town)	£0
Residential (joint site with Cambridge City at land North of Teversham Drift in Cherry Hinton)	£125
Retail (up to 280 sqm)	£50
Retail (greater than 280 sqm)	£125
All other uses	£0

Current work...

We have concluded work to understand the future infrastructure needs of the District, and consultants have undertaken an independent assessment to show how much CIL each type of development is able to afford. This process enabled us to consult on a preliminary draft charging schedule setting out the development types and amounts that will be liable for CIL.

Following positive feedback from the consultation on the preliminary draft charging schedule (which took place between 17 July and 30 September 2013 at the same time as the Local Plan) Cabinet have agreed to undertake a second consultation ahead of submitting the Draft Charging Schedule for public examination. The purpose of this consultation is to invite views on the proposed rates, but also give Parish Council's an opportunity to influence the District's infrastructure priorities.

The only difference between the preliminary draft charging schedule and the draft charging schedule is that we are now proposing to exempt retail use on the allocated strategic development sites.

The impact of CIL on Parish Councils...

Parish Councils have received considerable benefit from planning policies, to the extent that in the last 5 years over £2m has been paid to Parish Councils. There is also over £1.5m for Parish Councils, in signed agreements that have not yet been paid. CIL will, however, have a significant impact on this. Although it may be the case that the overall amount of developer contributions increases, the amount that will be paid to Parish Councils is likely to be less than under Section 106. This is especially the case given that both affordable housing and self-build housing will be exempt from CIL. The table below shows the effect of this based on small infill developments the scale of which is seen in many of our villages.

Scheme size	S106 to PC	Total CIL	CIL to PC (@ 15%)	CIL to PC (@25%)
1 DWELLING; 1 x 4 bed	£4,962.74	£12,000	£1,800 (or £0 if a self-build)	£3,000 (or £0 if a self-build)
5 DWELLINGS; 2 x 2 bed (affordable), 1 x 2 bed, 1 x 3 bed, 1 x 4 bed (market)	£16,427.86	£30,000	£4,500	£7,500
9 DWELLINGS; 4 x 2 bed (affordable), 2 x 2 bed, 2 x 3 bed, 1 x 4 bed (market)	£27,892.98	£48,000	£7,200	£12,000

The draft Regulation 123 infrastructure list...

Along with the draft charging schedule we are also consulting on something called the draft Regulation 123 infrastructure list. The purpose of the Regulation 123 infrastructure list is two-fold:

- Firstly the CIL Regulations prevent us from securing money under section 106 agreements for infrastructure items that are included on the list. This means that developers will not be asked to pay twice for one piece of infrastructure.
- Secondly the list sets out our infrastructure priorities over the coming years.

The list that we are consulting on is as follows:

- Pre-school education*
- Secondary school education*
- Libraries and lifelong learning*
- Public and community transport*
- Strategic green infrastructure*
- Village halls and community centres*
- Household recycling centres*
- Primary health care*
- Major transport schemes identified in the Transport Strategy for Cambridge and South Cambridgeshire*

*except where required as part of (i) the allocated strategic sites listed below and (ii) any development that is the scale of a large-scale major i.e. (a large-scale major development is one where the number of residential units to be constructed is 200 or more):

- NS/3 and SS/7 Northstowe
- SS/2 Darwin Green
- SS/3 (2) (the parcel Land North of Newmarket Road) Cambridge East
- SS/5 Waterbeach
- SS/6 Bourn airfield
- SS/8 Cambourne West

Parish Councils have previously expressed a deep concern that their 15% proportion will result in less money being paid to them. It is therefore important that Parishes tell us their views on any particular infrastructure item, of local or strategic importance, which would require investment to support additional development. This item should not be so closely related to one particular proposed development; as if it goes on the Regulation 123 list then we will not be able to fund that piece of infrastructure through a section 106 agreement (which may be a more appropriate way of delivery).

Next steps...

The draft charging schedule has been approved for consultation by Cabinet and, once representations have been assessed, it will be submitted to the planning inspector for examination. The draft Regulation 123 list will form part of the examination although, unlike the draft charging schedule, we are able to make amendments to this following this consultation. It is intended that the examination will take place in Autumn, following the Local Plan examination. The examiner will have the ability to make changes, and the final charging schedule will need to receive Full Council approval before being adopted. At this time it is intended that CIL will be in place in South Cambridgeshire by April 2015.

Once CIL is adopted all planning permissions approved from that date will be liable for it. Until then we will continue to use Section 106 agreements to secure money from development. Section 106 monies secured by agreement, up to the point that we introduce CIL, will still need to be honoured, meaning there will be a period of many years where the two systems are working together.