

# Community Infrastructure Levy

## Preliminary Draft Charging Schedule

November 2015



## Information

**Tell us what you think about the Kirklees Community Infrastructure Levy (CIL) Preliminary Draft Charging Schedule and its supporting information.**

The Preliminary Draft Charging Schedule is supported by the following documents which are also available for comment:

- Kirklees CIL Preliminary Draft Charging Schedule Background Report
- Kirklees Local Plan Infrastructure Delivery Plan
- Kirklees Local Plan and Community Infrastructure Levy Viability Study

You can send your responses in a number of ways but we would encourage you to submit them online via the Kirklees consultation pages at:

[kirklees.gov.uk/consultplanningpolicy](http://kirklees.gov.uk/consultplanningpolicy)

If you are on our consultation database, we will have notified you about the CIL Preliminary Draft Charging Schedule consultation and registered you on our on-line consultation system. If you are not currently on our database you will need to register with our on-line consultation system.

You can also send your comments by e-mail to: [local.development@kirklees.gov.uk](mailto:local.development@kirklees.gov.uk)

By post to:

Planning Policy Group  
PO Box B93  
Civic Centre 3  
Market Street  
Huddersfield  
HD1 2JR

Copies of the consultation documents are available to view on our website at [kirklees.gov.uk/planningpolicy](http://kirklees.gov.uk/planningpolicy), and in printed format at the following locations:

Huddersfield Customer Service Centre	Dewsbury Service Centre
Civic Centre 3	The Walsh Building
Market Street	Town Hall Way
Huddersfield	Dewsbury
HD1 2YZ	WF12 8EE

Please use one method of reply only to avoid duplication of representations. All comments must be received by **5pm on 21st December 2015**. Comments received after this date will not be considered to be duly made and may not be considered.

## **How will we use the information you give us?**

Any comments received will be used to update our evidence and develop our approach for the CIL in Kirklees. We are particularly keen for your views about whether we have struck the appropriate balance between funding infrastructure in support of growth in the emerging Local Plan, and the impact that the CIL will have on the economic viability of development across Kirklees. We will take the views and suggestions received through consultations into account when finalising our evidence and develop the CIL Draft Charging Schedule which will be consulted upon at a later date. The information may be used to seek your opinion on future plans and policies appropriate to your interests. Once your comments have been submitted they will be checked and added to the on-line consultation system where you will be able to see your comments and those that have been made by others. Your name and comments will be displayed publicly. Your comments may be disregarded if they are deemed to be disrespectful, offensive, break the law or link to inappropriate web-sites or contain marketing/sales information.

## **Data Protection Statement**

The consultation process requires that you supply personal information about yourself. The purpose for collecting these details is to help us understand who is contributing to our consultation and so the council can keep you informed of the next steps in the process. Personal information the council receives will be stored confidentially within a secure database and will be retained for up to 6 years. Personal information will not be retained longer than we need to and, once the retention period is over the council will ensure that records are either fully anonymised or are securely destroyed. We will not pass on personal details to any third party organisations. If you do not provide contact information the Council will not be able to keep you informed of progress and next steps on the local plan.

## **Next steps**

Following the close of the consultation period we will consider your comments, gather further evidence where required and formulate a CIL Draft Charging Schedule. We will then ask for your views on a publication version and ask whether the revised CIL meets the Government's legal requirements for adopting a CIL. Once the council is satisfied its CIL evidence and Draft Charging Schedule meet the Government's requirements, we will formally submit these for an examination in public. Following the examination in public, it is anticipated that the CIL will be adopted in late 2017.

## Content

<b>1 Statement of Statutory Compliance</b> .....	<b>4</b>
<b>2 Introduction</b> .....	<b>5</b>
<b>3 General Principles</b> .....	<b>6</b>
<b>4 CIL and Planning Obligations (Section 106)</b> .....	<b>8</b>
<b>5 Preliminary Draft Regulation 123 List</b> .....	<b>9</b>
<b>6 Development Liable for CIL</b> .....	<b>10</b>
<b>7 Proposed Charging Rates</b> .....	<b>11</b>
<b>8 Exemptions, Relief and Payment Terms</b> .....	<b>13</b>
<b>9 Consultation Questions</b> .....	<b>14</b>

# 1 Statement of Statutory Compliance

---

## 1 Statement of Statutory Compliance

- 1.1** The Preliminary Draft Charging Schedule for the Kirklees District has been prepared in accordance with the Planning Act 2008 and the Community Infrastructure Levy Regulations 2010 (as amended 2011, 2012, 2013, 2014 and 2015).
- 1.2** In setting the CIL rates, the council considers that it has struck an appropriate balance between;
  - a. the desirability of funding from CIL (in whole or in part) the actual and expected estimated total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding; and*
  - b. the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.*
- 1.3** A full Statement of Statutory Compliance will be included within the Draft Charging Schedule submitted for Examination.

## 2 Introduction

- 2.1** The Community Infrastructure Levy (CIL) is a charge that councils can choose to apply to new developments in their area. The money collected from the CIL can be used to support development by funding the infrastructure that the council, local communities and neighbourhoods deem necessary.
- 2.2** Kirklees Council is a charging authority as defined by the CIL Regulations. The purpose of this consultation document is to set out the general principles of CIL and to seek views on the council's Preliminary Draft Charging Schedule.

## 3 General Principles

---

### 3 General Principles

- 3.1** The CIL is a tariff-based charge on new development, which the council can set by adopting a Charging Schedule. The charge will support the provision of local infrastructure across the district such as schools, open spaces and roads.
- 3.2** Once adopted, the CIL is a mandatory and non-negotiable charge that is calculated for new buildings and extensions based on the net additional floor space. The charge is calculated as an amount per square metre, and different rates can be set for different types and scales of development, and in different areas of the district depending on financial viability in these areas. There are some types of development where the CIL is not charged which include; social housing, self-built homes, and buildings used for charitable purposes. (See Section 8 for a full list of exemptions).
- 3.3** The amount of CIL that each development has to pay is set at the time planning permission is granted, and payment will be due within 60 days of development commencing, unless an instalments policy dictates otherwise.
- 3.4** The CIL Regulations state that the viability of development should not be put a risk by the CIL charging rates, and that an appropriate balance should be struck between the desirability of delivering infrastructure, and the viability of new development within the district.
- 3.5** The evidence that supports the Preliminary Draft Charging Schedule includes a number of studies that are also available for comment:
- The Kirklees Local Plan Infrastructure Delivery Plan provides an assessment of current infrastructure provision across Kirklees and what the future needs and costs will be to support the draft Local Plan. The Infrastructure Delivery Plan identifies where funding gaps exist for future infrastructure, which provides a justification to charge the CIL, to help fill these gaps.
  - The Kirklees Local Plan and Community Infrastructure Levy Viability Study tests the impact of Local Plan policies and CIL charges on the viability of development that is planned for in the Local Plan. The CIL rates in the Preliminary Draft Charging Schedule have been tested in this study and are considered not to render the majority of growth promoted by the Local Plan as unviable.
  - Kirklees CIL Preliminary Draft Charging Schedule Background Report provides a summary of the evidence listed above along with further information about how the CIL will operate, if adopted. Topics covered include, how the CIL and planning obligations will operate, exemptions, payments in kind and CIL payment phasing.
- 3.6** Some of the benefits of implementing the CIL are outlined below:
- delivers additional funding to carry out a wide range of infrastructure projects that support growth and will benefit the local community;
  - gives the council flexibility and freedom to set priorities for what the money should be spent on, using a more predicable funding stream that allows more effective forward planning;
  - provides 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;
  - ensures greater transparency for local people, because they will be able to understand how new development is contributing to their community; and
  - enables local authorities to allocate a share of the levy raised in a neighbourhood to deliver infrastructure the neighbourhood wants.

**3.7** Receipts from the CIL can also be passed back to the communities where development takes place, with 15% passed back to local communities or 25% if the local community has a neighbourhood plan in place. The table below provides more detail about how much of the CIL raised in their area local communities receive.

<p>Parish Council: <b>YES</b></p> <p>Neighbourhood Plan: <b>YES</b></p> <p>= 25% uncapped, paid to Parish</p>	<p>Parish Council: <b>YES</b></p> <p>Neighbourhood Plan: <b>NO</b></p> <p>= 15% capped at £100/existing dwelling, paid to Parish</p>
<p>Parish Council: <b>NO</b></p> <p>Neighbourhood Plan: <b>YES</b></p> <p>= 25% uncapped, local authority consults with community on how to spend</p>	<p>Parish Council: <b>NO</b></p> <p>Neighbourhood Plan: <b>NO</b></p> <p>= 15% capped at £100/existing dwelling, local authority consults with community on how to spend</p>

**Table 1 Community Infrastructure Levy Neighbourhood Proportion Summary**



## 4 CIL and Planning Obligations (Section 106)

---

### 4 CIL and Planning Obligations (Section 106)

- 4.1** The CIL will work alongside planning obligations, commonly known as section 106 agreements to deliver infrastructure and make schemes acceptable in planning terms. The CIL will aid in delivering new district wide infrastructure projects, while planning obligations will continue to be used to make sure that developments are acceptable in planning terms for things such as affordable housing.
- 4.2** Restrictions on existing planning obligations were introduced on 6th April 2015 and these have limited the number of planning obligations the council can pool for an infrastructure scheme to just five. The CIL has no such restrictions, and can be collected on a range of developments and then pooled. The pooled levy can then be spent on a range of infrastructure, providing greater flexibility in the delivery of local infrastructure.
- 4.3** The CIL Regulations restrict the extent of planning obligations to ensure that developments are not charged twice for the same infrastructure type or project (i.e. through both a section 106 agreement and a CIL charge). The council is therefore required to publish a list of infrastructure it intends to fund via CIL which is known as the Regulation 123 List.
- 4.4** The council also needs to ensure that the combined impact of section 106 agreements, CIL charges and planning conditions attached to an approval does not threaten the viability of sites and the scale of development identified in the draft Local Plan.

### 5 Preliminary Draft Regulation 123 List

- 5.1** Regulation 123 of the CIL Regulations 2010 (as amended), requires the council to provide a draft list of infrastructure projects which it intends to fund through CIL known as the Regulation 123 List.
- 5.2** The Preliminary Draft Regulation 123 List is based on the council's assessment of the cumulative infrastructure needs brought by the growth in the Local Plan. This is called the Kirklees Local Plan Infrastructure Delivery Plan, and is available for comment as a supporting document for both the CIL and Local Plan.

CIL Infrastructure	S106/S278/Scheme Design/Conditions
Strategic transport infrastructure Kirklees wide	On-site and transport infrastructure close to the development site which makes a development acceptable in planning terms
Strategic school infrastructure Kirklees wide	On-site school provision relating to major development sites (tbc)
Strategic open space infrastructure Kirklees wide	On-site open space required to make developments acceptable in planning terms
Strategic flood alleviation schemes Kirklees wide	On-site flooding and drainage mitigation
Strategic community and cultural infrastructure Kirklees wide	On-site community and cultural infrastructure relating to major development sites (tbc)
Strategic sports, leisure and recreation infrastructure Kirklees wide	On-site sports, leisure and recreation infrastructure relating to major development sites (tbc)

**Table 2**

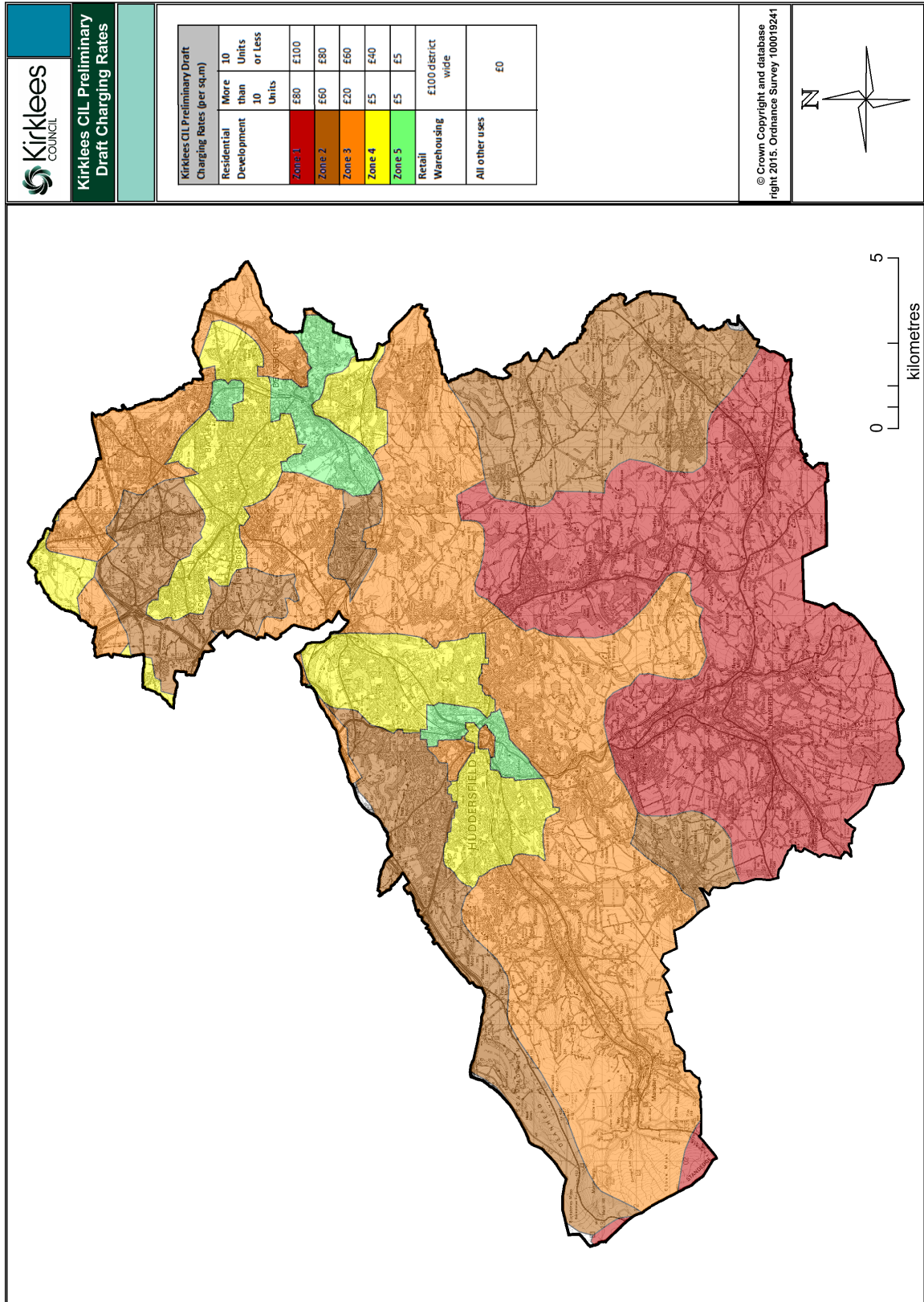
## 6 Development Liabie for CIL

---

### 6 Development Liabie for CIL

- 6.1** The CIL Charging Schedule, when adopted, will establish which types of development are liable for a CIL charge. It will usually apply to those developments that create net additional floor space of 100 square metres or more, or create a new dwelling. Developments built under general consent are also liable to pay CIL. 'General consent' includes permitted development rights granted under the General Permitted Development Order 2015. Payment is due from the point of the commencement of development, and liability starts at the point in which planning permission is granted. Further information about which types of development are exempt from CIL charges can be found in Section 8.

## 7 Proposed Charging Rates



## 7 Proposed Charging Rates

<b>Residential Development</b>	<b>More than 10 Units</b>	<b>10 Units or Less</b>
Zone 1	£80	£100
Zone 2	£60	£80
Zone 3	£20	£60
Zone 4	£5	£40
Zone 5	£5	£5
<b>Retail Warehousing</b>	£100 district wide	
<b>All other uses</b>	£0	

Kirklees CIL Preliminary Draft Charging Rates (per sq.m)

## 8 Exemptions, Relief and Payment Terms

### Exemptions

**8.1** The CIL Regulations exempt the following developments from paying the CIL:

- Development of less than 100 sqm of new build floorspace, provided that it does not result in the creation of a new dwelling;
- Where the levy liable is calculated to be less than £50 overall;
- Specified types of development which the Council has decided should be subject to a 'zero' rate and specified as such in their charging schedules;
- Development of buildings and structures into which people do not normally go (eg, pylons, wind turbines, electricity sub stations);
- Development by registered charities for the delivery of their charitable purposes;
- Those parts of a development which are to be used as social housing;
- The conversion of any building previously used as a dwelling house to two or more dwellings;
- The conversion of, or works to, a building in lawful use that affects only the interior of the building;
- Residential annexes and extensions (where the person who would normally be liable for the charge owns a material interest in the main dwelling and occupies the main dwelling as the sole or main residence);
- Self-build housing where a dwelling is built by the person who would normally be liable for the charge (including where built following a commission by that person) and occupied by that person as their sole or main residence.
- Vacant buildings which are brought back into the same use.

### Discretionary Relief and Exceptional Circumstances Relief

**8.2** The council has the ability to offer discretionary relief in a specific set of circumstances for charitable developments, social housing and exceptional circumstances as dictated by the CIL Regulations. Any such relief needs to form part of a discretionary relief policy. The formulation of such a policy will be considered taking account of the Preliminary Draft Charging Schedule consultation responses, with further information published at the Draft Charging Schedule consultation stage.

### Phased Payments of CIL

**8.3** The CIL Regulations allow the council to introduce a phased payments procedure or instalments policy if they consider it appropriate, to allow payments of the CIL to be phased over different time scales. The formulation of such a policy will be considered taking account of the Preliminary Draft Charging Schedule consultation responses, with further information published at the Draft Charging Schedule consultation stage.

### Payments in Kind

**8.4** The CIL Regulations allow the council to accept payments in kind where appropriate in the form of land or infrastructure to offset the charge required by the CIL. The value of both the land and infrastructure payments must be equal to the value of the land / infrastructure required. Such arrangements should only be accepted when they facilitate the provision of infrastructure to support the development of the area.

**8.5** Payments in kind are at the discretion of the council and currently the council is considering whether this approach is appropriate. If appropriate a payment in kind policy will be developed taking account of the Preliminary Draft Charging Schedule consultation responses. Any such policy would be published at a later date.

## 9 Consultation Questions

### 9 Consultation Questions

**9.1** The following questions cover topics that we are keen to have your views on. Please consider these if you wish to respond to the consultation. The information about how best to respond to us is at the beginning of this document.

#### Question 1

Please tell us whether you think that the proposed CIL charge rates are reasonable?

#### Question 2

Please state whether you think the charging zone map is accurate, and suggest any changes that you think should be made?

#### Question 3

Please tell us if you agree or disagree with the assumptions that have been used in the CIL supporting evidence (Kirklees Local Plan and Community Infrastructure Levy Viability Study, Kirklees Local Plan Infrastructure Delivery Plan, Kirklees CIL Preliminary Draft Charging Schedule Background Report)?

#### Question 4

Based on the supporting evidence about the viability of development and infrastructure needs for Kirklees, please tell us whether you think we have struck the right balance between securing funds to help deliver the necessary infrastructure to support planned growth in Kirklees, and the economic viability of new development?

#### Question 5

Please let us know about any projects or types of infrastructure that you think should be funded by CIL and therefore included on the draft Regulation 123 list?

#### Question 6

Do you think that the charging schedule should be accompanied by a specific approach or policy for discretionary relief / exceptional circumstances relief / payments in kind / payment phasing?