**LYMPSTONEPARISH COUNCIL**

**Community Infrastructure Levy**

1 East Devon District Council has prepared a Community Infrastructure Levy (CIL) Draft Charging Schedule, Draft Regulation 123 List and Draft Infrastructure Delivery Plan (IDP) for consultation. The Parish Council is invited to submit representations on these three documents by Friday 12th July 2013.

The CIL Draft Charging Schedule sets out East Devon District Council’s proposed charges per square metre of new development which will be paid to the Council in order to help fund infrastructure contained within the Regulation 123 List. These charges are based on sound viability evidence and do not put the development of the area as a whole or the development planned for in the East Devon Local Plan 2006-2026 at risk. The Charging Schedule is supported by maps showing the differential zones, a Viability Study with addendum reports, Draft Regulation 123 List,

**What is CIL?**

2.1 The Community Infrastructure Levy (CIL) was introduced by the Planning Act (2008) and is defined in the Community Infrastructure Levy Regulations 2010 (as amended 2011, 2012 and 2013). These allow local authorities to levy a charge on new development to help pay for required and identified infrastructure. CIL guidance was also issued by DCLG in December 2012 which was updated in April 2013.

2.2 East Devon District Council (EDDC) intends to adopt a CIL Charging Schedule in tandem with the new Local Plan in 2014 following examination in Autumn 2013. This means that from adoption onwards, any ‘CIL liable’ development as identified in the Charging Schedule will need to pay a charge to the Council to be spent on infrastructure identified in the Regulation 123 List.

2.3 CIL is a non-negotiable charge. The Charging Schedule sets out the charge on a metre squared basis for each relevant type of development. Different types of development may pay different rates, and Affordable Housing and charitable developments are entitled to relief from paying CIL. Different areas of the district may also pay different rates based on the results of the viability study. The Council, as the charging authority, makes the decision on what types of development are and are not ‘CIL liable’, and these are set out in the Charging Schedule.

**3 Why is CIL being introduced?**

3.1 Most developments place an increased burden on existing infrastructure and services. For this reason it is imperative that where economic viability can support it, such developments contribute towards the provision of such infrastructure.

3.2 The introduction of CIL is identified as necessary for a number of reasons, to include:

a) To plug the funding gap left by the withdrawal of central Government grants and other funding sources;

b) To ensure current and future infrastructure needs are met in-line with development;

c) To create a more open/ transparent system than the current system of raising developer contributions through Section 106 Agreements (planning obligations);

d) Because the CIL Regulations state that from the adoption of CIL or April 2014 (whichever is the sooner), a maximum of five developer contributions gained through Section 106 Agreements (planning obligations) will be able to be pooled together towards one project and this restricts spend on infrastructure significantly;

e) To ensure that the costs of infrastructure are shared equally between small and large developments on a pro-rata basis rather than on an arbitrary basis whereby only larger developments contribute as is currently the case; and

f) It will also be less time consuming in that there will not be a need for lengthy negotiations as currently is the case using S106 Agreements.

**What development will be liable for CIL?**

4.1 CIL will be levied on all liable developments where a net increase of floorspace exceeding 100m2 is created. However, for residential development creating a new dwelling the CIL charge will be levied on any net increase in floorspace.

4.2 In East Devon it is proposed to charge CIL only on residential and retail as defined by the Charging Schedule. This is because viability assessment has shown that only these types of development can support a charge at this moment in time.

4.3 Money raised through the CIL will be used to help pay for the infrastructure projects set out in the “Regulation 123 list” (so-called after Regulation 123 of the relevant guidance). This list contains projects which have been identified through the Infrastructure Delivery Plan (IDP) that will be paid for in full or part by CIL. The Draft Regulation 123 list is available for comment alongside the Draft Charging Schedule.

**5 Exemptions and CIL relief**

5.1 Certain types of development may be exempt from paying CIL. The Regulations state that Affordable Housing and charitable developments (development by a registered charity for charitable purposes) must be exempt from paying CIL.

5.2 The Regulations also state that a charging authority may set exceptional circumstances where full or partial relief may be given to developments; however EDDC proposes not to set any such circumstances. It is not an exceptional circumstance if an application is simply unviable because of CIL. If EDDC were to allow exceptional circumstances and therefore relief from CIL every time a development was considered to be unviable, then it may be construed as state aid and contravene laws on this matter.

5.3 CIL relief has a seven year “claw-back”. This means that if within those seven years from commencement, the development changes to no longer be eligible for CIL relief, then CIL can be charged retrospectively.

**Non-residential viability**

11.9 In terms of non-residential development, a similar process was followed. Due to the economic climate most non-residential development shows limited or nil value. The only two development types that were found to be able to support a CIL charge were out of town centre retail and warehousing retail. Despite there being a difference in viability between these different retail uses meaning that differential charges could be levied, it has been proposed to levy a **single retail charge of £150 per SqM on all retail outside of town centres**. This avoids any ambiguity related to differentiating between retail based mainly on convenience or comparison goods as had previously been proposed.

11.10 Whilst the option does exist to set size thresholds for charging it was deemed more appropriate to set location characteristics to define CIL charging based on the types of sites these types of uses are built on and the costs (including unusually high development costs often found in town centres) associated with development. Such costs have direct bearing on viability.

11.11 Town centre retail was found not able to support a CIL charge and so Town Centre Shopping areas have been used to define town centres as exempt from paying CIL.

**Planning Obligations Statement (CIL04)**

12.1 Whilst CIL will take over from some aspects currently dealt with through Section 106 Agreements (planning obligations), it will not replace them entirely. S106 Agreements are a key tool of the planning system that will continue to be used for the mitigation of site specific issues; however, many of the more widely used developer contributions are typically intended to be dealt with through CIL. The Planning Obligations Statement explains the Council’s intended use of S106 from the adoption of CIL and compares it with historical performance on S106.

12.2 Affordable Housing will continue to be dealt with through planning obligations.

12.3 Only infrastructure on the Regulation 123 list will be able to be funded through CIL. Conversely, any infrastructure appearing on that list cannot be funded through planning obligations.

**PART A - Draft Charging Schedule For East Devon**

**1 Proposed charging rates in East Devon**

1.1 Development in East Devon will be charged at the rates shown in the table below and calculated in accordance with Regulation 40 of the CIL Regulations 2010 (as amended 2011 and 2012 [and 2013]). Maps in Part F show the areas that each charging zone covers.

1.2 The levy is charged on a basis of per square metre of additional gross internal floorspace created. This means that demolitions and existing floorspace will be taken into account in calculating the charge (as long as that floorspace has been in lawful use for at least six months within the last twelve months prior to the planning application being approved). Any new build (building or extension) over 100 square metres can be charged the levy (though noting that for many non-residential uses the charge is £0. Where a development involves the creation of additional dwellings the charge will be on any net increase in floorspace.

1.3 Gross internal floorspace includes everything within the external walls of the buildings including lifts, stairwells and internal circulation areas, but not the thickness of the external walls themselves or any external balconies. The total sum will be calculated as the cumulative sum of the floorspace of each floor (storey).

1.4 The rates are set at a level that does not put the economic viability of development across East Devon as a whole or the delivery of the new Local Plan (2006-2026) at risk, whilst still enabling a reasonable and appropriate amount of funding to be raised towards required infrastructure projects.

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| 1.5 Any development types not shown in the table below are rated at £0. CIL will not be charged when the calculated amount is £50 or less. Development Type | Axminster, Cranbrook (“existing” town), Exmouth, Honiton, Ottery St Mary, Seaton and edge of Exeter allocation sites (defined by new Built-up Area Boundaries and proposed Strategic Allocations) | | Allocated Cranbrook expansion areas (as defined in the New Local Plan) | | Sidmouth, Coast, and Rural (the rest of East Devon) |
| Residential | £80 | | £68 | | £125 |
| Development Type | | Inside Town Centre Shopping Areas (as defined in the New Local Plan) | | Rest of East Devon | | |
| Retail | | £0 | | £150 | | |
| All other Non Residential Uses | | £0 | | £0 | | |

1.7 All charges are index linked to the Building Cost Information Service (BCIS), and therefore ensure that payments are responsive to market conditions and in line with inflation.