

## COMMUNITY INFRASTRUCTURE LEVY – DRAFT CHARGING SCHEDULE

### 1.0 PURPOSE OF THIS REPORT

- 1.1 This report recommends that Cabinet agree, for publication, the “Community Infrastructure Levy Draft Charging Schedule”. At this stage in the process, following earlier public consultation, this is the document that the Council intends to submit to the Secretary of State. If the recommendation to publish is agreed, then there will be a statutory 4 week period during which all interested parties have an opportunity to make formal representations which will be considered at a public examination.

### 2.0 BACKGROUND

- 2.1 Community Infrastructure Levy (CIL) is the new approach to securing developer contributions through the planning process, replacing the current S106 process.
- 2.2 At its meeting on 4 January 2012, the Cabinet approved a CIL preliminary draft charging schedule for consultation to satisfy Regulation 15 of the CIL Regulations 2010. Officers undertook consultation on the charging schedule and supporting documentation between January and February 2012.

### 3.0 RESULTS OF CONSULTATION

- 3.1 The consultation on the preliminary draft charging schedules and supporting documentation was undertaken through a written consultation between the 16 January and 27 February 2012. This included directly contacting approximately 360 addresses which included developers, interest groups, businesses with local interests as well as neighbourhood groups and Town/Parish Councils. The methods for advertising the consultation included:
- Consultation material sent to all neighbouring authorities and Parish/Town Councils in the District.
  - Consultation material made available in all Council Local Information Offices and libraries in the District.
  - Consultation material sent to 38 Local Development Framework Statutory Consultees, including the Department for Communities and Local Government.
  - A dedicated Community Infrastructure Levy website was created on the Council’s website [newforest.gov.uk](http://newforest.gov.uk), which included downloadable copies of the consultation material and a link to an electronic response form. (Appendix 2)
  - A press release was issued to all local newspapers on the 9 January 2012. A story appeared in the ‘Lymington Times’ on Saturday 21 January 2012 covering the consultation.
  - 161 Letters and emails sent to organisations, business, developers and individuals. The letters included a link to the website, dedicated email address and a contact telephone number.

# 3.2 Officers received 24 responses to the consultation. While this is a low response, it is not out of step with that received by (at this stage a limited number of) other authorities on their CIL consultation. The report on the consultation which includes the responses, together with officer comments and recommendations for actions, where considered appropriate, can be found in Appendix 3 to this report.

3.3 In summary the comments mainly related to the following:

- Concerns over how the charge will affect the viability of development, particularly in the East sub area (Totton and the Waterside);
- Concern over Retail (A1, 2, 3 and 5) charging;
- Concerns over viability assumptions made;
- Support for relief to be made available and acceptance of payment in kind;
- Clarification required on infrastructure priorities and residual use of S106;
- Concerns over the instalment policy.

3.4 After reviewing the comments, officers are only recommending one change to the proposed CIL charges, i.e. clarification that the retail levy charge only be applied to Use Class A1 retail uses. Therefore the proposed levy rates remain as:

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

Table 1: Proposed CIL Charging Rates

# 3.5 The full charging schedule can be found in Appendix 1 to this report.

3.6 The other proposed modifications relate to the supporting documentation to the charging schedule and are namely:

- Modification to the instalment policy for payment of CIL. This is proposed to allow developers more flexibility with the payment terms.
- Modification to set out that the Council will accept applications for discretionary charitable relief (above the statutory relief) and applications for relief in exceptional circumstances.
- Modification to set out that the Council will be willing to accept payment of CIL monies by payment in kind (e.g. in the form of land).

# 3.7 The full context and rationale document that has informed the charging schedule can be seen in Appendix 2 of this report.

#### 4.0 THE NEXT STEPS TO INTRODUCE CIL

- 4.1 Now that the consultation on the Preliminary Draft Charging Schedule has been completed, the next stages in the process for progressing the CIL charging schedule to adoption are summarised in Figure 1 below.
- 4.2 If the recommendation for publishing the Draft Charging Schedule is agreed, then it is intended that officers will report back to Cabinet as soon as possible seeking approval to submit the charging schedule to the Secretary of State.
- 4.3 As the public examination of the Charging Schedule will coincide with that of the Sites and Development Management Development Plan Document (DPD), officers have already consulted with the Planning Inspectorate and have a provisional Service Level Agreement in place for a joint examination of the two documents. This will of course, be dependent on future Council decisions to submit the two documents but if it can be achieved it will result in significant savings as compared with holding two separate public examinations.
- 4.4 After the public examination, it is hoped that the Council will be able to formally adopt the charging schedule which should then come into force from 1 April 2013.

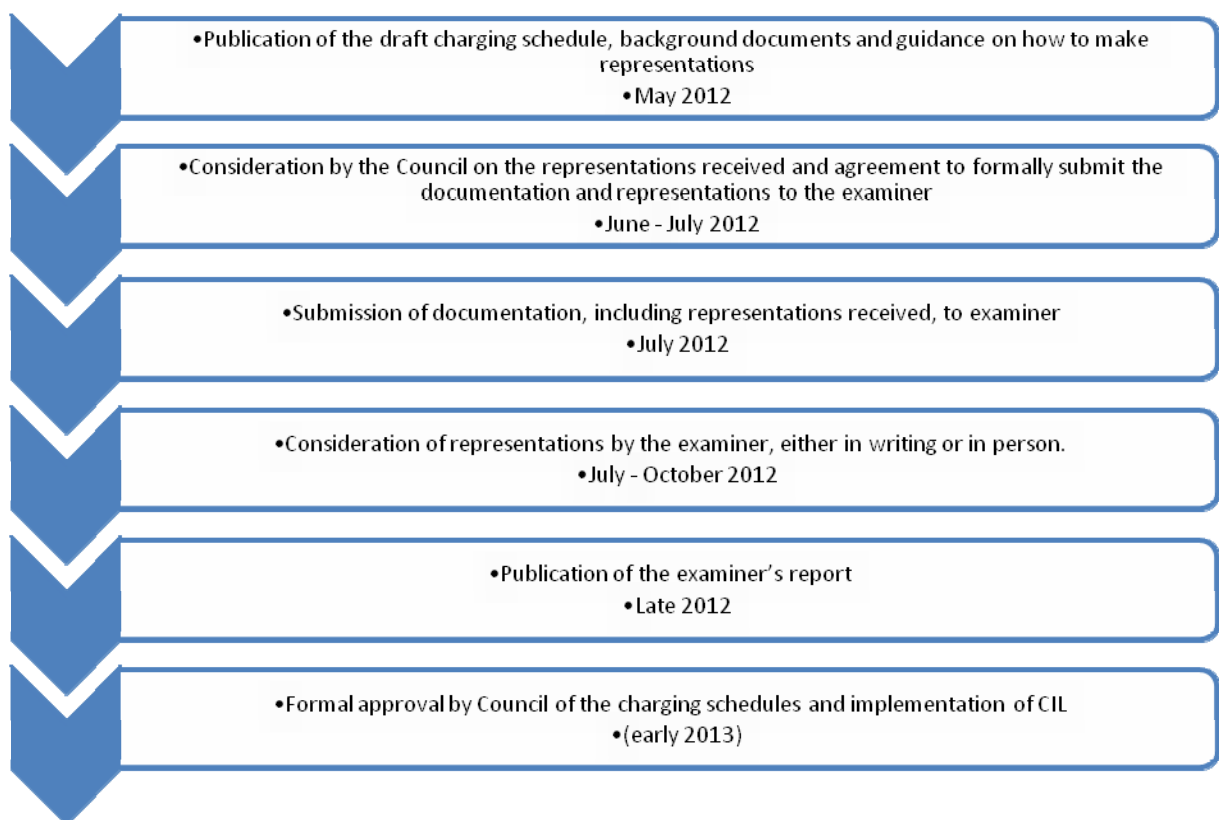


Figure 1 Process for CIL adoption

#### 5.0 FINANCIAL IMPACT

- 5.1 As highlighted in the 4 January 2012 Cabinet paper on CIL, the receipts collected via CIL will help to fund a significant amount of infrastructure required to mitigate new development within the District. Further funding will be required up to 2026 to fully meet the currently identified priority projects which are wider than just NFDC projects. These will be dependent on further funding programmes becoming available during this time.

- 5.2 The CIL Regulations require a 'significant proportion' of CIL receipts to be passed to the local neighbourhoods. A consultation was carried out by the Government in late 2011 to determine the minimum amount that should be passed to Parish/Town Councils. At the time of writing, the results of the consultation are yet to be published. However the Council will be required to pass at least a specified minimum amount to Parish/Town Councils.

## **6.0 RISK ASSESSMENT CONSIDERATIONS**

### **Risks**

- 6.1 The scope to achieve funding through the Section 106 planning gain process will be very limited after April 2014 (or when CIL is introduced). Without the financial provision of a CIL Charging Schedule the Council will have increasing difficulties in meeting the infrastructure needs of the Council. Even with CIL, difficult decisions on priorities will need to be made.

### **Options**

- 6.2 The alternative is that the Council does not pursue the introduction of a CIL Charging Schedule. The outcome of such an approach would result in the Council failing to capture a significant funding source for the delivery of infrastructure to support the district's future growth needs. In addition, the Council may find itself further compromised when addressing future infrastructure requirements beyond 2014, when the scope of the Section 106 process is reduced.

### **Future savings/efficiencies**

- 6.3 The implementation of CIL introduces a new mechanism for the Council to capture income from development, which can be reinvested in needed local infrastructure. Also, it could speed up planning negotiations, leading to time savings and potentially reduced revenue costs. However, the introduction and application of CIL will have its own resource requirements.

## **7.0 CRIME AND DISORDER / EQUALITY AND DIVERSITY/ENVIRONMENTAL IMPLICATIONS**

- 7.1 There are no Crime & Disorder or Equality & Diversity implications arising directly from this report. The reception of CIL funding should allow the Council to help maintain a better environment for its residents.

## **8.0 COMMENTS OF PLANNING AND TRANSPORTATION PORTFOLIO HOLDER**

- 8.1 The introduction of the Community Infrastructure Levy will bring with it simplicity and a greater degree of transparency than with the current S106 based system. It also has the advantage that by pooling the income, the Council will have the ability to take on larger and more meaningful projects than has been the case. Minor amendments have been made following the consultation period and I am now pleased to recommend to Cabinet that the "Community Infrastructure Levy Draft Charging Schedule" be formally adopted.

## 9.0 RECOMMENDATIONS

- i. That, insofar as they are empowered to do so by law, the Cabinet agree to publish the Community Infrastructure Levy Draft Charging Schedule for a statutory period of representation.
- ii. That, insofar as they are empowered to do so by law, the Council agree to publish the Community Infrastructure Levy Draft Charging Schedule for a statutory period of representation; and
- iii. The Planning Policy Manager in conjunction with the Planning and Transportation Portfolio Holder be authorised to make editing and clarification changes to the documents attached as Appendices 1 and 2 in preparing them for publication.

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### **Appendices**

Appendix 1 – Draft Charging Schedule  
Appendix 2 – Draft Charging Schedule  
Context and Rationale  
Document  
Appendix 3 – Report on consultation

### **Background Papers**

Infrastructure Delivery Plan – December 2011  
Community Infrastructure Levy Viability  
Assessment – December 2011

# APPENDIX 1



New Forest District Council Local Development Framework

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Community Infrastructure Levy

Draft Charging Schedule

New Forest District outside the National Park

April 2012

## 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.

<b>The Charging Authority</b>	The Charging Authority is the New Forest District Council
<b>Date of Approval</b>	This Charging Schedule was approved by New Forest District Council on xxxxx
<b>Date of Effect</b>	This Charging Schedule will become effective on xxxxxx

### 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, with less than 100 square metres gross internal floor space;
- 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, the relevant rate (R) is the Rate for each land use shown in Table below,

The Council will 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):	<b>£80</b>
Large A1, (≥1000sqm)	<b>£200</b>
Small A1, (< 1000sqm)	<b>£0</b>
Industry and offices (B1, B2 and B8):	<b>£0</b>
Hotels (C1):	<b>£0</b>
Residential Institutions (C2):	<b>£0</b>
Any Other uses	<b>£0</b>

**Table 1 Council CIL charge**



## APPENDIX 2



New Forest District Council Local Development Framework

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Community Infrastructure Levy

Draft Charging Schedule

Context and Rationale Document

New Forest District outside the National Park

April 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) Draft Charging Schedule (DCS) 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 .

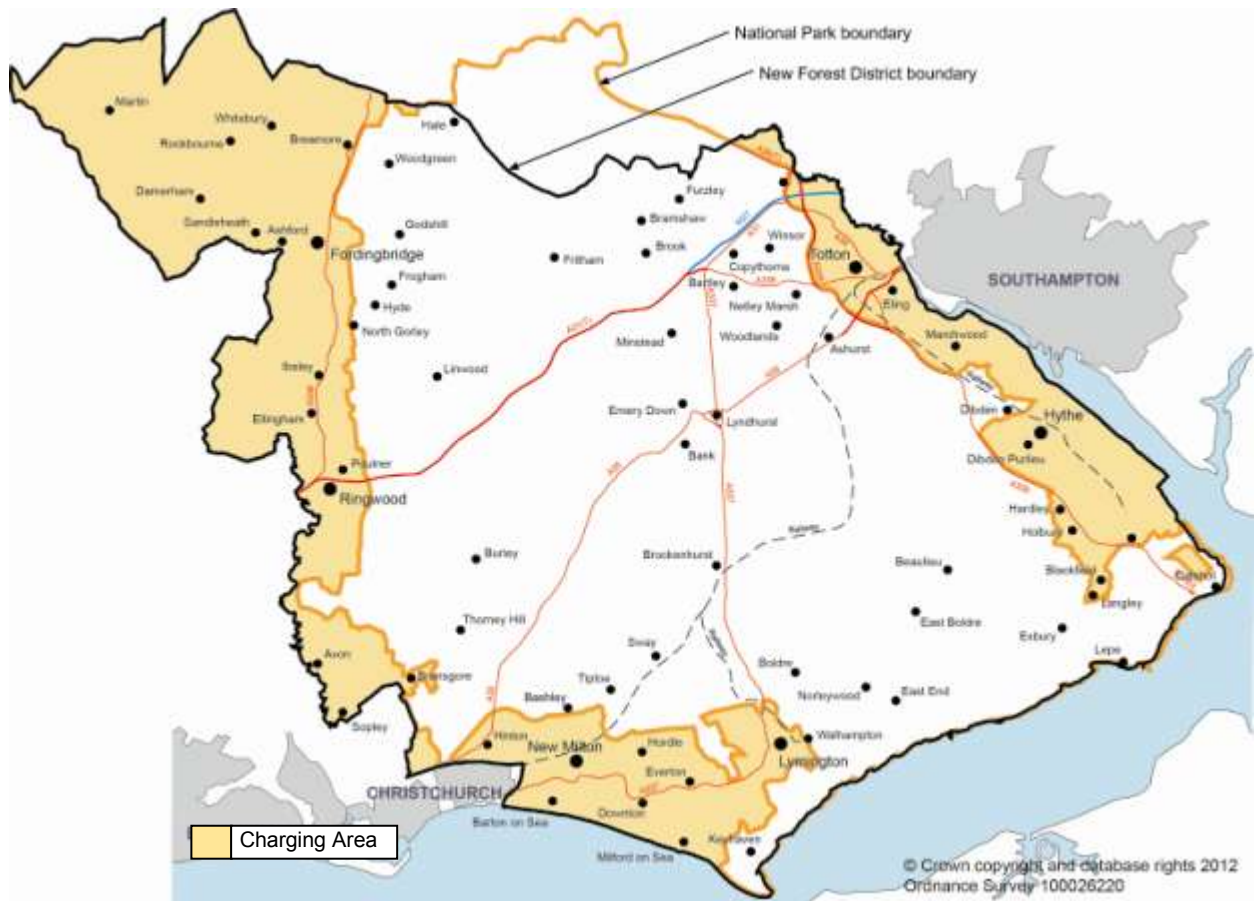


Figure 1 Area covered by New Forest District Council Charging Schedule

- 1.2 This document represents the second stage in the CIL process. Drawing on the powers set out in Part 11 of the Planning Act 2008 and the Community Infrastructure Levy Regulations 2010<sup>1</sup>, 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;
  - Explains the basis on which the draft charging schedule 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;

<sup>1</sup> 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 make representations on the 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 9.0.

## 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 and the Government's consultation in late 2011. 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 for buildings used for charitable purposes;
  - 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 Government<sup>2</sup>
- 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. The process for collection of the CIL is set out in Annex B to this document. Annexes D and E to this document contain the 'Notice of Chargeable Development' and 'Assumption of Liability Form' which must be submitted by the landowners for qualifying developments.
- 2.8 Payment of the CIL for larger amounts can be in instalments over fixed time periods as set out in the Council's Instalment Policy, which can be seen in Annex C to this document.
- 2.9 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

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<sup>2</sup> The Community Infrastructure Levy – An overview, can be found at:  
[communities.gov.uk/documents/planningandbuilding/pdf/1897278.pdf](http://communities.gov.uk/documents/planningandbuilding/pdf/1897278.pdf)

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.

- 2.10 CIL is levied in pounds per square metre to the net additional increase in floorspace of any given development. The rate is calculated in accordance with the CIL regulations<sup>3</sup>. This ensures that the cost of infrastructure does not rest unfairly just with the large developments, as small ones (from 100m<sup>2</sup> upwards) will also pay.
- 2.11 The chargeable rate is 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. Annex A to this document sets out how the chargeable rate is calculated.
- 2.12 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.
- 2.13 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.
- 2.14 Economic viability research and the Council's Infrastructure Delivery Plan informed the Levy rates set in the Draft Charging Schedule. 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.
- 2.15 At the time of adoption the Council will, as required under Regulation 123 of the CIL Regulations, publish a statement indicating what CIL will be spent on. This is explained in further detail in Chapter 8.0.

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

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### **3.0 Section 106 and Developer Contributions**

- 3.1 Following the council's adoption of CIL, 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 for providing new infrastructure, 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.
- 3.2 While the CIL will therefore replace S106 agreements in many cases, planning obligations may still be required 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 Regulation 122 of the CIL Regulations sets out when a planning obligation may constitute a reason for granting planning permission for the development. Therefore any S106 obligations must meet the statutory tests, that being if the obligation is:
- Necessary to make the development acceptable in planning terms;
  - Directly related to the development; and
  - Fairly and reasonably related in scale and kind to the development.
- 3.4 Contributions in addition to the CIL and the above mentioned S106 may be required on a site by site basis, for example towards local water distribution and sewerage infrastructure. Developers should contact service providers as early as possible in the planning process to determine any contributions required.
- 3.5 Individual developments will not be charged for the same items of infrastructure through both planning obligations (that meet the tests of Regulation 122) 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 from the date of adoption and this and this list will be continually reviewed. How the CIL will be spent is covered in further detail in Chapter 8.0.



## 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. This took place between 16 January and 27 February 2012.
  - 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). That is the purpose of this document.
- 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 appointed an independent “examiner” to conduct a Public Charging Schedule Examination. As this public will coincide with that of the Sites and Development Management Development Plan Document (DPD) prepared by the Council, officers have already consulted with the Planning Inspectorate and have agreed to hold a joint examination under the same inspector. 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;
  - The 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;
  - The 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 its 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 at Annex C to this document.
- 4.5 Once formally approved, the Charging Schedule will sit alongside the Council’s Local Development Framework, but will not form part of it. At an appropriate time in the future,
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e.g. should the current economic conditions change, 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. It is anticipated any review will likely to take place within the next two to three years.

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.<sup>4</sup> 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 On 20 January 2012 the District Council published its Proposed Submission Sites and Development Management Development Plan Document for a six week representation period, which ended on 2 March 2012. The Sites and Development Management DPD sets out the detailed proposals and policies required to implement the planning strategy for the area agreed through the Core Strategy. The Plan includes the allocation of a limited amount of greenfield land for new development required to meet the local need for additional housing, affordable housing and employment land. It also provides additional development management policies to assist the implementation of the Core Strategy.

### 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.<sup>5</sup> 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

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<sup>4</sup>The Core Strategy can be viewed at [newforest.gov.uk/media/adobe/o/t/FINAL\\_DOCUMENT.pdf](http://newforest.gov.uk/media/adobe/o/t/FINAL_DOCUMENT.pdf).

<sup>5</sup> The 2009 Infrastructure plan can be found at:  
[newforest.gov.uk/index.cfm?articleid=8197&articleaction=dispmedia&mediaid=10523](http://newforest.gov.uk/index.cfm?articleid=8197&articleaction=dispmedia&mediaid=10523)

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Core Strategy. The study can be seen at:  
[newforest.gov.uk/index.cfm?articleid=12182](http://newforest.gov.uk/index.cfm?articleid=12182)

- 5.8 The IDP identifies those projects currently considered a priority to support the objectives of the Local Development Framework which total approximately £32m, these projects are set out in Appendix A of the IDP. Current identified funding reduces the funding gap of priority projects to around £25m. The Council has also identified a list of other possible projects costing over £250m for which no timeframe or budget has been identified which is set out in Appendix B of the IDP. Whilst the projects in Appendix B will contribute towards the mitigation of new development and delivery of the Local Development Framework their achievement is not dependant on it,

### Community Infrastructure Levy Viability Assessment

- 5.9 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:  
[newforest.gov.uk/index.cfm?articleid=12182](http://newforest.gov.uk/index.cfm?articleid=12182)
- 5.10 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.
- 5.11 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.
- 5.12 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. The study recommends, on the basis of the existing contribution figures, that the Council 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 of 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 value areas would incur a higher charge than those in lower so 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 Although the East of the District currently has, on average, lower values than the South and West, the CIL charges proposed do not place the development in negative equity as this is the result of other market factors. On reflection, therefore, the Council decided that there were already suitable mechanisms through Core Strategy policy (CS Policy CS15) that mitigate 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 for all land uses 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.
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### **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 3<sup>6</sup>) 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 targets. 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.

### **Residual S106 use**

- 6.12 Guidelines require that the evidence on charge setting needs to take account of other developer contributions and the impact of the economic cycle.
- 6.13 The viability modelling undertaken assumed zero residual planning obligations, as in the majority of cases this will be case. 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. Section 3 of this charging schedule further explains when additional S106 costs may be incurred.

### **Overview of Findings of the CIL Viability Assessment**

- 6.14 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)**

- 6.15 The viability assessment shows that residential developments are likely to be able to support a CIL contribution in all cases across the District. The assessment also includes sheltered accommodation which still falls under the C3 use. The assessment assumed benchmark residual land values at which development within the District may come forward as follows:
- Eastern Sub Area: £2m per ha
  - Southern Sub Area: £2.25m per ha
  - Western Sub Area: £2.25m per ha
- 6.16 The assessment has shown that residual values in the East of the District do fall below the £2m expected to encourage development to take place even without a CIL charge. However, at all levels of CIL, including £0 a positive land value is still generated and the imposition of CIL has little impact on the residual value. It is therefore considered that there is no evidence to suggest that the Eastern sub area should have either a lower, or

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<sup>6</sup>Planning Policy 3 can be viewed at: [communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf](http://communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf)

a £0 CIL charge. The decision at what land value landowners wish to bring forward land for development is their own and CIL is not likely to affect this decision.

- 6.17 To help judge the impact of the proposed CIL rates it should be compared to current practice. Currently the 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.
- 6.18 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):**

- 6.19 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):**

- 6.20 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):**

- 6.21 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):**

- 6.22 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. Whilst retail development of the other 'A' uses, with the exception of A4 uses, is likely to demonstrate the same viability results, these uses have not been modelled and it is not anticipated there will be a significant provision in the market for these other 'A' uses.



6.23 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 'A1' retail over 1000 sqm and a zero charge for all other 'A1' 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:

6.24 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.

6.25 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

6.26 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 6.17 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
<b>Total</b>	<b>821,755</b>	<b>682,996</b>	<b>1,066,401</b>	<b>569,391</b>	<b>1,158,638</b>	<b>517,331</b>	<b>4,299,181</b>	<b>741,238</b>

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

6.27 Table 2, below, indicates anticipated CIL receipts based on the development projections from the Local Development Framework, whilst Table 1, above, shows the S106 figures that have been agreed since 2006 (excluding affordable housing contributions).

6.28 On the basis of this Trajectory it is clear that the infrastructure funding gap explained in para 5.85.6 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
<b>Residential</b>		£732,800	£732,800	£735,200	£735,200	£735,200	£735,200
<b>Non Residential</b>	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
<b>Total</b>		<b>£889,800</b>	<b>£890,000</b>	<b>£892,200</b>	<b>£892,400</b>	<b>£892,200</b>	<b>£892,400</b>

Table 2 Anticipated CIL receipts 2013-2018

6.29 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)

6.30 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

6.31 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 as discussed in para 4.5.

## 7.0 Exemptions from CIL

- 7.1 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.
- 7.2 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 calculator<sup>7</sup> that can help calculate the appropriate level of relief for affordable housing on any given development.
- 7.3 In addition to the statutory exemptions, the District Council may make discretionary relief available in exceptional circumstances and offer a discretionary charitable relief.

### Exceptional Circumstances

- 7.4 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.
- 7.5 Discretionary relief could promote regeneration or the development of an allocated site regarded as critical to the delivery of the strategy for the area. For some of these sites there could be significant infrastructure requirements required to enable their development and deliver the associated regeneration and environmental improvements. In practice, however, the scope of relief which could be offered is likely to be very limited by European state aid regulations.
- 7.6 Whilst many of the infrastructure requirements needed will normally form part of the development proposal there will, on occasions, be some that may be delivered by compliance through a S106.
- 7.7 New Forest District Council will allow claims for relief for exceptional circumstances from the date that the Charging Schedule comes into effect. In such cases the claimant must follow the procedures set out in CIL Regulation 57, including an assessment carried out by an independent person of the cost of complying with the planning obligation and its impact on the economic viability of the chargeable development. In such cases the Council will consider whether relief from the Levy, or a reduction in the section 106 contribution, is appropriate in light of community the circumstances of the case.

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<sup>7</sup>PAS online calculator available at [pas.gov.uk/pas/aio/1242143](http://pas.gov.uk/pas/aio/1242143)

## Discretionary Charitable Relief

- 7.8 Regulation 44-46 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
  - 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.
- 7.9 New Forest District Council intends to offer such discretionary relief (Regulation 46). The amount of relief granted will be in direct proportion to the proposed development's benefit to the community, as assessed by the Council in consultation with the Parish or Town Council. The Council will accept claims for such relief from the date that the Charging Schedule comes into effect.

## Payment in Kind

- 7.10 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 and/or onsite open space to support that development it will be expected that land transfer will be at no cost to the Council and will not be accepted as a CIL payment in kind.
- 7.11 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.
- 7.12 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).<sup>8</sup>

- 7.13 New Forest District Council intends to offer the facility to allow, in certain circumstances, payment on CIL in the form of land. This will depend on five conditions being agreed:

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

- New Forest District Council must agree to the transfer;
- The Council must have the intention of using the land to help provide infrastructure to support the development of its area;
- The person transferring the land to the charging authority as payment must have assumed liability to pay CIL beforehand;
- The land to be transferred must have been valued by a suitably qualified and experienced independent person. The Council must give their approval to the valuation of the land by this person. The valuation must represent the fair market price for the land on the day it is valued;
- Development on the site must not have commenced before a written agreement with the Council to pay some or the entire CIL amount in land has been made. This agreement must state the value of the land being transferred.

7.14 Any agreement to pay CIL in the form of land will not form part of a planning obligation entered into under Section 106 of the Town and Country Planning Act 1990. The agreement may however allow the transfer of land in instalments as long as it is in line with the payment proportions set out in Annex C.

## 8.0 Spending CIL

- 8.1 CIL revenue will be spent on the infrastructure needed to support new development within the plan area. The CIL will help to fund the provision of new infrastructure and will 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.
- 8.2 The Government requires the Council to allocate a meaningful proportion of the CIL funds raised in each neighbourhood back to that neighbourhood<sup>9</sup>. 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 Councils<sup>10</sup>. This will ensure that where a neighbourhood bears the brunt of a new development, it receives sufficient money to help it manage those impacts. At the time of writing the results of this consultation are unknown, and when the new Regulations are published the Council will pass funds in compliance with this requirement. 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.
- 8.3 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. In formulating the Regulation 123 list the Council will work closely with other bodies to address strategic infrastructure and that delivered by other public authorities such as the County Council.
- 8.4 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.
- 8.5 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.
- 8.6 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.
- 8.7 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

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

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

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timely provision of infrastructure, for example, by using the CIL to backfill early funding provided by another funding body.

- 8.8 The CIL regime allows Charging Authorities to collaborate and pool their revenue from their respective levies to support the delivery of 'sub-regional infrastructure', where they are satisfied that this would support the development of their own area.
- 8.9 The Core Strategy supports cross-boundary working to deliver infrastructure projects and states that the District Council will work with others to implement a strategic approach to protecting sensitive internationally recognised nature conservation sites from harmful recreational pressures, including a suite of avoidance and mitigation measures supported, where appropriate, by developer contributions. This could include the provision and enhancement of large scale recreational opportunities or large transport projects.

## 9.0 Procedure for making representations

- 9.1 If you wish to make a representation on the draft charging schedule for New Forest District Council's Community Infrastructure Levy, please visit the Council's website [newforest.gov.uk/index.cfm?articleid=12182](http://newforest.gov.uk/index.cfm?articleid=12182) for guidance on how to make representations and to download the required form.
- 9.2 Alternately email [cilconsultation@nfdc.gov.uk](mailto:cilconsultation@nfdc.gov.uk) to request the information.

Representations can be submitted via email or in writing. Written representations must be sent to:

New Forest District Council  
Policy and Plans Team  
Beaulieu Road  
Appletree Court,  
Lyndhurst,  
SO43 7PA

- 9.3 Please ensure representations reach us on **18 May 2012**. If you have any queries about this document, please email [cilconsultation@nfdc.gov.uk](mailto:cilconsultation@nfdc.gov.uk) or phone 023 8028 5345.
- 9.4 Full details of how to make representations, together with the representation form are available on the Council's website [newforest.gov.uk/index.cfm?articleid=12182](http://newforest.gov.uk/index.cfm?articleid=12182)

### Timescale

- 9.5 After this period of representation, ending 18 May 2012, the Council will consider whether to proceed with submission of the charging schedule for Public Examination. In the event that the council considers that significant changes should be made to the schedule before submission, it will be necessary to undertake a further period for representations before formal submission.
- 9.6 Representations received during the representation period will be considered by an independent Planning Inspector, alongside the submitted schedule, at the Public Examination.
- 9.7 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

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

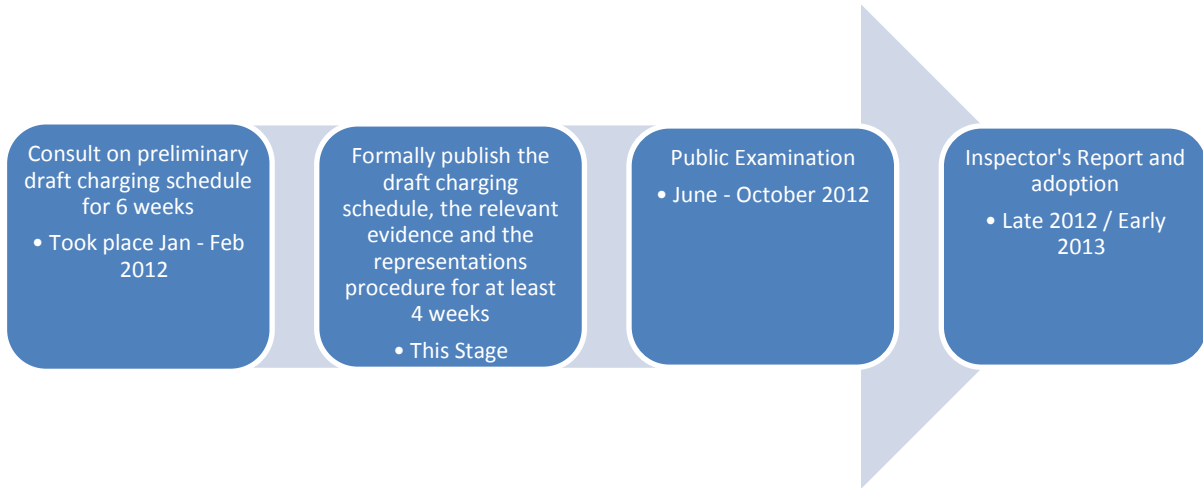


Figure 2 Timetable for CIL adoption

***Annex 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<sub>P</sub> = the index figure for the year in which planning permission was granted; and

I<sub>c</sub> = 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<sub>R</sub> = 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.

- (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.

***Annex 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.

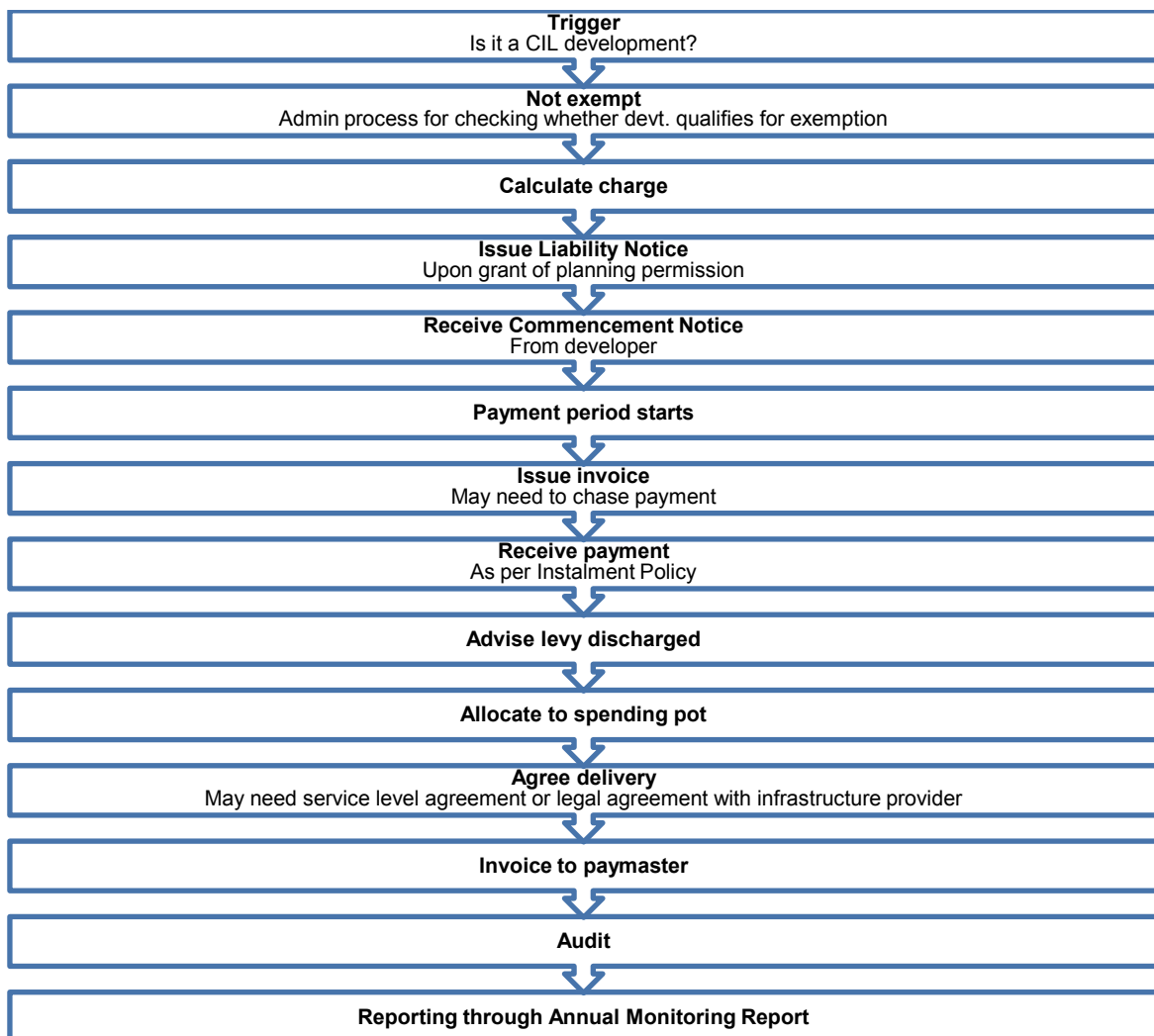


Figure 3 CIL collecting process

***Annex 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**

Two instalments

1. One instalment at 60 days after commencement of the development. (25%)
2. 365 days after commencement or on occupation of the first dwelling, whichever is the sooner (75%).

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

Three instalments.

1. 60 days after commencement (25%)
2. 270 days after commencement (25%)
3. 540 days after commencement or on occupation of the first dwelling, whichever is the sooner (50%).



***Annex D - Notice of Chargeable Development Form***



Community Infrastructure Levy (CIL)  
 Form 5: Notice of Chargeable Development

Please complete using block capitals and black ink.

<p><b>Details of Responsible Person for this Notice</b></p> <p>Title: <input type="text"/> First name: <input type="text"/></p> <p>Last name: <input type="text"/></p> <p>Company (optional): <input type="text"/></p> <p>Position: <input type="text"/></p> <p>Company registration no: (where applicable) <input type="text"/></p> <p>Unit: <input type="text"/> House number: <input type="text"/> House suffix: <input type="text"/></p> <p>House name: <input type="text"/></p> <p>Address 1: <input type="text"/></p> <p>Address 2: <input type="text"/></p> <p>Address 3: <input type="text"/></p> <p>Town: <input type="text"/></p> <p>County: <input type="text"/></p> <p>Country: <input type="text"/></p> <p>Postcode: <input type="text"/></p> <p>Telephone number                  Country code: <input type="text"/> National number: <input type="text"/> Extension number: <input type="text"/></p> <p>Email address (optional): <input type="text"/></p>	<p><b>Site Address Details</b></p> <p>Please provide the full postal address of the application site.</p> <p>Unit: <input type="text"/> House number: <input type="text"/> House suffix: <input type="text"/></p> <p>House name: <input type="text"/></p> <p>Address 1: <input type="text"/></p> <p>Address 2: <input type="text"/></p> <p>Address 3: <input type="text"/></p> <p>Town: <input type="text"/></p> <p>County: <input type="text"/></p> <p>Postcode (optional): <input type="text"/></p> <p>Description of location or a grid reference. (must be completed if postcode is not known):</p> <p>Easting: <input type="text"/> Northing: <input type="text"/></p> <p>Description: <input type="text"/></p> <p>Description of Development: <input type="text"/></p>
<p><b>Supporting Information</b></p> <p>Has a building, or a part of a building, on the site been in use for a continuous period of at least six months within the past twelve months? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If Yes, please state how much gross internal floorspace you propose to demolish (square metres): <input type="text"/></p> <p>Or change of use (square metres): <input type="text"/></p>	

**Supporting Information (continued)**

Please set out the intended use of the chargeable development and the intended floorspace of each use:

Intended Use (please detail each use proposed)	Gross internal new build floorspace of each intended use (sq m)

**Checklist**

This completed form should be accompanied by:

- a) A plan which identifies the relevant land, buildings in use on that land and any of those buildings which are to be demolished;
- b) Photographic evidence of buildings in use on the relevant land;
- c) A plan which identifies the chargeable development;

Your local authority may request any other plans, drawings and information necessary to describe any buildings in use on the relevant land and the chargeable development. Any plans or drawings required must be drawn to an identified scale and, in the case of plans, shall show the direction of North.

**Declaration - Notice of Chargeable Development - Landowner**

I/we confirm that the information above is correct to the best of my/our knowledge, and I/we am/are aware of the consequences of providing incorrect information, including regarding the demolition or change of use of buildings. I/we confirm I/we have assumed liability through the relevant section of this form and that, if not, I/we will submit an assumption of liability notice. I/we understand that I/we must submit a commencement notice in order to secure the 60 day payment window or such time as the charging authority has allowed in its current payment instalments policy, as per the requirements of the Community Infrastructure Levy Regulations (2010) as amended. I/we undertake to notify the collecting authority in writing of any changes to the information on this notice, prior to this development commencing. I/we understand any communication and actions by the collecting authority to pursue me/us for the assumed liability will be copied to the site land owners (as defined in CIL regulations)

Signed - Landowner:

Date (DD/MM/YYYY):

It is an offence for a person to knowingly or recklessly supply information which is false or misleading in a material respect to a charging or collecting authority in response to a requirement under the Community Infrastructure Levy Regulations (2010) as amended (regulation 110, SI 2010/ 948). A person guilty of an offence under this regulation may face unlimited fines, two years imprisonment, or both.

**Notices of Chargeable Development served by the Collecting Authority**

The collecting authority have deemed that chargeable development has commenced under regulation 64A(1) of the Community Infrastructure Regulations (2010) as amended. The collecting authority confirms that it has completed this form correctly, in accordance with regulation 64A(2) and that this notice has been served on all known owners of the land under regulation 64A(3). This declaration is signed on behalf of the collecting authority.

Signed - Collecting Authority:

Date (DD/MM/YYYY):

**Declaration - Assumption of Liability**

I/we am/are the landowner detailed at section 1 and I/we would like to assume liability for payment of the Community Infrastructure Levy under regulation 31 of the Community Infrastructure Levy Regulations (2010) as amended. I/we hereby assume liability for the Community Infrastructure Levy charge for the above development. I/we understand that I/we must submit a commencement notice in order to secure the 60 day payment window or such time as the charging authority has allowed in its current payment instalments policy, as per the requirements of the Community Infrastructure Levy Regulations (2010) as amended. I/we am/are aware of the surcharges I/we will incur if I/we do not follow the correct procedures for paying the CIL charge. I/we understand any communication and actions by the collecting authority to pursue me/us for the assumed liability will be copied to the site land owners (as defined in CIL regulations).

It is an offence for a person to knowingly or recklessly supply information which is false or misleading in a material respect to a charging or collecting authority in response to a requirement under the Community Infrastructure Regulations (2010) as amended (regulation 110, SI 2010/948). A person guilty of an offence under this regulation may face unlimited fines, two years imprisonment, or both.

Signed - Landowner:

Date (DD/MM/YYYY):

If you wish to assume liability at a later date, please complete Form 1 – Assumption of Liability prior to commencement of development. If you are a charitable institution or social housing provider and believe you could benefit from exemption or relief, please complete Form 2 – Claiming Exemption and/or Relief

***Annex E - Assumption of Liability Form***



## Community Infrastructure Levy (CIL) Form 1: Assumption of Liability

This form should be used to assume liability prior to commencement of development

Please complete using block capitals and black ink.

<b>Description of Development</b>	
Planning Permission / Notice of Chargeable Development Reference:	<input style="width: 95%;" type="text"/>
Site address:	
<input style="width: 95%; height: 30px;" type="text"/>	
Description of development:	
<input style="width: 95%; height: 30px;" type="text"/>	

### Section A: Assumption of Liability

<p><b>Party A Assuming Liability</b></p> <p>Title: <input style="width: 40%;" type="text"/> First name: <input style="width: 40%;" type="text"/></p> <p>Last name: <input style="width: 95%;" type="text"/></p> <p>Company (optional): <input style="width: 95%;" type="text"/></p> <p>Position: <input style="width: 95%;" type="text"/></p> <p>Company registration no: <input style="width: 95%;" type="text"/> (where applicable)</p> <p>Unit: <input style="width: 20%;" type="text"/> House number: <input style="width: 20%;" type="text"/> House suffix: <input style="width: 20%;" type="text"/></p> <p>House name: <input style="width: 95%;" type="text"/></p> <p>Address 1: <input style="width: 95%;" type="text"/></p> <p>Address 2: <input style="width: 95%;" type="text"/></p> <p>Address 3: <input style="width: 95%;" type="text"/></p> <p>Town: <input style="width: 95%;" type="text"/></p> <p>County: <input style="width: 95%;" type="text"/></p> <p>Country: <input style="width: 95%;" type="text"/></p> <p>Postcode: <input style="width: 40%;" type="text"/></p> <p>Telephone number Country code: <input style="width: 15%;" type="text"/> National number: <input style="width: 45%;" type="text"/> Extension number: <input style="width: 15%;" type="text"/></p> <p>Email address (optional): <input style="width: 95%;" type="text"/></p>	<p><b>Party B Assuming Liability</b></p> <p>Title: <input style="width: 40%;" type="text"/> First name: <input style="width: 40%;" type="text"/></p> <p>Last name: <input style="width: 95%;" type="text"/></p> <p>Company (optional): <input style="width: 95%;" type="text"/></p> <p>Position: <input style="width: 95%;" type="text"/></p> <p>Company registration no: <input style="width: 95%;" type="text"/> (where applicable)</p> <p>Unit: <input style="width: 20%;" type="text"/> House number: <input style="width: 20%;" type="text"/> House suffix: <input style="width: 20%;" type="text"/></p> <p>House name: <input style="width: 95%;" type="text"/></p> <p>Address 1: <input style="width: 95%;" type="text"/></p> <p>Address 2: <input style="width: 95%;" type="text"/></p> <p>Address 3: <input style="width: 95%;" type="text"/></p> <p>Town: <input style="width: 95%;" type="text"/></p> <p>County: <input style="width: 95%;" type="text"/></p> <p>Country: <input style="width: 95%;" type="text"/></p> <p>Postcode: <input style="width: 40%;" type="text"/></p> <p>Telephone number Country code: <input style="width: 15%;" type="text"/> National number: <input style="width: 45%;" type="text"/> Extension number: <input style="width: 15%;" type="text"/></p> <p>Email address (optional): <input style="width: 95%;" type="text"/></p>
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**Party C Assuming Liability**

Title:  First name:

Last name:

Company (optional):

Position:

Company registration no: (where applicable)

Unit:  House number:  House suffix:

House name:

Address 1:

Address 2:

Address 3:

Town:

County:

Country:

Postcode:

Telephone number

Country code:  National number:  Extension number:

Email address (optional):

**Party D Assuming Liability**

Title:  First name:

Last name:

Company (optional):

Position:

Company registration no: (where applicable)

Unit:  House number:  House suffix:

House name:

Address 1:

Address 2:

Address 3:

Town:

County:

Country:

Postcode:

Telephone number

Country code:  National number:  Extension number:

Email address (optional):

<p><b>Party E Assuming Liability</b></p> <p>Title: <input type="text"/> First name: <input type="text"/></p> <p>Last name: <input type="text"/></p> <p>Company (optional): <input type="text"/></p> <p>Position: <input type="text"/></p> <p>Company registration no: (where applicable) <input type="text"/></p> <p>Unit: <input type="text"/> House number: <input type="text"/> House suffix: <input type="text"/></p> <p>House name: <input type="text"/></p> <p>Address 1: <input type="text"/></p> <p>Address 2: <input type="text"/></p> <p>Address 3: <input type="text"/></p> <p>Town: <input type="text"/></p> <p>County: <input type="text"/></p> <p>Country: <input type="text"/></p> <p>Postcode: <input type="text"/></p> <p>Telephone number</p> <p>Country code: <input type="text"/> National number: <input type="text"/> Extension number: <input type="text"/></p> <p>Email address (optional): <input type="text"/></p>	<p><b>Party F Assuming Liability</b></p> <p>Title: <input type="text"/> First name: <input type="text"/></p> <p>Last name: <input type="text"/></p> <p>Company (optional): <input type="text"/></p> <p>Position: <input type="text"/></p> <p>Company registration no: (where applicable) <input type="text"/></p> <p>Unit: <input type="text"/> House number: <input type="text"/> House suffix: <input type="text"/></p> <p>House name: <input type="text"/></p> <p>Address 1: <input type="text"/></p> <p>Address 2: <input type="text"/></p> <p>Address 3: <input type="text"/></p> <p>Town: <input type="text"/></p> <p>County: <input type="text"/></p> <p>Country: <input type="text"/></p> <p>Postcode: <input type="text"/></p> <p>Telephone number</p> <p>Country code: <input type="text"/> National number: <input type="text"/> Extension number: <input type="text"/></p> <p>Email address (optional): <input type="text"/></p>
<p><b>Agent Name and Address</b></p> <p>Title: <input type="text"/> First name: <input type="text"/></p> <p>Last name: <input type="text"/></p> <p>Company (optional): <input type="text"/></p> <p>Telephone number</p> <p>Country code: <input type="text"/> National number: <input type="text"/> Extension number: <input type="text"/></p> <p>Email address (optional): <input type="text"/></p>	
<p>Unit: <input type="text"/> House number: <input type="text"/> House suffix: <input type="text"/></p> <p>House name: <input type="text"/></p> <p>Address 1: <input type="text"/></p> <p>Address 2: <input type="text"/></p> <p>Address 3: <input type="text"/></p> <p>Town: <input type="text"/></p> <p>County: <input type="text"/></p> <p>Country: <input type="text"/></p> <p>Postcode: <input type="text"/></p>	



**Declaration**

I/we hereby assume liability for the Community Infrastructure Levy Charge for the above development. I/we understand that I/we must submit a commencement notice in order to secure the 60 day payment window or such time as the charging authority has allowed in its current payment instalments policy, as per the requirements of the Community Infrastructure Levy Regulations (2010) as amended. I/we am/are aware of the surcharges I/we will incur if I/we do not follow the correct procedures for paying the CIL charge. I/we understand any communication and actions by the collecting authority to pursue me/us for the assumed liability will be copied to the site land owners (as defined in CIL regulations)

Signed - A Party Assuming Liability:	Date (DD/MM/YYYY):	Signed - D Party Assuming Liability:	Date (DD/MM/YYYY):
<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>
Signed - B Party Assuming Liability:	Date (DD/MM/YYYY):	Signed - E Party Assuming Liability:	Date (DD/MM/YYYY):
<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>
Signed - C Party Assuming Liability:	Date (DD/MM/YYYY):	Signed - F Party Assuming Liability:	Date (DD/MM/YYYY):
<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>
Or signed - Agent:	Date (DD/MM/YYYY):		
<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>		

Under regulation 37(2) of the Community Infrastructure Levy Regulations (2010) as amended, where two or more persons have assumed liability to pay CIL in respect of a chargeable development they shall each be jointly and severally liable to pay any CIL payable in respect of that chargeable development.

It is an offence for a person to knowingly or recklessly supply information which is false or misleading in a material respect to a charging or collecting authority in response to a requirement under the Community Infrastructure Levy Regulations (2010) as amended (regulation 110, SI 2010/ 948). A person guilty of an offence under this regulation may face unlimited fines, two years imprisonment, or both.

## APPENDIX 3



New Forest District Council Local Development Framework

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### Community Infrastructure Levy

### Regulation 15: Report of Preliminary Draft Charging Schedule Consultation

New Forest District outside the National Park

March 2012

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## 1.0 Executive Summary

- 1.1 Consultation on the Community Infrastructure Levy (CIL) Preliminary Draft Charging Schedule for New Forest District Council ran from 16 January 2012 to 27 February 2012. This document sets out the methods of consultation and provides a summary of the main points raised in the responses to the consultation.
- 1.2 There were 6 key issues to emerge from the consultation:
- Concerns how the charge will affect the viability of development, particularly in the East sub area (Totton and the Waterside);
  - Concern over Retail (A1, 2, 3 and 5) charging;
  - Concerns over viability assumptions made;
  - Support for relief to be made available and acceptance of payment in kind;
  - Clarification required on infrastructure priorities and residual use of S106.
  - Concerns over the instalment policy;

## 2.0 Introduction

- 2.1 New Forest District was keen to receive as many comments as possible on the Preliminary Draft Charging Schedule and therefore promoted the consultation by the following means:
- Consultation material sent to all neighbouring authorities and Parish/Town Councils in the District.
  - Consultation material made available in all Council Local Information Offices and libraries in the District.
  - Consultation material sent to 38 Local Development Statutory Consultees, including the Department for Communities and Local Government.
  - A dedicated Community Infrastructure Levy website was created on the Council's website [newforest.gov.uk](http://newforest.gov.uk), which included downloadable copies of the consultation material and a link to an electronic response form. (Annex B)
  - A press release was issued to all local newspapers on the 9 January 2012. A story appeared in the 'Lymington Times' on Saturday 21 January 2012 covering the consultation.
  - 161 Letters and emails sent to organisations, business, developers and individuals. The letters included a link to the website, dedicated email address and a contact telephone number.
- 2.2 Annex A includes copies of the consultation letter and press release.
- 2.3 New Forest District Council received a total of 24 responses to the consultation. A list of the respondents can be found in the table below. A complete list of the respondents and a summary of the comments made can be seen in Annex C with the Council's response. The full consultation responses can be seen in Annex D.

Name	Ref
<b>Service Providers/ statutory agencies</b>	

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Environment Agency	PDCS008
Highways Agency	PDCS002
Natural England	PDCS018
Southern Water	PDCS015
<b>Neighbouring Authorities</b>	
Hampshire County Council	PDCS023
New Forest National Park Authority	PDCS014
<b>Parish and Town Councils</b>	
Fordingbridge Town Council	PDCS011
Hordle Parish Council	PDCS007
Hythe & Dibden Parish Council	PDCS003
New Milton Town Council	PDCS004
Ringwood Town Council	PDCS009
Totton & Eling Town Council	PDCS005
<b>Agents/ Developers/ Landowners</b>	
Barker Mill Estates	PDCS020
Development Securities Ltd	PDCS024
Burt Boulton Holdings	PDCS013
McCarthy & Stone	PDCS012
New Forest Business Partnership	PDCS017
Pennyfarthing Homes Ltd	PDCS016
Plan and Site Services	PDCS001
Taylor Wimpey & Persimmon Homes	PDCS021
Turley Associates	PDCS019
<b>Residents</b>	
Ms Marilyn Betts	PDCS006
Mr Graham	PDCS022
Mr P Webster	PDCS010

Table of

1 List

respondents

### 3.0 Summary of Issues raised and responses

3.1 In total 7 questions were asked and a summary of the issues raised and the responses to them can be seen below.<sup>1</sup>

<b>Question 1</b>	
1(a)	Do you agree with the proposal to set a flat rate levy according to uses across the whole of New Forest District as set out in Chapter 7 of the Preliminary Draft Schedule?
1(b)	If not, what different approach would you take?
1(c)	Do you agree with the proposed of £80 per sqm charge for residential housing?
1(d)	If not, what do you believe the charge should be and what is your justification?
1(e)	Do you agree with the proposed charges of £200 per sqm for retail development over 1000 sqm and £0 for retail development under sqm?
1(f)	If not, what do you believe the charge should be and what is your justification?
1(g)	Do you agree with the proposed £0 charge for commercial and hotel development?
1(h)	If not, what do you believe the charge should be and what is your justification?

<sup>1</sup> In some cases a separate comments letter/form was received instead of the official response form. These responses have been reviewed and allocated to where they relate to a specific question or under question 7.

- 1(i) Do you believe there are any other uses which we should consider levying CIL on?  
 1(j) If so, which uses?

### 3.2 Key Issues raised:

1. The overall viability of developments to pay CIL
2. The rationale behind the charge is reasonable.
3. The charges proposed are inappropriate and will render developments unviable.
4. Concern residential charge is higher than surrounding areas.
5. There should be no differentiation between use types and a flat CIL charge, commercial and hotel development should also incur a charge.
6. Brownfield development should be exempt from a CIL charge.
7. Horse Livery yards and riding schools should also incur a charge.
8. The retail charge should be graduated above 1000 sqm until it reaches £200
9. Concern that C3 retirement homes similar to C2 care homes are still charged £80 per sqm.
10. Concern that Retail uses covers A1, A2, A3 and A5 but only A1 has been modelled.
11. The Eastern sub-area should be subject to a zero charge.
12. Requests for a number of charges areas throughout the District to reflect locational differences.
13. The viability assessment did not use up to date information.

### 3.3 Response:

1. The viability assessment has taken account of a range of developments across the plan area and the Council believes that the amounts proposed do not endanger the viability of development across the plan area. The CIL charge will broadly be replacing the existing S106 contribution mechanism (with the exception of site specific requirements) and the level proposed is broadly in line with those contributions currently collected.
2. Portsmouth City Council is the only Council in the surrounding area to have adopted a CIL with a residential charge of £105. Other local Councils, such as Southampton and Havant area proposing residential charging at this level; it is felt that the charge is in keeping with those locally.
3. The CIL charge has been set to reflect the development proposed over the next 20 years as set out in the Core Strategy and the viability evidence has shown that of the different types of development some can sustain a higher/lower CIL charge than others and this is reflected in the Charging Schedule and Charging Schedule Context and Rationale Document.
4. CIL is only chargeable on a net increase in floorspace and therefore a refurbishment on an existing brownfield development with no new net increase in floorspace would not incur a CIL charge.
5. The viability evidence has demonstrated that those retail units above 1000 sqm in size can all sustain a £200 per sqm charge and therefore it is felt that a graduated charge is not appropriate.
6. Consideration will be given on individual applications to when a retirement home becomes a C2 use care home and then charged £0.
7. Concerns over the results of the retail modelling produced noted. Whilst it is likely that other 'A' uses will produce the same viability results as the A1 model it is agreed that they have not been modelled and therefore amendments have been made to exclude these uses from the retail charge.
8. The viability assessment has shown that a charge of £80 per sqm in the Eastern Sub area does not make residential development unviable and will not be the likely determinant of development proceeding, it is therefore felt that the charge is reasonable.
9. A blanket charge for different uses across the plan area is considered appropriate as the evidence has not shown significant evidence to justify different charging zones as

within each sub area different characteristics exist. Therefore if this route was taken a complex and less workable charging schedule would result. With regard to housing, the locational viability differences have been already taken in to account in the Core Strategy by the varying requirements for the provision of affordable housing in different areas.

10. Due to the economic downturn there has been very limited development in the District for consultants to use. S212(4)(b) of the Planning Act 2008 requires a Charging Authority to use 'appropriate available' evidence to inform the charging schedule and recognises that the available data is unlikely to be full comprehensive or exhaustive. The Council is therefore satisfied that the data used by DTZ is appropriate and satisfies the Regulations.
11. The CIL rates must be informed by appropriate evidence and the evidence produced has shown that hotels cannot sustain a CIL charge at any level. Of the uses that were not modelled it is not anticipated that there be a significant provision in the market for these uses as there are no allocations made in the Local Development Framework.

### 3.4 Action:

1. Amendments made to retail charge only being for A1 uses.
2. Sections 5 and 6 have been amended to support assumptions made in viability evidence to justify proposed charges.

### Question 2

- 2(a) Regulation 44 of the CIL Regulations allows a Charging Authority to grant discretionary relief to charitable investments. This is also explained in Chapter 8 of the Preliminary Draft Charging Schedule. In view of the procedures to implement this, do you think it is appropriate for New Forest District Council (as Charging Authority) to offer discretionary charitable relief?
- 2(b) If so, on what circumstances do you think it might be appropriate for to consider granting discretionary charitable relief?

### 3.5 Key Issues raised:

1. Relief should also be offered to Schools/playgroups and sports grounds.
2. Relief should only be offered if the premises is being used for charitable purposes and is 'not for profit'.

### 3.6 Response:

1. The Council intends to offer the facility to grant discretionary relief.
2. Schools will be classed in the 'any other use' class so will be charged £0 CIL.
3. If the building is used for charitable purposes then it is exempt from a CIL charge, however, discretionary relief can be offered where the building is owned by a charitable organisation but the majority of the building is not used for a charitable purpose.

### 3.7 Action:

1. Charging Schedule Context and Rationale Document to be amended to reflect Council's position on discretionary charitable relief.

### Question 3

- 3(a) Regulations 55-57 of the CIL Regulations allows a Charging Authority to grant relief in exceptional circumstances. This is also explained in Chapter 8 of the Preliminary Draft Charging Schedule. In view of the procedures to implement this, do you have any views on the circumstances in which it might be appropriate New Forest District Council (as Charging Authority) to consider granting discretionary exceptional relief?
- 3(b) If so, on what exceptional circumstances do you think it might be appropriate for to consider granting discretionary relief?



**3.8 Key Issues raised:**

1. Relief should only be offered where the charge would adversely affect the economic performance of the town.
2. Relief should only be offered where it would be advantageous to be able to negotiate.
3. The facility to offer relief is vital to enable the development of sites with significant infrastructure improvements.

**3.9 Response:**

1. The Council intends to offer relief in exceptional circumstances in line with the option allowed for in the CIL Regulations.

**3.10 Action:**

1. Charging Schedule Context and Rationale Document to be amended to reflect Council's position on exceptional relief.

**Question 4**

- 4(a) Do you agree with the approach to payment in kind set out in Chapter 8 of the Preliminary Draft Charging Schedule?
- 4(b) If not, what approach do you consider appropriate?

**3.11 Key Issues raised:**

1. General support for payment in kind.

**3.12 Response:**

1. The Council will offer the facility to receive payment in kind.

**3.13 Action:**

1. Charging Schedule Context and Rationale Document to be amended to reflect Council's position on payment in kind.

**Question 5**

- 5(a) The approach to the staging of payments can be found in Appendix C of the Preliminary Draft Charging Schedule. Do you agree with this approach?
- 5(b) If not, what proposals do you feel would be appropriate?

**3.14 Key Issues raised:**

1. Agree
2. The payment policy should be made flexible to reflect different types of development e.g. a retirement home where a development would need to be completed before a unit can be sold.
3. The policy should be amended to allow payment on build rates and/or occupation levels.

**3.15 Response:**

1. The Council does not believe that the payments should be related be solely related to build rates/occupation. However, modifications to the payment schedule have been made to reflect comments made.

**3.16 Action:**

1. Instalment policy (Annex C to the charging schedule context and rationale document) amended to allow two payments for CIL amounts under £80k and three staggered payments (up to 18 months after commencement) for CIL amounts over £80k



**Question 6**

- 6(a) Subject to any updated Regulations it is proposed that a proportion of the net CIL receipts be passed to local communities (e.g. the Parish Council or Town Council). Do you agree with this approach?
- 6(b) If so what do you believe the percentage should be and what is your justification?

**3.17 Key Issues raised:**

1. Concern over future funds associated with new development being denied to Town/Parishes
2. Clarification on the “meaningful proportion”.
3. Maximum amount should be passed back to Town/Parish Councils.
4. 30% should be passed to the Town/Parish Councils.

**3.18 Response:**

1. The purpose of CIL is to mitigate the impact of new development on communities. The Council will work closely with the Town and Parish Councils to identify priority projects within their communities. The CIL Regulations also require charging authorities to pass a meaningful proportion of receipts directly to the Town and Parish Councils.
2. The full definition of the “meaningful proportion” will not be known until the Government releases the new CIL Regulations. Once clarified the Council will abide by the Regulations.

**3.19 Action:**

1. No amendments made as Government has yet to issue the revised CIL Regulations. This matter is not dealt with in the Charging Schedule or Charging Schedule Context and Rationale Document but will be a matter for future Council decision.

**Question 7**

Do you have any other comments on the Preliminary Draft Charging Schedule and the methodology used to produce it?

**3.20 Key Issues raised:**

1. The existing S106 monies should be spent first before CIL is collected.
2. Concerns of how S106 requirements have been assumed in modelling.
3. Further clarification is required to support cross-boundary working, funding towards other agency projects and those delivered in the District by other public bodies.
4. Clarification should be made on the extent of remaining level of developer contributions towards site infrastructure and the Council’s priorities to spending CIL.
5. The affordable housing levels should be modelled at those currently agreed and the Council will need to set priorities for contributions sought, e.g. level of affordable housing.
6. The 20% developers profit assumed should be higher.
7. When the charging schedule is reviewed should be stated.
8. First time builders should be exempt from CIL.
9. Agricultural land value as a benchmark value for greenfield land is not suitable.
10. Concerns raised over some of the projects listed in the IDP and suggested amendments proposed.

**3.21 Response:**

1. The existing S106 money will continue to be collected and spent in accordance with the agreements alongside CIL.
2. Cross boundary working will be supported by CIL where considered appropriate.

3. The levels of affordable housing modelled are those in the adopted Core Strategy.
4. The 20% level is based on expert opinion on the current market.
5. The Infrastructure Plan reflects the infrastructure required across the plan area to mitigate the impacts of development over the whole plan period and shows a substantial funding gap and a need for CIL.
6. The Council will continually monitor the effect of CIL on development and will review the charging schedule at an appropriate time.
7. The Council accepts there will still be some residual S106 elements for some individual sites after CIL. However, the allocations made in the Sites DPD are on locations where the infrastructure costs for those developments will be limited, if any. The viability evidence shows that a slightly higher rate of CIL could be charged but the Council has set the proposed charge to allow for any residual S106 costs that may arise. The Council will also be offering the facility for CIL relief in exceptional circumstances.
8. The Council believe that agricultural land value as a benchmark value for greenfield land is suitable in most cases.
9. The IDP highlighted the position as at December 2011. The projects listed are those proposed through a number of sources and are subject to change and will require detailed discussions before proceeding. The document has been updated to reflect the position as at April 2012 and suggested amendments taken on board.

### **3.22 Action:**

1. Amendments made to para 8.3 and a new para 8.9 added to the Charging Schedule Context and Rationale Document to support cross-boundary working.
2. New para 3.3 further explaining the role of non-CIL infrastructure requirements.
3. No amendments to be made to the affordable housing assumptions.
4. Para 4.5 has been amended to clarify when the charging schedule may be reviewed.
5. The IDP has been updated accordingly with proposed amendments, which including the provision all projects from the Ringwood Town Plan.

## **Annexes**

**Annex A**            **Copy of consultation letter and press release**

**Annex B**            **Community Infrastructure Levy website**

**Annex C**            **Respondent comments and proposed actions**

**Annex D**            **Full Consultation Responses**

**Annex A - Copy of consultation letter and press release**

## Planning and Transportation

Head of Service: Chris Elliott

Enter name and address here

My Ref: 354/cil/pdcs

Your Ref:

Date: 16 January 2012

Dear Enter salutation here

### **The Community Infrastructure Levy Regulations 2010 New Forest District Community Infrastructure Levy Preliminary Draft Charging Schedule**

The Community Infrastructure Levy (CIL) (as set out in the Planning Act 2008) is a new system of developer contributions and is intended to supplement other public sector revenue streams to ensure that new community infrastructure (such as new open space facilities) can be provided to keep pace with new development. CIL is set locally and will become a standard charge per square metre applied to new developments, with the exception of social housing and buildings used by charities. The charge can vary for different types of development and can be zero where a charge is assessed not to be viable. The charge will be imposed at the time planning permission is granted and normally be paid at the commencement of development.

CIL will replace Section 106 contributions for large scale pieces of infrastructure. However Section 106 will still be used for site-specific mitigation measures that are required to make a development acceptable (such as a new access road) as well as for affordable housing provision.

CIL is to be paid according to a Charging Schedule prepared by the Charging Authority. In accordance with Regulation 15 of the Community Infrastructure Levy Regulations 2010 the Charging Authority must send a copy of the preliminary draft Charging Schedule to relevant consultees and invite representations. These representations will be taken into account before a draft of the Charging Schedule is published for further consultation in advance of independent examination, in accordance with section 212 of the Planning Act 2008.

A Preliminary Draft Charging Schedule has been prepared for full public consultation. It is proposed that the New Forest District Council CIL (for areas outside the National Park) will be set at a rate of **£80/m<sup>2</sup>** for new residential development and a rate of **£200/m<sup>2</sup>** for new retail development over 1000m<sup>2</sup>. All other uses will be charged at £0. The CIL Preliminary Draft Charging Schedule, Community Infrastructure Plan, CIL Viability Assessment and summary leaflet can be downloaded from the following webpage:  
[newforest.gov.uk/index.cfm?articleid=12182](http://newforest.gov.uk/index.cfm?articleid=12182).

*Hard copies of the consultation documents can be viewed at each of the District Council offices.*

If there is any aspect of the Preliminary Draft Charging Schedule or its accompanying documentation that you wish to comment on, please submit your comments using the online questionnaire at [newforest.gov.uk/index.cfm?articleid=12182](http://newforest.gov.uk/index.cfm?articleid=12182).

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Alternatively please write to us at the above address or email [cilconsultation@nfdc.gov.uk](mailto:cilconsultation@nfdc.gov.uk).

**Responses should be received no later than 5pm on 27 February 2012.**

A further four week period of consultation on the draft Charging Schedule is anticipated to take place in May prior to independent examination.

Please note that comments cannot be treated as confidential, and will be made available as public documents.

Alongside this consultation, the Council will also be publishing on the 20<sup>th</sup> January, for a six week representation period, the Sites and Development Management Development Plan Pre-Submission Document. This sets out detailed policies and proposals to help achieve the District Council's planning strategy (set out in the adopted Core Strategy) in the areas of New Forest District outside the National Park. Details of this consultation will also be on the Council's website.

If you have any queries relating to the CIL consultation please do not hesitate to contact me using the details below.

Yours faithfully

Dean Brunton  
Planning Policy Officer (CIL)  
Policy and Plans Team  
023 8028 5588  
[dean.brunton@nfdc.gov.uk](mailto:dean.brunton@nfdc.gov.uk)



## Public consultation on Community Infrastructure Levy

Comments are invited on New Forest District Council's proposals to introduce a Community Infrastructure Levy (CIL) on new developments.

The CIL is a new levy that local authorities can charge on new developments in their area. CIL will largely replace the current system of seeking developer contributions under section 106 of the Town and Country Planning Act. The money will be used to fund associated infrastructure that the council and local community would like to benefit neighbourhoods – for example, road schemes, park improvements or a new health centre.

The six week public consultation runs from 16 January 2012, and views are sought from all interested parties on the proposals.

New Forest District Council is proposing, for consultation, a CIL charge of £80 per sq.m. for new residential development and £200 per sq.m for new retail developments larger than 1,000sq.m. All other developments are proposed to be zero-rated and will pay no CIL charge. Charities and affordable housing are exempt from paying the levy.

If you would like to see the full charging schedule and related background information, visit the council's website at: [newforest.gov.uk/haveyoursay](http://newforest.gov.uk/haveyoursay) or visit any council information office in the district.

New Forest District Council's portfolio holder for planning and transportation, Councillor Paul Vickers, said: "I believe the Community Infrastructure Levy is a fair system, which will bring much needed simplicity and transparency to the planning application process and will benefit all parties concerned. It will also enable the council to take on larger infrastructure projects than is currently possible under the current section 106 Agreements.

We are keen to hear the views on the proposals of the public, of developers and their agents and of any other interested parties so I would like to encourage people to take part in the consultation."

### Send your comments to:

Policy and Plans Team,  
Appletree Court,  
Beaulieu Road,  
Lyndhurst, SO43 7PA

Email: [cilconsultation@nfdc.gov.uk](mailto:cilconsultation@nfdc.gov.uk) or phone: 023 8028 5345

### Please ensure your comments reach the council by 27 February 2012

Once this consultation has finished, and the responses received have been considered by the council, another draft charging schedule will be published (planned for May 2012). The charging schedule will then be checked by an independent examiner (planned for autumn 2012).

**-ends- January 9, 2012**

For more information on the work of New Forest District Council visit: [newforest.gov.uk](http://newforest.gov.uk)

### Contacts

Davina Staples, corporate communications advisor  
Tel: 023 8028 5153 Mob: 07771 828039 Email: Davina Staples at NFDC

## **Annex B - Community Infrastructure Levy Website**





Welcome to Environment and planning

<b>Environment and planning</b>
Home
Online Services
Abandoned Vehicles
Building Control
Coastal Management
Council owned land and premises
Emergency Planning
Environment
Environment Interactive Village Scene
Environmental Design
Environmental Health
Environmental Protection
Land Drainage and Flooding
Local Land Charges
Planning
Planning Applications Online
Planning Policy
Recycling, Rubbish and Waste
Street Cleansing and Grounds Maintenance
Sustainability
Trees and hedges

You are here: [Home](#) | [Environment and planning](#) | [Planning Policy](#) | Community Infrastructure Levy

## Community Infrastructure Levy

[Print page](#)

The Community Infrastructure Levy (CIL) is a new levy that local authorities in England and Wales can choose to charge on new developments in their area. The money will be used to support development by funding infrastructure that the council, local community and neighbourhoods want - for example, new or safer road schemes, park improvements or new community facilities. The system is very simple. It applies to most new buildings and charges are based on the size and type of the new development. The Council wants to move forward to use this system locally. To do this, the Council has undertaken a lot of the work needed to set the local rate.

### What are the benefits?

The Community Infrastructure Levy will:

- Deliver additional funding for Local Authorities to carry out a wide range of infrastructure projects that support growth and benefit the local community
- Provide developers with much more certainty 'up front' about how much money they will be expected to contribute, which in turn encourages greater confidence and higher levels of inward investment
- Ensure greater transparency for local people, because they will be able to understand how new development is contributing to their community
- Enable Local Authorities to allocate a share of the levy raised in a neighbourhood to deliver infrastructure the neighbourhood wants.

### How will the levy affect planning obligations?

CIL will be used as the mechanism for pooling contributions from a variety of new developments to fund the provision of new infrastructure to support those developments in the wider area. Planning obligations (private agreements between the local planning authority and the developer) will continue to play an important role in dealing with site specific issues and in helping to make individual developments acceptable to local planning authorities and communities. It will not be possible to 'double charge' for the same infrastructure works through both S106 and CIL.

### What will CIL money be spent on?

The CIL will be spent on infrastructure needed to support the development within New Forest District Council. The Council has identified a number of projects as part of its work to set the CIL rates, including transport projects and green infrastructure. The regulations recognise that priorities change and allow for new projects to be identified that weren't originally foreseen. The Council will publish a list of the infrastructure it intends to fund through CIL on its website. The government will expect neighbourhoods where CIL money is raised to receive a meaningful proportion of this revenue for infrastructure projects in their area.

### What is the proposed CIL level?

Most development that involves an increase in floor space will come under the scope of CIL.

- The levy will not be charged if there is no extension of floor space as a result of the development.
- The charge must be levied in pounds sterling (£) per square metre. It will be collected, in most cases, as a cash contribution.
- It is possible to set £0 rates against users.
- Charities and affordable housing are exempt from paying the levy.

Having identified the District's infrastructure needs and considered the implications on development viability of potential levy rates, the Council is proposing to charge the following level of CIL per square metre of new development across the District:

- Housing (C3): £80 sqm
- Industry and Offices (B uses): £0 sqm
- Retail (A1, 2, 3 and 5 uses) over 1,000 sqm: £200 sqm
- Retail (A1, 2, 3 and 5 uses) under 1,000 sqm: £0 sqm
- Care Homes (C2): £0 sqm
- Hotels (C1): £0 sqm
- Any other uses: £0 sqm

### The Charging Schedule

The full charging schedule can be seen here [Preliminary Draft Charging Schedule](#).  
 A summary leaflet of the charging schedule can also be seen here [Community Infrastructure Levy newsletter](#).

The background papers that informed the Preliminary Draft Charging Schedule can be read here:

- Infrastructure Delivery Plan 2011 [Infrastructure Delivery Plan 2011](#)
- Community Infrastructure Levy Viability Assessment: New Forest District Council and New Forest National Park Authority December 2011 [Community Infrastructure Levy Viability Assessment](#)
- [Core Strategy 2009](#)

The Council is also well in advance of producing the [Sites and Development Management Development Plan Document](#) which shows how the Core Strategy requirements can be delivered.

Copies of the consultation documents can also be seen at any of the Council's [Local Information Offices](#).

### How to comment:

Click here to complete an [online response form](#).

Alternatively please request a form to complete by emailing [cilconsultation@nfdc.gov.uk](mailto:cilconsultation@nfdc.gov.uk) which should be returned via email or to:

Policy and Plans Team  
 New Forest District Council  
 Appletree Court  
 Beaulieu Road  
 Lyndhurst  
 Hants SO43 7PA

If you have any queries regarding the Community Infrastructure Levy please phone the Policy Team on 023 8028 5588

**Please ensure your comments reach us by 27 February 2012**

### When will the local CIL come into force?

Once this consultation has finished, and the responses received have been considered by the Council, another draft charging schedule will be published (planned for May 2012). The charging schedule will then be checked by an independent examiner (planned for autumn 2012). The Council hopes to adopt and to start using the CIL charging schedule early 2013.

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## **Annex C - Respondent comments and proposed actions**

This Annex is available for inspection directly from the Council's planning department.



## **Annex D - Full Consultation Responses**

This Annex is available for inspection directly from the Council's planning department.