

CABINET

19 September 2016

North Dorset Community Infrastructure Levy – Submission of Draft Charging Schedule and Associated Documents for Examination

For Decision

Portfolio Holder

Councillor David Walsh

Senior Leadership Team Contact: S Hill, Strategic Director

Report Author: Ed Gerry, Planning Policy Team Leader

Statutory Authority

Planning Act 2008 and Community Infrastructure Levy Regulations 2010 (as amended).

Purpose of Report

- 1 To agree the submission of the North Dorset Community Infrastructure Levy Draft Charging Schedule and associated documents for examination.

Officer Recommendation

- 2 That Members agree that the draft charging schedule and associated documents can be submitted for examination.

Reason for Decision

- 3 To allow the Council to submit its draft charging schedule for examination.

Background and Reason Decision Needed

- 4 Members will be aware that the Council has been progressing work on the North Dorset Community Infrastructure Levy (CIL) Charging Schedule. A consultation on a Preliminary Draft Charging Schedule (PDCS) took place between the 24 July and 18 September 2015. At a meeting of Cabinet on the 7 June 2016 members agreed to consult on a Draft Charging Schedule

(DCS). The consultation on the DCS and its associated documents took place between 17 June and 29 July 2016.

- 5 The consultation on the DCS generated 14 responses. A summary of the comments received is set out in Appendix A to this report. Most of the comments received cover fairly detailed points unrelated to the DCS itself. However, some respondents, including Dorset Country Council, have raised concerns that the rates set out in the DCS are too low whilst other interested parties with development interests argue that the rates proposed are too high.
- 6 Officers have carefully considered the representations received in relation to the consultation on the DCS and have also received advice from Peter Brett Associates (PBA), consultants who have advised the Council in working up a CIL Charging Schedule. It is Officers' view that there is no need to propose any modifications to the DCS in light of the comments received. Consequently, it is recommended that the DCS, set out in Appendix B, and its associated documents are submitted for examination.

Implications

Financial

- 7 The Council will benefit from payments made for development in the District under a CIL regime. If the Council were not to collect money through a CIL then there would be a significant impact on funding for infrastructure projects in North Dorset.
- 8 Furthermore, interest is chargeable on late CIL liability payments and there are no rules as to how the Council spends such monies.
- 9 In terms of future costs the costs of adopting a CIL Charging Schedule will include expenditure on the public consultation, publications and an examination (which may include consultancy fees).
- 10 The costs incurred in setting up a CIL Charging Schedule include devising and putting into effect the required collection and enforcement systems and procedures as well as governance arrangements. There are detailed regulations which govern the collection, monitoring, reporting and spending of CIL monies. It is hoped that the systems which have already been put in place by West Dorset District Council and Weymouth and Portland Borough Council will reduce the amount of work that needs to be done in respect of setting up systems for North Dorset District Council.
- 11 Under the CIL Regulations, local authorities can use up to 5% of their CIL receipts to fund implementation¹ and running costs once their CIL Charging Schedule is in place.

Equalities

- 12 A North Dorset CIL Charging Schedule would not impact on the particular needs of specific sectors of the community. In addition, the preparation of

¹ This includes the costs of consultants and the CIL examination.

a CIL Charging Schedule and its future implementation is not considered to infringe any person's human rights.

Risk Management (including Health & Safety)

- 13 All local planning authorities need to have CIL Charging Schedules in place if they want to secure contributions from landowners and developers towards the costs of infrastructure projects without recourse to Section 106 and Section 278 arrangements. Without a CIL Charging Schedule, the Council would be faced with reduced funding for infrastructure needed to support policies in the Local Plan.
- 14 A CIL Charging Schedule would provide the Council with a mechanism to fund shortfalls in infrastructure to support growth in North Dorset by charging developers. If a CIL Charging Schedule is not taken forward then the Council would need to investigate other ways of paying for funding shortfalls in infrastructure requirements arising from new development.

Consultation and Engagement

- 15 As previously referred to consultation took place on a Preliminary Draft Charging Schedule last year. In addition a consultation has recently taken place on a DCS.

Appendices

- 16 Appendix A – Summary of Responses to consultation on Draft Charging Schedule
Appendix B - Draft Charging Schedule
Copies of the above documents and other associated documents (including the 'Draft Regulation 123 List' and the 'Draft Instalments Policy') are available to view in the Members' Room.

Background Papers

- 17 Community Infrastructure Levy: Collection and Enforcement – Information Document 2011 (CLG, 2011)
Community Infrastructure Levy – Planning Practice Guidance 2014 ID:25
North Dorset Infrastructure Delivery Plan (November, 2014)
North Dorset Local Plan Part 1 (January, 2016)
Section 106, CIL and Affordable Housing (NDDC, June 2016)

Footnote

- 18 Issues relating to financial, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.

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APPENDIX A

SUMMARY OF RESPONSES TO CIL DRAFT CHARGING SCHEDULE CONSULTATION

CIL Representor ID Number	Title	First Name	Last Name	Company	Representing	Summary of Comments
CIL 102	Mr	Steve	Hellier		Highways England	No specific comments.
CIL 107	Mr	Paul	Bedford		Persimmon Homes	<p>Viability Report</p> <p>Starter Homes – Report looks at impact of Starter Homes initiative but assumption that Starter Homes will replace the shared ownership element of affordable Housing totally at odds with Government Advice. Intended Starter Homes will be at least 20% of the units on a site. However, accepts that implications of this for viability will be unclear until further advice issued. In previous consultation round Persimmon highlighted impact that new Affordable Rent regime was having on Affordable Incomes. Responses to previous consultation stated that PBA would update the costs and value assumptions. Can see no evidence of this in relation to Affordable Rents. Has been a significant fall in value of Affordable Units as a direct result of the new rent caps going forward this must have an impact on viability.</p>

					<p>Regulation 123 List</p> <p>CIL introduced partly so that developers were clear about authority's infrastructure needs and what developers will be expected to pay for through which route. 123 List fails completely in this respect. In effect every infrastructure type suggested will be funded by CIL or 106, apparently at local authority's discretion (subject to the five obligations test). Not how CIL is meant to work. CIL Guidance recognizes that some site specific impact mitigation may be necessary in order for development to be granted planning permission but when a charging authority introduces CIL, Section 106 requirements should be scaled back to those matters that are directly related to a specific site and are not set out in the 123 List. Where 123 List includes generic type of infrastructure (such as education or transport) Section 106 contributions should not be sought on any specific projects in that category. Throughout Draft 123 List the authority in the exclusion column include the words 'or where the requirement can be attributed to five or fewer developments'. Clearly contrary to Guidance. Contributions may only be pooled from up to five separate planning obligations for a specific item of infrastructure (e.g. local school) that is not included in the charging authority's infrastructure. Test not whether or not the requirement can be attributed to five or fewer developments but whether infrastructure already on 123 List to be funded by CIL, whether a generic type of infrastructure or project based. In exclusions column the word 'or' should be replaced with 'and'. Rest of text should reflect that exclusions would not apply to infrastructure covered by infrastructure type list (funded by CIL in whole or in part). Wording should accurately reflect Government's Guidance on CIL.</p>
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CIL 108	Mr	Richard	Dodson		Dorset County Council	<p>Dorset County Council welcomes continuing progress towards introducing CIL for North Dorset. In view of large funding gap of just under £95 million between cost of infrastructure needed to support the policies of the North Dorset Local Plan and the funding otherwise available, CIL charge will be essential.</p> <p>DCC welcomes statement in paragraph 1.4 of the Reg 123 document that S106s may still be sought subject to Reg 122 criterion as detailed in Reg 123 list.</p> <p>Remains concerned that that proposed rates appear low, especially when compared to those in neighbouring authorities. Whilst difference in the charge in rural areas between Purbeck and NDDC is not significant elsewhere, in towns the difference is significant.</p> <p>Accepted that residual land values vary between and within District but noted that highest CIL charge in North Dorset of £45 m² is well below that for Portland, for example, where land values amongst the lowest in Dorset.</p> <p>CIL charges for Portland (£80 m²), Weymouth (£93 m²) and the rest of West Dorset (£100 m²) recently introduced (18 July 2016). CIL Charges in Bere Regis are comparable but in Wareham compared with Blandford there is a £65 m² difference. Raises concerns that the assessments may not be compatible, or headroom afforded results in inappropriately low charges in North Dorset, when, for example, similar levels of Affordable Housing are required elsewhere.</p> <p>NDDC may wish to reconsider proposed changes to its affordable housing policy that introduced in direct response to Government's requirement on site size thresholds, as will also have implications for the viability of smaller sites and appropriate adjustments should be made to calculations.</p> <p>Bearing in mind large funding gap that exists, essential that realistic CIL charges are set in order that, as NPPF requires, 'there is a reasonable prospect that planned infrastructure is deliverable in a timely fashion'.</p> <p>Zero rating of Gillingham Urban Extension for CIL welcomed. Clear that will be a significant quantum of site specific prerequisite associated with this particular development and charging CIL, albeit at a reduced rate, alongside</p>
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						<p>S106 would be unhelpful. Should also simplify calculation of a CIL charge on all other sites.</p> <p>As a major provider of infrastructure DCC concerned that, as far as possible, CIL charges across the County are comparable and maximise income from CIL to close the gap as far as reasonably possible without compromising development viability.</p> <p>Although not reiterated in the current document, whilst governance and prioritisation of future CIL spend is the responsibility of NDDC, in practice (and in line with statutory guidance) prioritisation of projects will need to be undertaken in partnership with other infrastructure providers, including DCC. DCC welcomes opportunity to work with North Dorset on appropriate allocation of resources available.</p>
CIL 109	Mr	Owen	Neal		Sport England	<p>Sport England recommends that Sports development be added to list of developments exempt from paying CIL on page 4 of DCS. Draft 123 List sets out what CIL money will be spent on. Advises that CIL will be used to fund sport, recreation and leisure facilities (formal and informal, including pitches and accommodation, non-pitch facilities, leisure centres and swimming pools). Considered to be very general.</p> <p>Not clear how the evidence base has been used to inform 123 List. IDP identifies a number of sites for the delivery of sports projects but exact provision should be stated underpinned by a robust need and evidence base – something Sport England considers that Council does not have at this time.</p> <p>In order to increase likelihood of CIL being spent on sport, 123 List should detail specific projects for sport, rather than having a generic section relating to the provision of sport, recreation and leisure facilities as currently set out. Sport England would recommend that the Council list the sports projects in order of priority and in some detail.</p>
CIL 111	Mr	Sean	Lewis	Tetlow King	SW HARP Planning Consortium	<p>Impact of proposed Starter Homes Regulations upon CIL</p> <p>Council will be aware that Housing and Planning Act 2016 contains introduction of Starter Homes. Welcome the fresh viability evidence which</p>

					<p>acknowledges the Government's Starter Homes programme within the assessment but note that Updated Viability Report – published in February 2016 – predates the Government's Technical Consultation on Starter Homes Regulations (March 2016). The consultation contains critical information with regard to provision of Starter Homes which will inevitably impact upon CIL and provision of affordable housing across District. Important for Council to review evidence in light of Regulations, expected to be formally published by Autumn.</p> <p>Consultation document proposes uniform requirement of 20% provision on all sites of 10 units or more or 0.5 hectares. Will inevitably have direct impact on delivery of more 'traditional' forms of affordable housing highlighted in Annex 2 of the NPPF. Concerned that Updated Viability Report does not assess the full impact of the proposed threshold upon CIL viability and proposed charging rates.</p> <p>Following a review of the Updated Viability Report and the Draft Charging Schedule (DCS), it is evident that over a one year period national planning reforms – including the introduction of Starter Homes – have impacted on the CIL charging rates (e.g. proposed charging rates for District's main settlements decreased by £5/m², whilst proposed rate for the Gillingham Strategic Site Allocation dropped from the £18/m² (proposed in PDCS) to £0/m², as presented in DCS.</p>
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					<p>Envisaged that with 20% Starter Homes Requirement, coupled with targets of Policy 8 (Affordable Housing) in Local Plan Part 1, viability of development will be challenged. Will be detrimental to the future provision of other affordable tenures.</p> <p>Urge Council to consider assessing the viability impact of the requirement to provide 20% of Starter Homes on all development sites of 10 units / 0.5ha or more on its CIL. Failure to undertake this may seriously affect future delivery of affordable housing.</p> <p><u>Instalments Policy</u> Support inclusion of an Instalments Policy within the DCS.</p> <p><u>Relief from CIL</u> In line with our comments dated 17 September 2015 (reference M5/0108-09) still recommend DCS incorporates discretionary relief for social housing and exceptional circumstances.</p> <p><u>Exceptional Circumstances</u> Introduction of discretionary relief for exceptional circumstances remains important. Not strictly necessitate the entire CIL charge being afforded relief but that amount necessary to make development viable discounted. Important because exceptional circumstances can arise on all sites, irrespective of size. Clear that in some instances cross-subsidy required to bring forward development; market housing required for this should be minimum to make the development viable. However, if CIL is required to be paid on market element of a scheme may alter number of market units required to bring development forward, resulting in perverse situation of potentially requiring additional units to fund CIL.</p>
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					<p>Experience with HARP developments elsewhere in South West highlighted importance of needing discretionary relief to avoid schemes stalling.</p> <p>Social Housing</p> <p>Strongly recommend that DCS incorporates social housing relief. Whilst this type of housing would represent a small part of overall development across District, growing sector of affordable housing. Ability to provide affordable housing with nil-grant and outside scope of S106 provision means being embraced and encouraged across the South West. Also providing model for development whereby 100% affordable schemes consisting of just low cost homes for sale can come forward, both through a Registered Provider and through private sector or third sector developments. Council should be encouraging this delivery mode and allowing for discretionary relief. Recent examples of where social housing relief been implemented are within DCSs of Cheltenham, Gloucester and Tewkesbury (published May 2016). Here, Councils – at their discretion – can 'allow relief from liability to pay a CIL charge to new market houses sold at no more than 80% of their market value'.</p>
					<p>CIL Review</p> <p>In line with comments in September 2015, still recommend that Council specifies when a review of CIL will be undertaken. Note the Council's response to our comments within its PDCS Consultation Responses document but review mechanism would provide clarity for local developer, land owners and others who have an interest in North Dorset's construction and property industries.</p> <p>Take the view that CIL review LPAs are reactive to an industry that constantly changing and represents good practice. Recent examples of other LPAs in the South West that have committed to a review include Stroud District and Plymouth City Councils, former commits to monitoring of CIL 'due to the uncertain market' (Stroud District Local Plan CIL Draft Charging Schedule – Public Consultation, April 2016).</p>

CIL 113	Mr	Jonathan	Kamm	Jonathan Kamm Consultancy	Clemdell Ltd	<p>Proposal that 'flatted development' is to have a zero rate for CIL charging generally supported.</p> <p>Proposes that plan presently Figure 6 in Appendix B of the Draft Charging Schedule – June 2016 is replaced by plan identified in the Local Plan – Part 1 as that to be used for development management purposes. Detailed arguments presented including view that DCS contains no source or rationale for the boundary used, therefore direct conflict with national policy as set out in NPPF and PPG. Would mean that parts of the retail area PSA in the heart of the Town Centre factually, and for national and local policy, and for development management purposes, would be treated as outside the Town Centre for CIL.</p> <p>Argues that no evidence that PBA assessed the viability of retail development in the residential areas (such as River Mews) of the present Figure 6.</p>
CIL 118	Mr	John	Stobart		Natural England	<p>Natural England comments on draft 123 list:</p> <ul style="list-style-type: none"> • fully supports the inclusion of 'Open space provision, amenity and environmental improvements', and specific reference to provision for nature reserves and Dorset Heathland mitigation projects. Recommend that specific reference made to delivery of the Gillingham Royal Forest proposals, as set out in adopted Local Plan. • recommends specific mention made of climate change adaptation measures (i.e. measures designed to reduce the effects of climate change) and measures for establishment of coherent ecological networks (as required by NPPF) within 'Open space provision, amenity and environmental improvements' category. Green infrastructure and resilient ecological networks play important role in aiding climate change adaptation, while tree planting can help to moderate heat island effects, particularly along water courses and urban areas. • notes and welcomes the inclusion of 'Surface water, flood risk and water quality mitigation works' category and specific mention of the Poole Harbour nitrogen reduction measures. Should also include specific mention of measures to reduce flood risk through river catchment management (i.e.

						measures to reduce flood risk through changes to rural land management).
						<p>Natural England comments on the Infrastructure Delivery Plan</p> <ul style="list-style-type: none"> • Provision for measures to reduce flood risk through changes to rural management within River Stour catchment (i.e. the promotion of a whole-catchment approach to flood alleviation) should be included in 'Land drainage (including rivers and flooding)' section. • Welcome inclusion of projects under Nature Reserves, Natural/semi-natural greenspace, Green Corridors and Heathland Mitigation Projects under the environment section. Category 'Green Corridor' might be amended to 'Green corridor / ecological networks' to reflect the requirement of NPPF and mention of establishing coherent ecological networks should be made under the 'Infrastructure proposed / needed'. • Recommends that Gillingham Royal Forest Project (see above) is included within Environmental section.
CIL 119	Mr	Michael	Holm		Environment Agency	<p>Pleased to see strategic flood risk management identified in the Regulation 123 list. As any development that is allowed by the authority in flood risk areas should contribute to any future improvements that it would rely on within its lifetime, any development that falls within the catchment of Poole Harbour must contribute towards offsetting of nutrient increases so should consider draft Nitrogen Reduction Supplementary Planning document (as published by the Borough of Poole) and may need to consider if green infrastructure needs to include reference to contributions for nutrient offsetting.</p>
CIL 122	Mr	Justin	Milward		Woodland Trust	<p>Q3 Draft Regulation 123 List - Section 2.1 table 'Open space provision, amenity and environmental improvements' heading. WT like to see this heading include reference to woods and trees for benefits they deliver for green infrastructure and environmental improvements. DCLG has now published revised (February 2016) green infrastructure planning guidance as part of national PPG which confirms that woodland and street trees should form part of green infrastructure</p>

						provision.
						Draft Regulation 123 List - Section 2.1 table 'Public realm enhancements' heading. Like to see similar wording to that proposed in Cheltenham Borough Council's Public Realm, Art and Culture Regulation 123 heading: <i>Off-site provision, enhancements and management including tree planting, wider environmental enhancements, street furniture and signage. Interpretation of arts and culture in line with Cheltenham public arts strategy and tourism strategy.</i> This would fit with national policy on trees and woodland in the public realm.
						Draft Regulation 123 List - Section 2.1 table 'Surface water, flood risk and water quality mitigation works' heading. Like to see reference in this heading to role of natural environment in flood and water management, specifically woods and trees. WT believes that trees and woodlands can deliver major contribution to resolving a range of water management issues, particularly those resulting from climate change like flooding and the water quality implications caused by extreme weather events. So looking for wording in the 'Surface water, flood risk and water quality mitigation works' heading amended to (upper case amendments) – 'Provision of surface water and flood risk mitigation works which are directly related to a development (including the Gillingham Strategic Site Allocation (SSA)) such as trees and woodlands or where the requirement can be attributed to five or fewer developments.'
CIL 123		Linda	Scott-Giles		Blandford Forum Town Council	Question 1 – Although Local Plan has been adopted initial report relied on out of date information. Update report has used more recent information. Question 2 – Unable to make any comments as not sufficient information to be able to answer this. Question 3 – Degree of flexibility in report does not show how the Blandford + area will receive appropriate amount of CIL required to fund the infrastructure needed. Disappointing to see way CIL is proposed to be spent. Report or evidence did not take regard of any Neighbourhood Plans in progress or those already adopted. Question 4 – Policy does not include implementation and monitoring processes of proposed instalments.

CIL 124	Mrs	Nicola	Philips		Bryanston Parish Council	<p>Q1 Concerned data used by PBA is already out of date (2015)</p> <p>Q2 CIL rate of £30.00 too low. Insufficient information about latest build costs and sales to arrive at £30.00. Costs for infrastructure rising, not falling!</p> <p>Q3 Impossible to comment on a list, no indication of relative apportionment of CIL funds to each category listed.</p> <p>No account of infrastructure in emerging Blandford+ Neighbourhood Plan.</p> <p>Q4 NDDC has considered assisting developers in managing their finances but not developers of the infrastructure projects who may also need to manage their finances.</p>
CIL 125	Mr	Michael	Hopper		Milborne St Andrew Neighbourhood Plan Group	<ol style="list-style-type: none"> 1. DCS as proposed clearly favours market towns to the detriment of rural areas. Whilst understanding that much smaller need for housing development in the rural area, amount set does not match main development areas and there is a clear bias. 2. Retail development charge outside town centres again shows a bias towards towns. Rural community already severely disadvantaged, with cuts to public transport, and obliged to pay for parking. Local towns people have more public transport links and can walk to retail outlets. 3. Town centres within main development areas have areas rated at zero for retail development, whilst all areas outside charged at £70 (subject to size etc.). More equitable to have the central areas of larger villages given same opportunity of having a nil charge area to encourage retail within that area. Could have benefit of reducing our carbon footprint and number of road trips. Issue of need to build the infrastructure to cater for these developments is responsibility of any developer and should not be used to discourage needs of the rural community. 4. Proposed areas of zero charging for villages should be agreed with relevant Town and Parish Councils. It is clearly understood that retail development in the villages will be low but again it should be encouraged. Current charging proposals do nothing for the rural community. 5. These proposals, along with others made by DCC, are further isolating the rural communities and will continue to allow them to wither. 6. Where charges are appropriate, note and agree with DCC's view that are

						somewhat low.
CIL 126	Mrs	Jenny	Balcon		Milborne St Andrew Parish Council	Parish Council fully endorses and supports the views submitted by Chairman of the Parish Neighbourhood Planning Group in response to this consultation.
CIL 127	Mr	Tim	Hoskinson	Savills	Consortium of landowners and developers	<p>Whilst rates proposed are not comparable with other adopted CIL Charging Schedules in Dorset, residential values lower in North Dorset and build costs potentially higher. Clear from PBA report that currently suggested CIL rates not allowing appropriate margin of viability for future development in North Dorset. Appears to be limited viability buffer for certain types of development to give confidence that proposed rates of CIL would not impact on overall plan viability/delivery across North Dorset.</p> <p>Relationship between residential values and build costs, as expressed, would not provide developers with enough of a viability buffer to deliver number and sizes of schemes required to meet North Dorset's housing targets for current plan period.</p> <p>The specific areas of concern are summarised as follows:</p> <ul style="list-style-type: none"> - areas for £30/£45/sq m rates are delineated based on Local Plan Part 1 defined development boundaries (carried over from the 2003 Local Plan). Means that sites around towns that are outside this area (including those identified in the recently adopted Local Plan Part 1 north of Shaftesbury, south and west of Blandford, north and east of Sturminster Newton) would pay the £45/sq m rate even though NDDC's viability report only supports £30/sq m. - Additionally, land allocated in submitted Neighbourhood Plans, such as the Blandford + Neighbourhood Plan, recently submitted to the Council, is also excluded from the £30/sq m zone.

					<p>– Reg 123 list appears to overlap infrastructure to be funded by CIL and Section 106 by seeking Section 106 pooled contributions for infrastructure already covered by CIL. Results in ‘double dipping’ and contributions at a level much higher than £1,800 per dwelling assumed in PBA viability appraisal.</p> <p>- Construction Costs – the BCIS costs used not take into account external costs associated with development of new home (e.g. only internal services located within building are included in estimates of cost and so significant costs of providing the service network for an entire development ignored). Other costs not taken into account include landscaping, roads/access, car parking, and professional fees as well as abnormal fees which occur in the majority of developments). Such additional costs associated cannot be ignored so estimate of build costs used by PBA can be viewed as unrealistically low. Table C1 (p30) within report shows a sensitivity analysis based upon increased build costs. Once costs are increased by 9%, most scenarios/locations shown to be unviable. Typically seeing build cost rates of £120-£150 per sq ft (depending on quality/location and type of build) as opposed to £90 - £104 per sq ft rates shown within the report. Largest house builders able to operate at the lower end of the scale, small/medium builders cannot, so applying proposed CIL rate under the expectation of lower than realistic build costs may lead to many small/medium developments becoming unviable.</p>
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					<p>- In respect of tiered system of payments to reflect the scale of development, at present the draft charging schedule shows differential rates based on location and the type of development but does not account for the scale. It would seem unrealistic to expect a 1 unit scheme to pay the same rate as a 250 unit scheme.</p> <p><u>Conclusion</u></p> <p>Appears to be limited viability buffer for certain types of development to give confidence that proposed rates of CIL would not impact on overall plan viability/delivery. Margins of viability are so slight that factors such as post-Brexit uncertainty, which could affect predicted growth in house prices in short to medium term, and continuing rise in the costs of construction, particularly with a lower pound, could easily sway the balance of viability, resulting in significant slowdown of development activity, other than sites of 10 units and under, where there is no affordable housing requirement. Will affect the delivery of market housing and affordable housing, which comes as part of mix, and associated infrastructure payments.</p>
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**NORTH DORSET DISTRICT COUNCIL
COMMUNITY INFRASTRUCTURE LEVY**

DRAFT CHARGING SCHEDULE

June 2016

1. Statutory Compliance

- 1.1 North Dorset 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 (CIL) in respect of development in its administrative area. The Council is both the CIL Charging Authority and Collecting Authority for its administrative area.
- 1.2 In preparing this Draft Charging Schedule (DCS), North Dorset District Council has complied with the requirements set out in Part 11 of the Planning Act (as amended) and the CIL Regulations 2010 (as amended).
- 1.3 In setting the CIL rates, the Council has been fully aware of the need to strike an appropriate balance between:
 - the desirability of funding from the CIL, in whole or in part, the estimated 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 the CIL on the economic viability of development across its area.
- 1.4 Based on the evidence in the Viability Study and its update, the Council has made a judgement as to the appropriate levels at which to set CIL rates. Regulation 13 of the CIL Regulations 2010 (as amended) makes provision for charging authorities to set differential rates for different geographical areas or for different land uses across their charging area. The Council has taken advantage of this provision and Section 3 of this document sets out the proposed rates of CIL for specific land uses and the geographical areas in which they apply across North Dorset.

Date of approval

- 1.5 This Charging Schedule was approved by the Council on [*date to be inserted following examination and Council approval*].

Date of effect

- 1.6 This Charging Schedule will come into effect on [*date to be inserted following examination and Council approval*].

2. Introduction

- 2.1 The CIL is a levy on new development and is a standardised, non-negotiable charge. Its purpose is to help fund infrastructure needed to support the growth of the area. The types of infrastructure that the CIL will be used to help fund are set out in an infrastructure funding list¹. A proportion of the Levy will be passed to local communities to decide for themselves how to support the development of their own areas.
- 2.2 North Dorset District Council has committed to introducing the CIL to the District and over the course of the last eighteen months has been working towards this end. As part of this work, a consultation was carried out in the autumn of 2015 on a Preliminary Draft CIL Charging Schedule (PDCS).
- 2.3 This DCS consultation document forms part of the second consultation stage in preparing North Dorset District Council's CIL. The DCS has taken account of the responses to this earlier consultation, together with updated viability evidence.
- 2.4 The Council consulted on the DCS during the summer this year in accordance with Regulations 16 and 17 of the CIL Regulations 2010 (as amended). The DCS was published for consultation together with the following:
- Draft Instalments Policy;
 - Draft Regulation 123 List which sets out the kinds of infrastructure that the District Council may choose to fund in whole or in part through a CIL;
 - Infrastructure Delivery Plan; and
 - Information and evidence to support the development of the North Dorset District Council Draft Charging Schedule (May 2016) including the North Dorset Whole Plan Viability and CIL Study - Final Report² and the North Dorset District Council Whole Plan Viability and CIL Study - Updated Viability Report³.

¹ See the separate CIL consultation document Draft Regulation 123 List.

² Peter Brett Associates, February 2015.

³ Peter Brett Associates, February 2016.

3. Draft CIL Charging Schedule

3.1 The Council has carefully considered the viability assessment published in February 2015, which was updated in February 2016, and the need to strike an appropriate balance between the desirability of funding the infrastructure required to support development of its area and the potential effect on the viability of developments across the District. It has also considered representations made as a result of consultation. It proposes to levy the CIL rates detailed in the schedule of charges set out below in Table 1.

Table 1: Rates of CIL to be charged on new development.

Area/Use	Proposed CIL Rate (per square metre)
Residential development within Shaftesbury ♦	£30
Residential development within Blandford ♦	
Residential development within Sturminster Newton ♦	
Residential development within Gillingham ♦ (with the exception of the Strategic Site Allocation)	
Gillingham Strategic Site Allocation ♦♦	£0
Residential development within rural areas (outside the four main settlements set out above)	£45
Residential flatted developments	£0
Retirement properties ○	£30
Extra care properties and care homes ∞	£0
Retail development outside the town centre boundaries and the Gillingham Strategic Site Allocation ♦♦♦	£70
All other forms of non-residential floorspace	£0

- ♦ For the purposes of the CIL, the charging zones will be those set out in Appendix B to this Draft Charging Schedule document. Residential flatted developments will be zero rated.
- ♦♦ For the purposes of the CIL, the boundary of the Gillingham Strategic Site Allocation will be that shown in Figure 9.1 of the adopted Local Plan Part 1 and as set out in Appendix B to this Draft Charging Schedule document.
- ♦♦♦ For the purposes of the CIL, town centre boundaries will be those set out in Appendix B to this Draft Charging Schedule document.
- Retirement properties (also known as sheltered housing) are essentially defined as groups of dwellings, often flats and bungalows, which provide independent, self-contained homes. There may well be some element of communal facilities, such as a lounge or warden.
- ∞ Extra care properties (also known as assisted living) are defined as schemes designed for an elderly population that may require further assistance with certain aspects of their day to day life. Such schemes will often have their own staff and may provide one or more meals per day. Care homes are defined as residential or nursing homes where 24 hour personal care and/or nursing care are provided together with all meals.

3.2 The CIL will be levied in £s per square metre on net additional increase in floorspace⁴ for qualifying development in accordance with the provisions of the CIL Regulations 2010 (as amended).

⁴ For the purposes of the CIL, floorspace is measured using gross internal area, that is, the inside of external walls. Existing floorspace can only be used to net off against proposed floorspace if the

Appendix A

Calculating the chargeable amount

- A.1 In accordance with Regulation 40 of the CIL Regulations 2010 (as amended), the Council will issue a Liability Notice, where applicable, that states the chargeable amount upon grant of planning permission or as soon as possible after the grant of planning permission. The Council will calculate the amount of CIL chargeable using the formulae set out in the Regulations, reproduced below, and then apply any CIL payment instalments policy or other reliefs which the Council may adopt. Further details of the way in which CIL payments will be calculated, together with an overview of CIL and the full Regulations, can be found on the DCLG website: <http://www.communities.gov.uk>.
- A.2 The chargeable amount will be index linked using 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.
- A.3 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_p = the index figure for the year in which planning permission was granted; and

I_c = the index figure for the year in which the charging schedule containing rate R took effect.

The value of A must be calculated by applying the following formula:

$$G_R - K_R - \left\{ \frac{G_R \times E}{G} \right\}$$

Where:

G = the gross internal area of the chargeable development;

building(s) in question has/have been in continuous use for at least six months in the preceding three years.

G_R = the gross internal area of the part of the development chargeable at rate R;

E = the aggregate of the following:

- (i) the gross internal areas of parts of in-use buildings that are to be demolished before completion of the chargeable development, and
- (ii) for the second and subsequent phases of a phased planning permission, the value E_x , unless E_x is negative, provided that no part of any building may be taken into account under both of paragraphs (i) and (ii) above.

K_R = the aggregate of the gross internal areas of the following:

- (i) retained parts of in-use buildings, and
- (ii) for other relevant buildings, retained parts where the intended use following completion of the chargeable development is a use that is able to be carried on lawfully and permanently without further planning permission in that part on the day before planning permission first permits the chargeable development.

The value E_x must be calculated by applying the following formula:

$$E_p - (G_p - K_{pR})$$

Where:

E_p = the value of E for the previously commenced phase of the planning permission;

G_p = the value of G for the previously commenced phase of the planning permission; and

K_{pR} = the total of the values of K_R for the previously commenced phase of the planning permission.

Appendix B

CIL Charging Zones

Residential Charging Zones

B.1 The proposed residential charges would be applicable in the areas demarcated on Figures 1 to 5 in this Appendix.

Figure 1: Residential Charging Zones - North Dorset

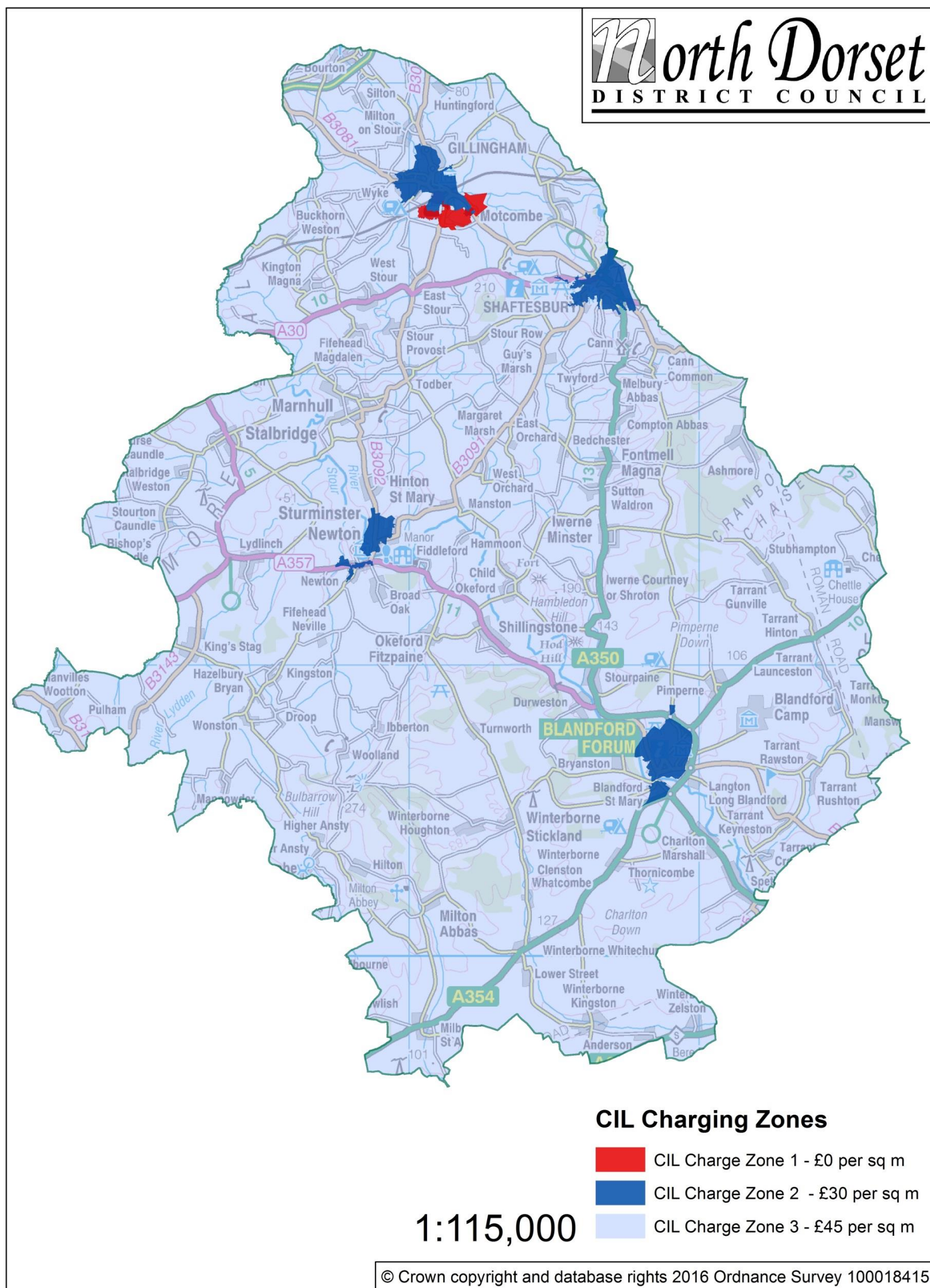


Figure 2: Residential Charging Zone - Blandford

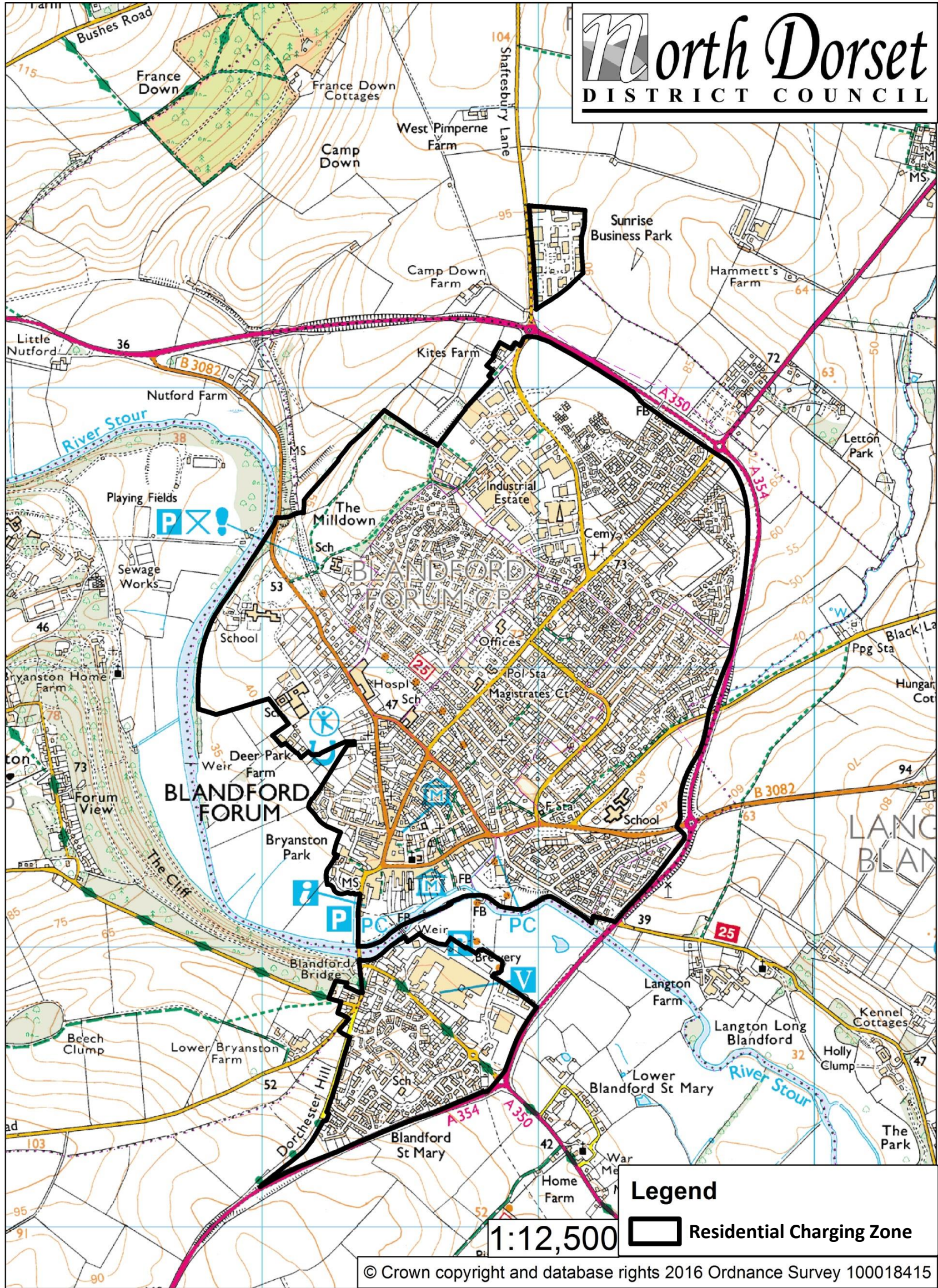


Figure 3: Residential Charging Zone - Gillingham

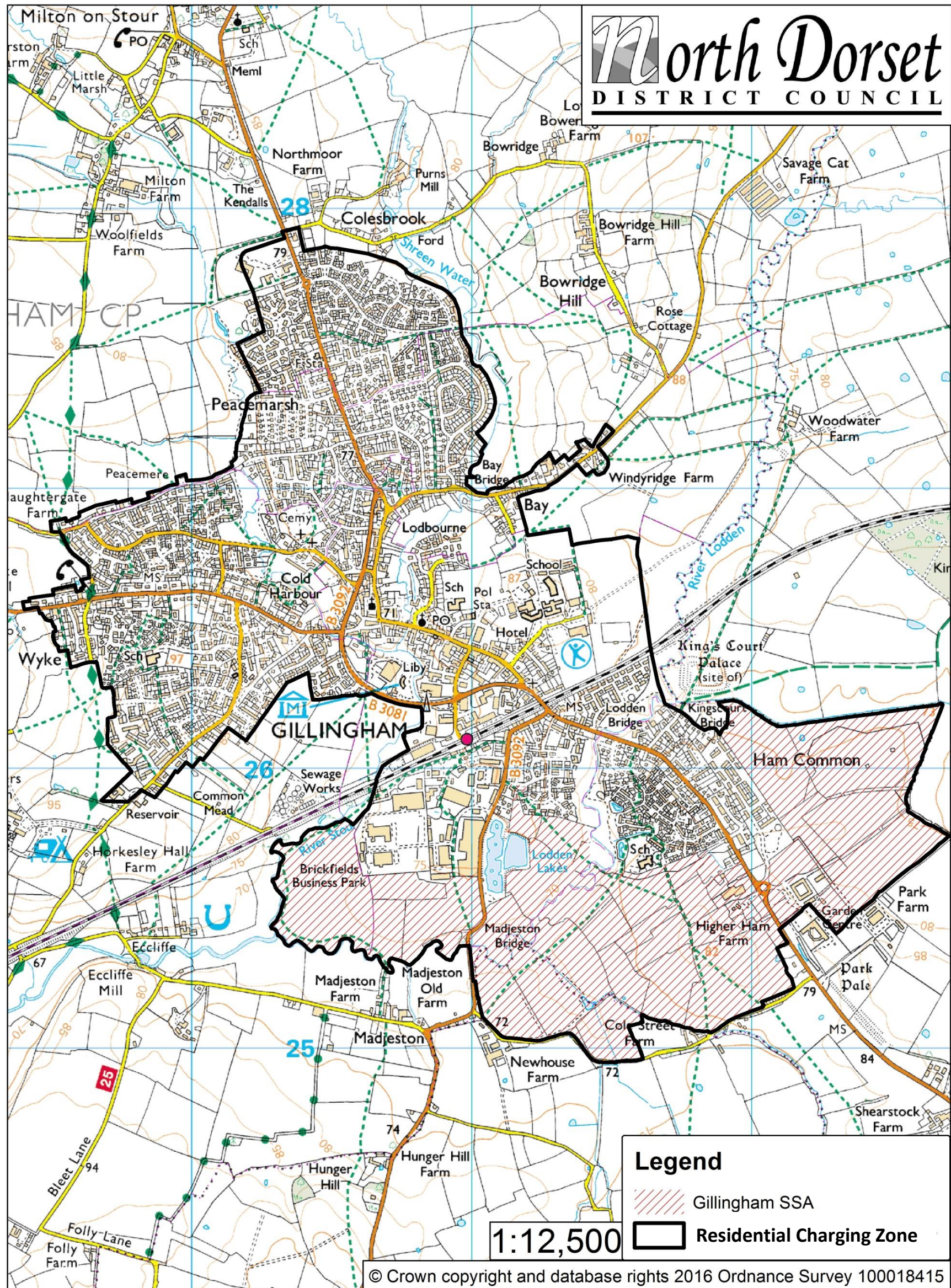


Figure 4: Residential Charging Zone - Shaftesbury

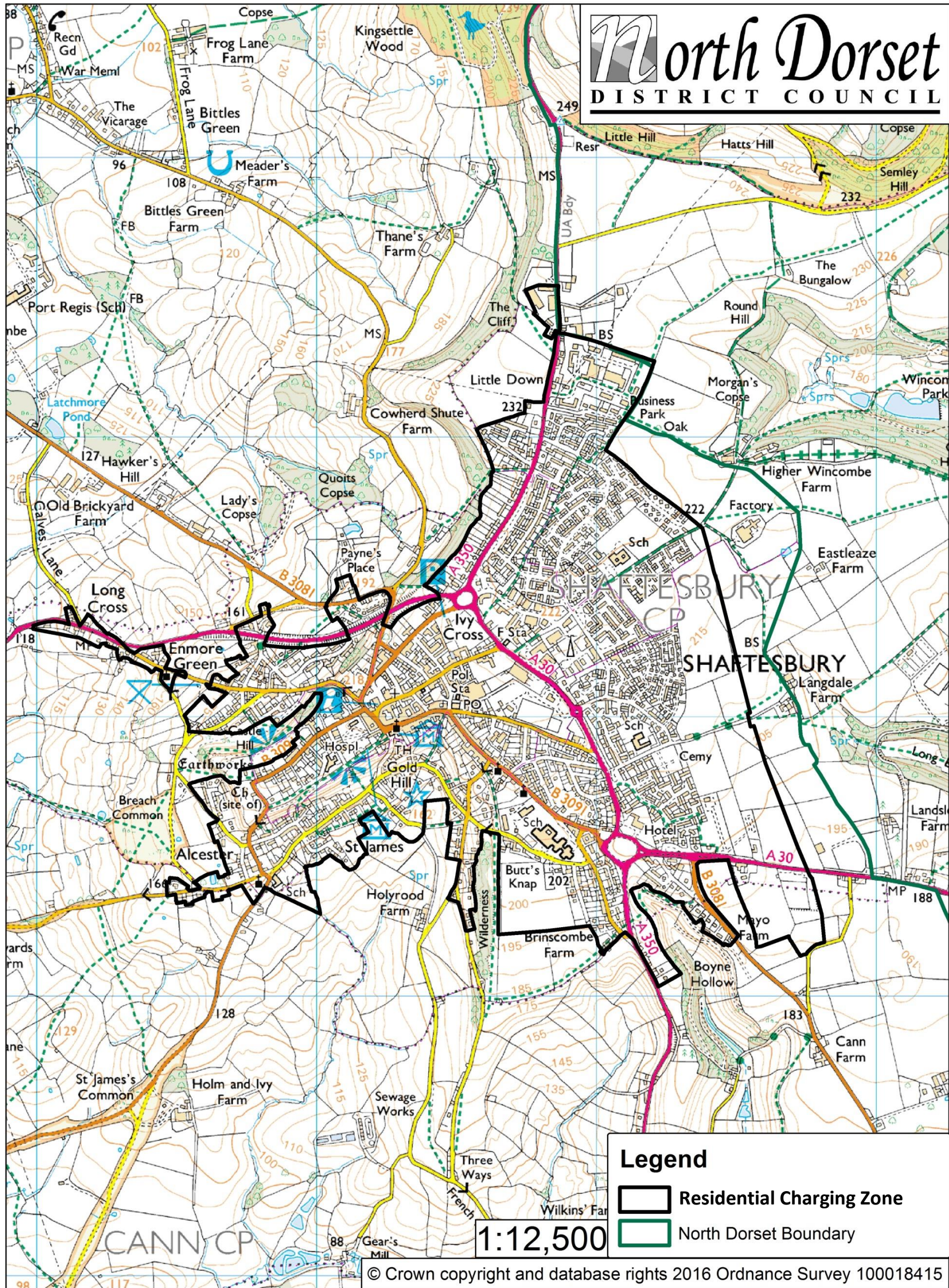
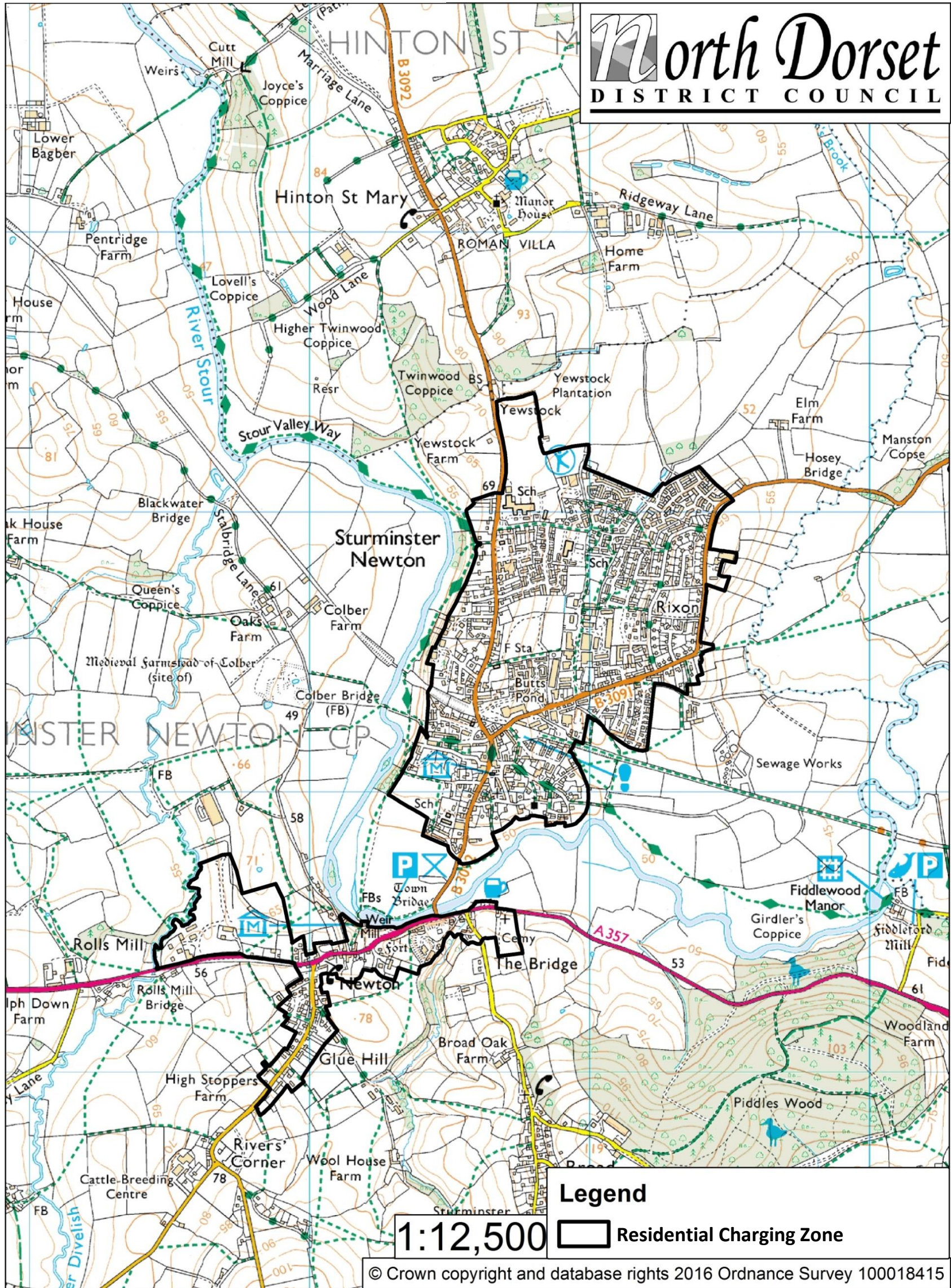


Figure 5: Residential Charging Zone - Sturminster Newton



Retail Charging Zones

- B.2 The proposed retail charge of £70 per square metre would be applicable outside the town centres demarcated on the maps in this Appendix (Figures 6 - 9). It should be noted that these town centre areas are demarcated for the purpose only of CIL charging in relation to retail premises.

Figure 6: Town Centre Boundary for CIL Purposes - Blandford Forum

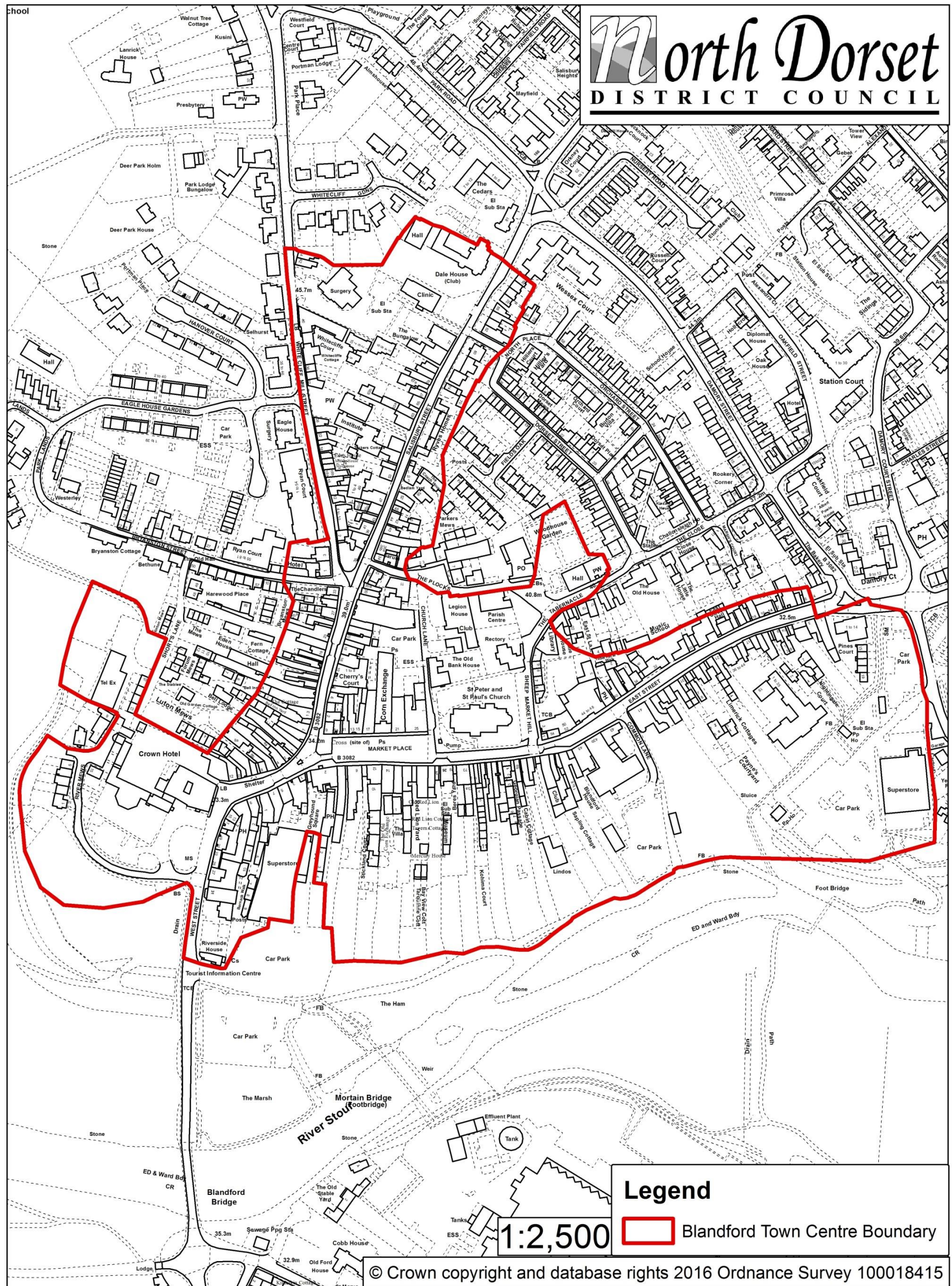


Figure 7: Town Centre Boundary for CIL Purposes - Gillingham

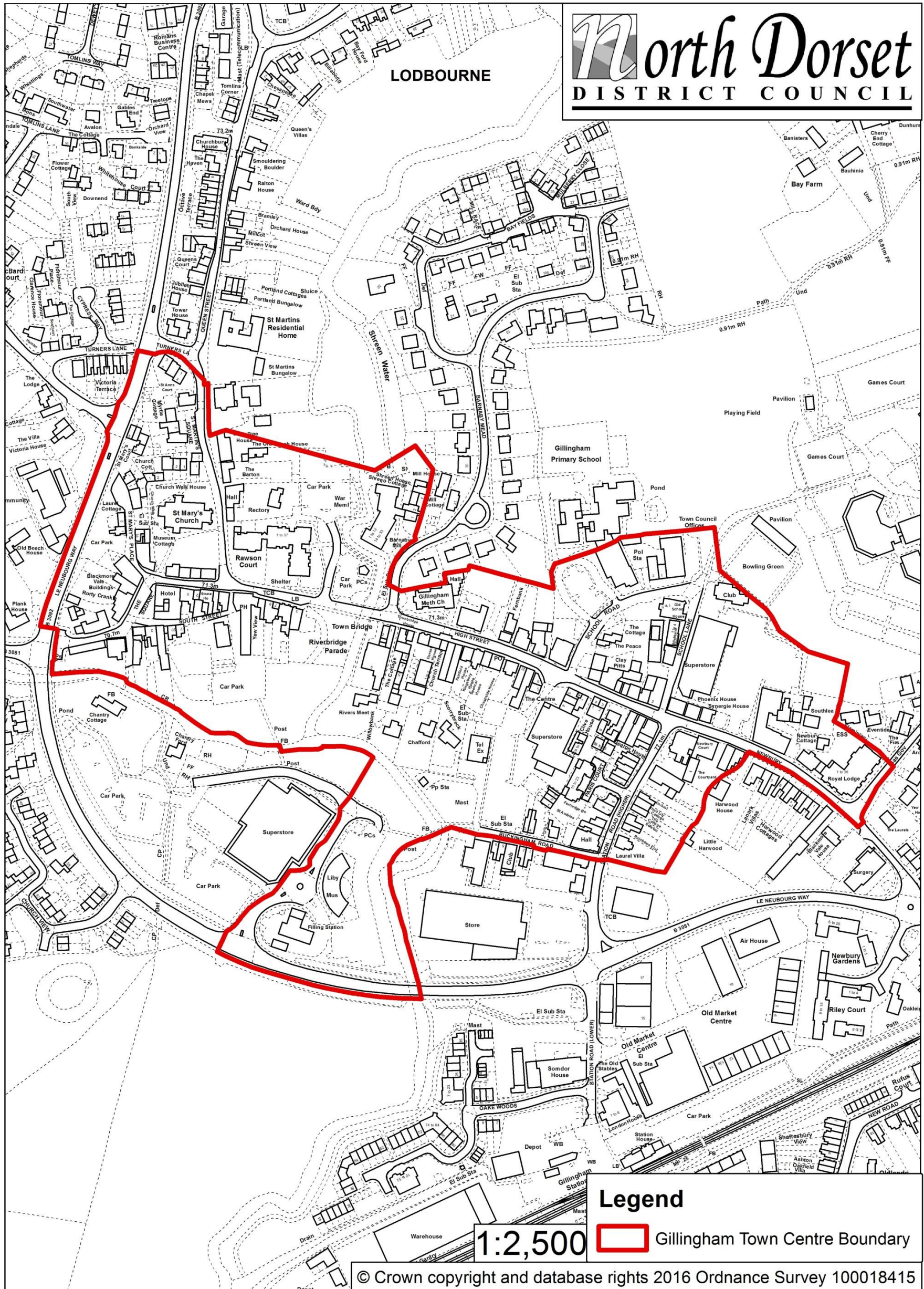


Figure 8: Town Centre Boundary for CIL Purposes - Shaftesbury

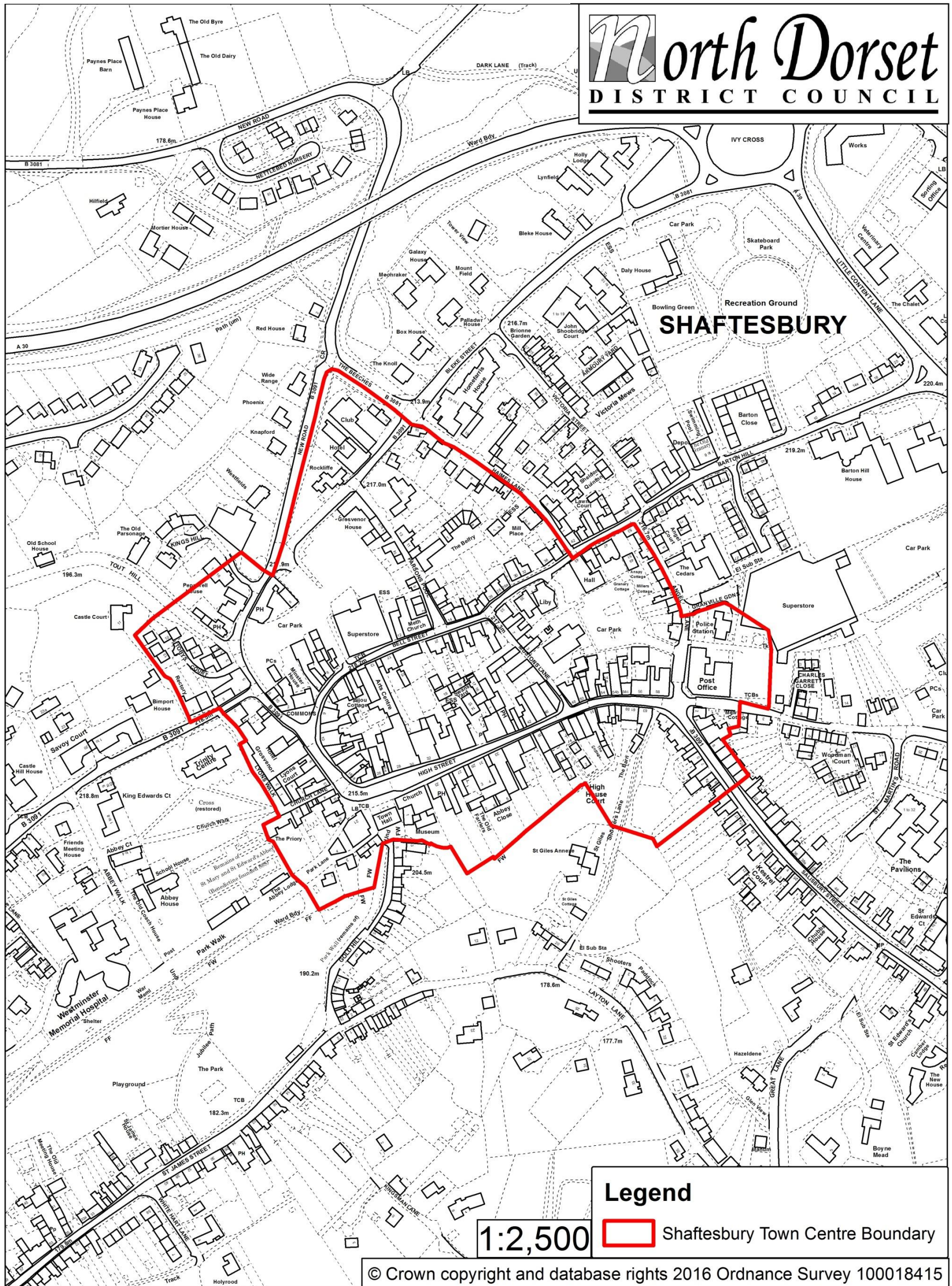


Figure 9: Town Centre Boundary for CIL Purposes - Sturminster Newton

