

Report to	South Downs National Park Authority
Date	31 January 2017
By	Major Planning Projects Officer
Title of Report	Implementation of SDNPA Community Infrastructure Levy

Recommendation: The Authority is recommended to

- 1) Approve the SDNPA Charging Schedule as set out at Appendix I to take effect on 1 April 2017 and;**
- 2) Delegate authority to the Director of Planning, in consultation with the Authority Chair, to finalise and agree the policies relating to instalment payments, infrastructure in kind and low-cost market housing relief, based on the policies set out at Appendices 2, 3 and 4, to take effect on 1 April 2017.**
- 3) Delegate authority to the Director of Planning, in consultation with the Authority Chair, to make any minor amendments necessary to the policies, as a result of changes to the Community Infrastructure Regulations 2010 (as amended).**

1. Summary and Background

- 1.1 Following the examination of the SDNPA's Community Infrastructure Levy (CIL) Draft Charging Schedule, which was found to be sound and worthy of adoption in June 2016, and NPA's decision to adopt the CIL charging schedule on 22 September 2016, this report outlines the final processes for implementation. This includes supporting documents, and recommends that these are implemented on 1 April 2017. Such documents include the pay-by-instalments policy, land and infrastructure policy and low-cost market housing relief discretion.

2. Update and Implementation of Charging Schedule

- 2.1 Further to the National Park Authority's decision on 22 September 2016, further work was required in order to ensure the proper implementation of CIL. The types of development and amounts charged as identified in the Charging Schedule (Submission Version February 2016), recommended for approval by the Examiner, remain unchanged.
- 2.2 Under S214 of the Planning Act 2008 and Reg 25 of the Community Infrastructure Regulations 2010 (as amended), the Charging Authority is required to carry out a specific programme of publication and notification of the approval of the Charging Schedule. Regulation 28 makes clear that the Charging Schedule takes effect at the beginning of the day specified in the Charging Schedule. The Regulations also specify that the majority of applications permitted on or after the date that the Charging Schedule takes effect will be liable for CIL where applicable.
- 2.3 In order to reflect the latter, allow time for publication and notification, and to allow time for developers with current applications in the system to be notified of CIL liability, it is recommended that the SDNPA starts to collect CIL contributions from all relevant development from 01 April 2017. The Charging Schedule has been updated to include the recommended date for when the Charging Schedule would take effect, and is included as **Appendix I**.

- 2.4 The collection and monitoring of CIL will be undertaken in house for all planning applications to the SDNPA, for at least the short term, to ensure that systems and arrangements are tested and bed-down robustly. Since NPA last considered CIL, the Major Planning Projects Officer role and Development Management Officer role have been filled. Whilst CIL is to an extent a responsibility of all engaged in the planning application process, these two roles do have a focus on CIL monitoring and collection and overall management of the process. There has therefore been significant progress made in the detailed preparation of implementing the Charging Schedule.
 - 2.5 The Host Authorities have been made aware of the intention to start collecting CIL from April 2017, subject to NPA agreement, and that it is currently the decision to retain the collection and monitoring of CIL function in-house, with some support in determining the amount of chargeable development from case officers. Previous Parish Council events have been held to explain the SDNPA's intention to produce a Charging Schedule and on the contents of the Infrastructure Delivery Plan (IDP). Further Parish Council events are proposed in April 2017, to explain the responsibilities of Parish Council's in spending and reporting on CIL.
- 3. Instalment and Infrastructure Payment Policy**
- 3.1 The approved Charging Schedule identifies that an instalment policy, which allows for CIL payments to be made in instalments rather than up-front at the commencement of the development, would be published alongside the Charging Schedule. The recommended policy for the SDNPA (**Appendix 2**) provides qualifying criteria as well as the timing, number and amount of instalments, in line with Reg 69B of the Regulations. This will provide flexibility and support for more complicated developments. It is recommended that this also be agreed and implemented from 1 April 2017.
 - 3.2 The approved Charging Schedule also states the SDNPA will accept, at its discretion, the CIL charge to be off-set in whole or in part by the value of infrastructure provided or constructed by the applicant to support the development, or by any land transferred to the SDNPA. Reg 73B requires Charging Authorities to issue a document that sets out the infrastructure projects, or types of infrastructure, which it will consider accepting the provision of as infrastructure payments. The recommended document for the SDNPA is set out in (**Appendix 3**). It is recommended that this document be agreed and implemented from 1 April 2017.
- 4. Relief for Low-cost Market Housing**
- 4.1 Paragraph 20 of the Charging Schedule submitted for examination allows the SDNPA, at its discretion, to grant relief from liability to pay a CIL charge to new market houses that are to be sold at no more than 80% of their market values. The allowance for this discretion was a response to the government's intention to introduce Starter Homes and was proposed prior to the making of the Housing and Planning Act 2016 in May last year. This Act now includes Starter Homes within the definition of affordable housing, which already benefits from relief from CIL under Reg 49 of the CIL Regulations. Whilst the exact provisions for how Starter Homes will be introduced are still awaited, it is recommended that the SDNPA policy applying to discretionary relief for low-cost market housing is based on the definition of Starter Homes in the Housing and Planning Act 2016. The recommended policy can be found at **Appendix 4**.
 - 4.2 When further legislation relating to Starter Homes is provided, it is possible this policy would need amendment or removal. It is in relation to this, or other legislative changes that might affect the policies, that Delegated Authority in consultation with the Chair of the NPA, as stated in the third recommendation of this report, is sought. Any changes introduced which would affect the Charging Schedule would likely be required to be approved by NPA.

5. Other Implications

Implication	
Will further decisions be required by another committee/full authority?	Yes – the final wording of the policies relating to payment by instalments, provision of infrastructure and low-cost market housing relief to be agreed by Delegated Authority, in consultation with the Chair of the NPA, and for any minor amendments necessary as a result of changes to the Community Infrastructure Regulations 2010 (as amended).
Does the proposal raise any Resource implications?	Once the CIL charging schedule has been adopted, there will be ongoing costs connected with advising developers of their liability, as well as monitoring, reporting and enforcement. CIL regulations allow charging authorities to use up to 5% of CIL receipts to fund initial set-up and ongoing operational costs of the scheme. It is therefore anticipated that any additional costs to the Authority associated to the scheme will be funded from receipts.
How does the proposal represent Value for Money?	The resources collected will exceed those needed to manage the CIL processes and deliver much needed local infrastructure to support growth.
Are there any Social Value implications arising from the proposal?	Yes – the willingness to consider discretionary social housing relief would be a benefit.
Has due regard been taken of the South Downs National Park Authority's equality duty as contained within the Equality Act 2010?	Yes. The Authority has a duty under Section 149 of the Equality Act 2010 ('the Act') and the projects that CIL will help to deliver have due regard to this duty.
Are there any Human Rights implications arising from the proposal?	No
Are there any Crime & Disorder implications arising from the proposal?	No
Are there any Health & Safety implications arising from the proposal?	No
Are there any Sustainability implications based on the 5 principles set out in the SDNPA Sustainability Strategy: 1. Living within environmental limits 2. Ensuring a strong healthy and just society 3. Achieving a sustainable economy 4. Promoting good governance 5. Using sound science responsibly	The projects that CIL will help to deliver will take proper account of all relevant sustainability matters.

6. Risks Associated with the Proposed Decision

- 6.1 Risks associated with CIL are being incorporated into the Corporate Risk Register. These include the reputational risk associated with any long-running planning applications now being CIL liable and possible amendments made to the Community Infrastructure Regulations by Government.

VICKI COLWELL

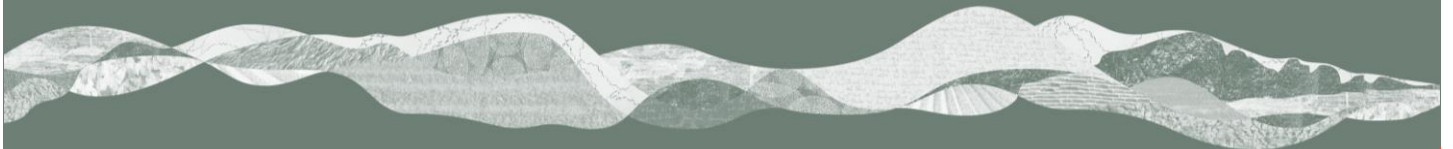
Major Planning Projects Officer

South Downs National Park Authority

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Appendices	<ol style="list-style-type: none">1. Charging Schedule2. Instalment Policy3. Infrastructure Policy4. Relief for Low-cost Housing
SDNPA Consultees	Chief Executive; Director of Countryside Policy and Management; Director of Planning; Chief Finance Officer; Monitoring Officer; Legal Services
External Consultees	None
Background Documents	Report (Agenda Item 12) regarding adoption of CIL and Minutes from Authority Meeting 22 September 2016 - South Downs National Park Authority Further relevant documents can be found in the CIL Examination Library



South Downs National Park – Community Infrastructure Levy Charging Schedule



January 2017

1. The South Downs National Park Authority ('SDNPA') has published this Community Infrastructure Levy ('CIL') Charging Schedule as the local planning authority and CIL charging authority for the entire area of the South Downs National Park, under powers provided by Section 206 of the Planning Act 2008.
2. This Charging Schedule sets out the Community Infrastructure Levy charging rates set by SDNPA.
3. SDNPA will implement this Charging Schedule on **1st April 2017**, and the rates will be non-negotiable.

South Downs National Park CIL

4. CIL was introduced by Part 11 of the [Planning Act 2008](#) and is governed by the [CIL Regulations 2010](#) (as amended) and the Planning Practice Guidanceⁱ published by the Department for Communities and Local Government. Planning obligations under Section 106 of the Planning Act will continue to be used after CIL is introduced in accordance with a Regulation 123 list to prevent the double-counting of contributions.
5. In setting CIL rates, SDNPA has found an appropriate balance between the desirability of funding infrastructure from the levy and the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.ⁱⁱ

Appropriate available evidence

6. The South Downs National Park CIL charges have been informed by appropriate available evidence of economic viability and infrastructure needs.ⁱⁱⁱ
7. The evidence underpinning the CIL charges is:
 - National Park Local Plan: Preferred Options
 - Adopted Joint Core Strategies

- National Park Partnership Management Plan
- Infrastructure Delivery Plan, and
- Community Infrastructure Levy and Affordable Housing Viability Assessment (2014 and Update 2015).

8. This evidence can be found at our website: www.southdowns.gov.uk/CIL.

Charging Schedule rates

Use of Development	Proposed Levy (£/m ²)
Residential – Zone 1	150
Residential – Zone 2	200
Large format retail ^{iv}	120
All other development	0

9. Different charges are applicable for different intended uses of development, in accordance with Regulation 13. For residential uses, there are different charges for two geographical zones with reference to local viability evidence. The boundaries of residential zones are shown on the Charging Schedule Map (at the end of this document) and are derived from the relevant adopted or published development plan. Zone 1 covers Petersfield, Lewes, Petworth, Midhurst and Liss; Zone 2 covers all other areas.
10. 'Residential' includes all development within Use Class C3 of the relevant Order. 'Residential' also includes agricultural workers dwellings and holiday lets as these uses are considered to be normal homes for the purposes of calculating CIL and any restrictive occupancy conditions do not provide exemption from CIL liability. However, they may be exempt from CIL liability if they are self-built or converted from an existing building.

ⁱ <http://planningguidance.planningportal.gov.uk/blog/guidance/community-infrastructure-levy/>
ⁱⁱ CIL Regulation 14 as amended by Regulation 5(3)(2014).
ⁱⁱⁱ Planning Act 2008 s.211 (7A) as amended by Localism Act 2011 s.114(2) and CIL Amendment Regulation 5 (2014)
^{iv} 'Large format retail' means convenience-based supermarkets and superstores and retail warehouses

with a net retail selling space of over 280m² providing shopping destinations in their own right where weekly food shopping needs are met and can include non-food floorspace as part of the overall mix. Also retail outlets specialising in household goods (such as carpets, furniture and electrical), DIY items and other ranges of goods, catering for mainly car-borne customers.

11. The *chargeable amount* of CIL for any new development is calculated in accordance with Part 5 of the CIL Regulations (2010, as amended). The locally set rates above are multiplied by the *gross internal area*^v of new buildings and enlargements to existing buildings, taking demolished floorspace into account and subject to the exemptions listed in Part 6 of the Regulations.

12. In summary, Part 6 of the CIL Regulations 2010 (as amended) exempts the following types of development from the CIL charges:

- Social (affordable) housing
- Domestic residential extensions
- Self-build development
- Development by charitable institutions
- Changes of use that do not increase floorspace
- Buildings into which people do not normally go or go only intermittently for the purpose of maintaining or inspecting machinery, and
- Buildings with temporary planning permission.

13. The CIL rates will increase with market inflation over time to ensure their effectiveness at funding infrastructure. They are linked to the All-in Tender Price Index published by the Building Cost Information Service of the Royal Institute of Chartered Surveyors.

Implementation choices

14. The CIL Regulations allow SDNPA to make certain choices about how to implement the CIL. These choices can be amended or reversed if they are no longer suitable by giving notice on our website.

Payment by instalments^{vi}

15. Payment of a CIL charge is due from the date a chargeable development commences. SDNPA will accept, at its discretion, the payment of CIL by instalments to provide flexibility and support for more complicated developments. For larger

developments, CIL payments can be linked to phased planning permissions over time.

16. The 'instalment policy' stating the number and amount of instalments, timing and qualifying criteria is published alongside this Charging Schedule.

Land-and infrastructure-in-kind^{vii}

17. SDNPA will accept, at its discretion, the CIL charge to be offset in whole or in part by the value of any infrastructure provided or constructed by the applicant to support the development. The CIL charge may also be offset in whole or in part by the value of any land transferred to SDNPA, where it would support the provision of necessary infrastructure.

18. This choice will enable developers to directly provide the infrastructure needed to support new development, rather than paying for it indirectly through CIL charges. The value of land- and infrastructure-in-kind will be determined by the District Valuer.

Relief for low-cost market housing^{viii}

19. SDNPA can allow, at its discretion, relief from liability to pay a CIL charge to new market houses that are to be sold at no more than 80 per cent of their market value. Value levels will be set and adjusted over time in consultation with the District Valuer Service.

Accessibility

20. All documents related to this Charging Schedule can be viewed on our website (www.southdowns.gov.uk/cil) or at the South Downs Centre in Midhurst (address above). Printed copies, a large-print version and other formats can be requested using the contact details below.

^v The Authority will use the HMRC Valuation Office Agency's definition of *gross internal area*.

^{vi} CIL Regulation 69B.

^{vii} CIL Regulations 59, 73 and 73A.

^{viii} CIL Regulation 49A.

Website:

www.southdowns.gov.uk/CIL

Email:

CIL@southdowns.gov.uk

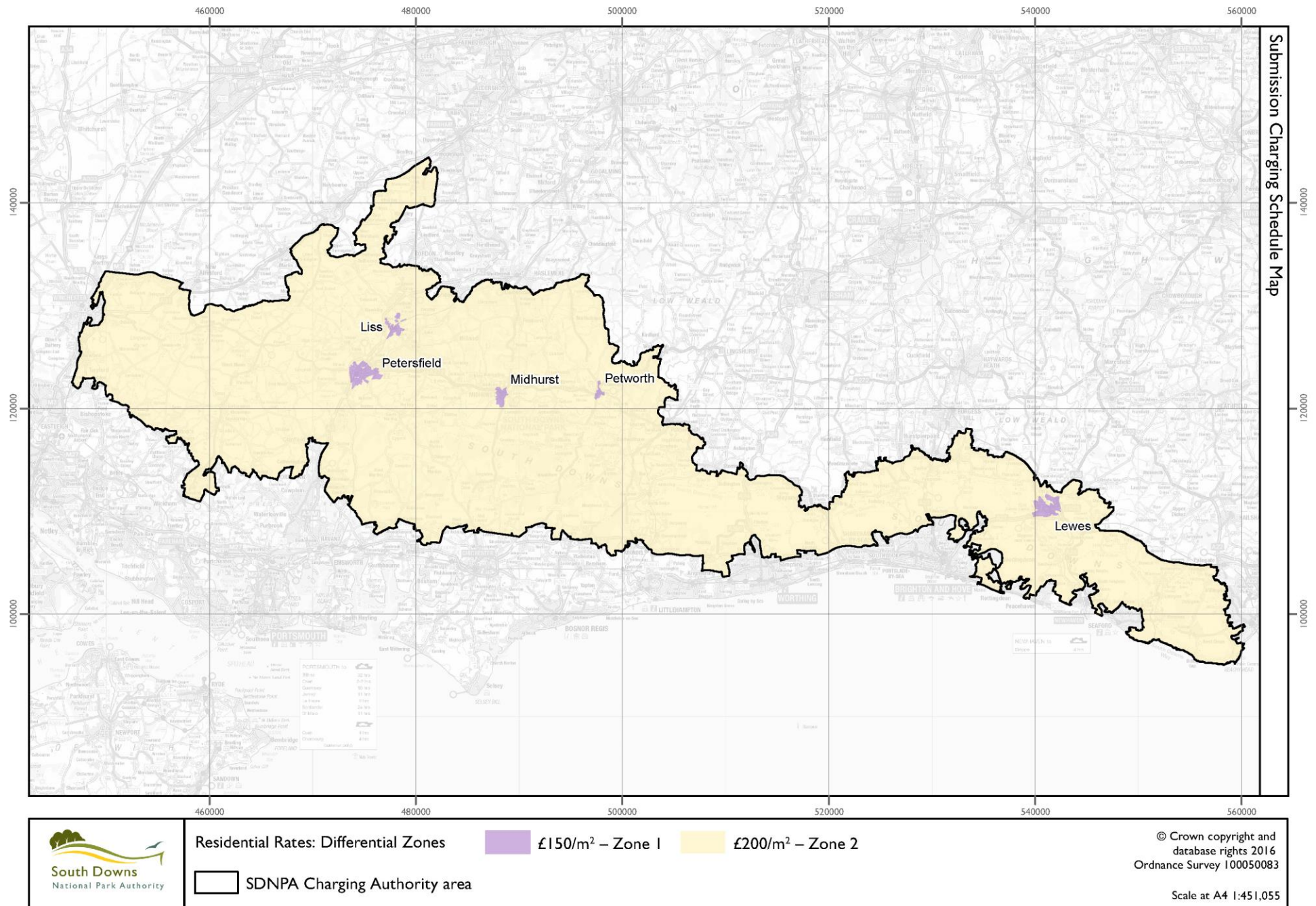
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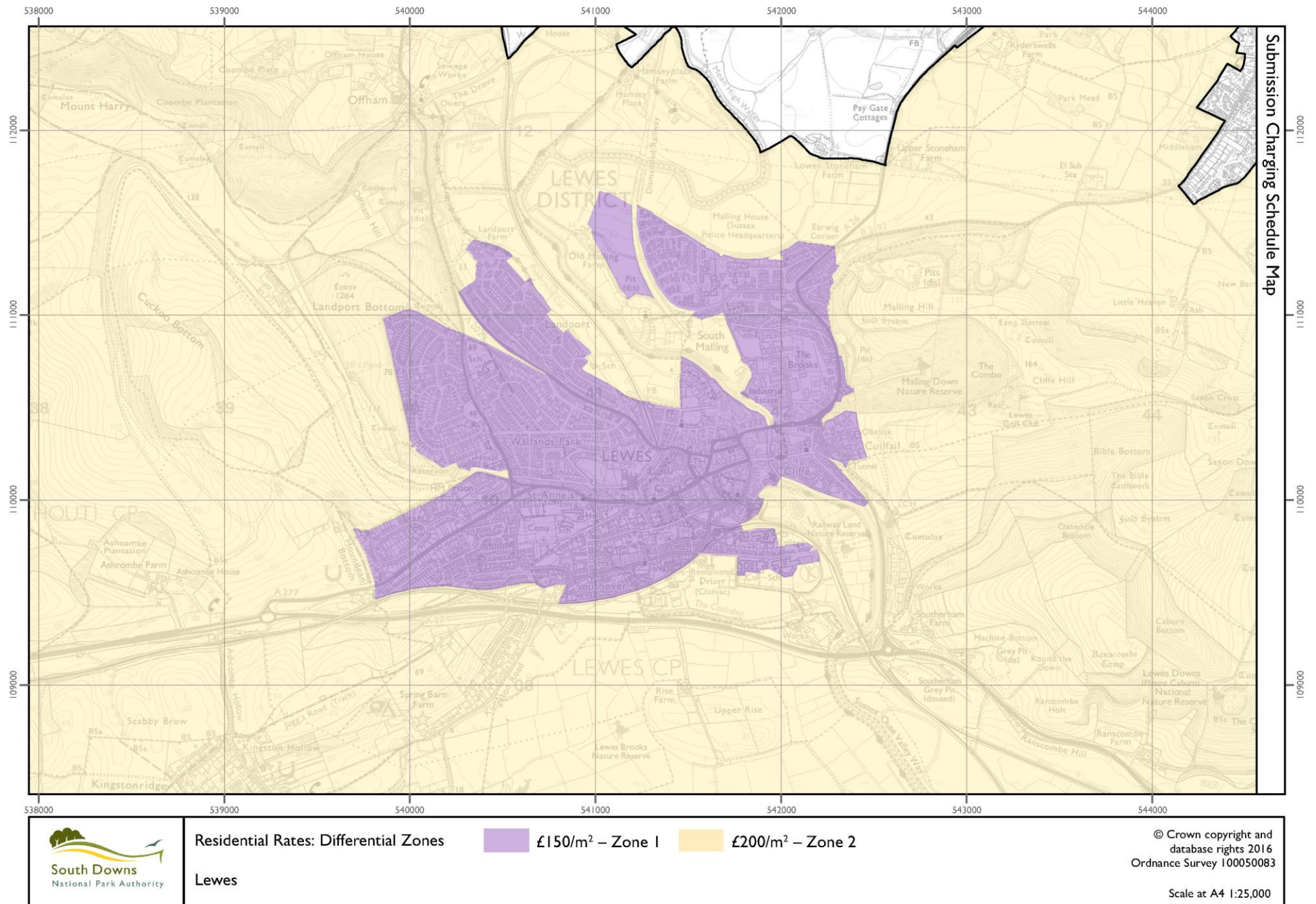
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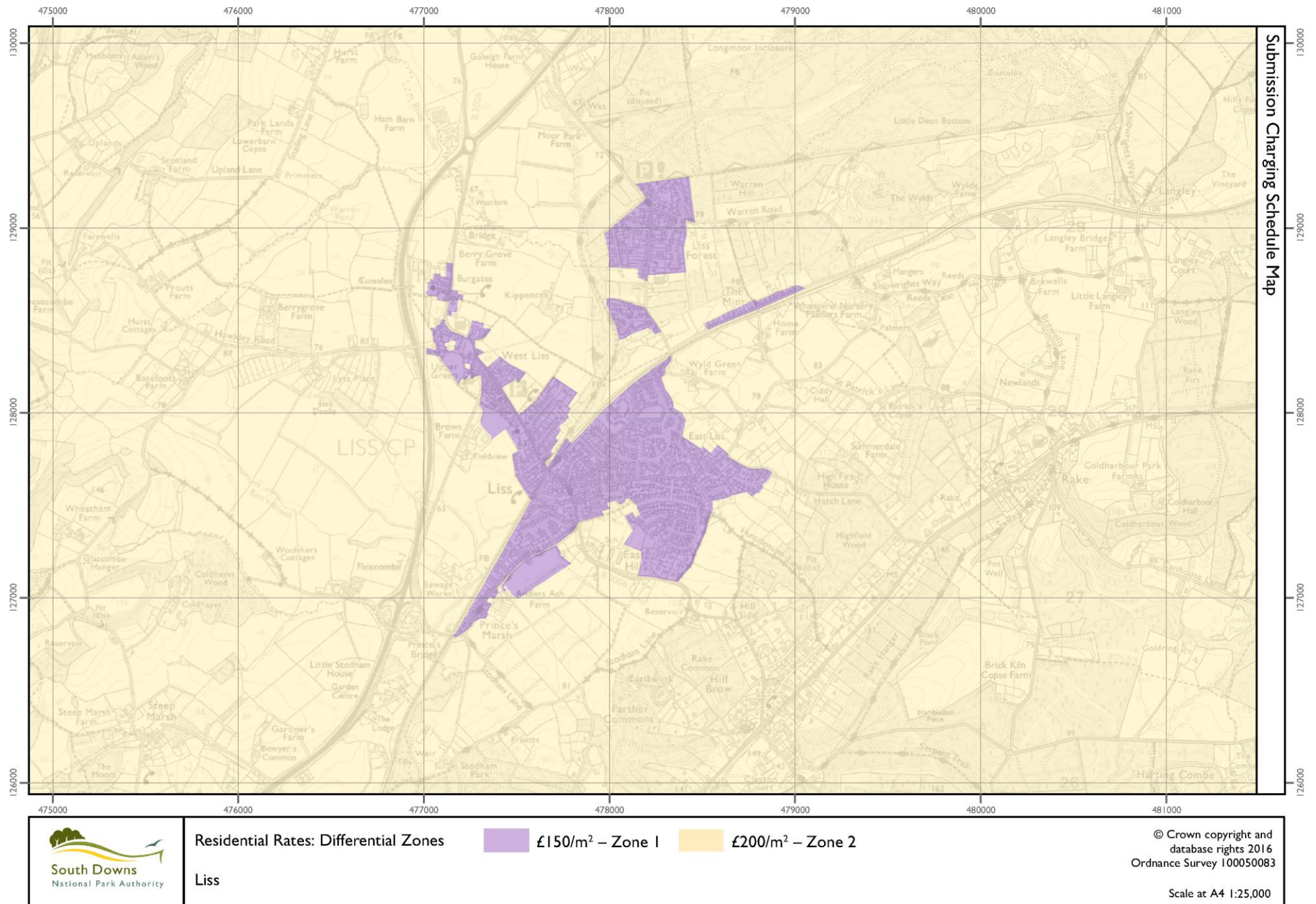
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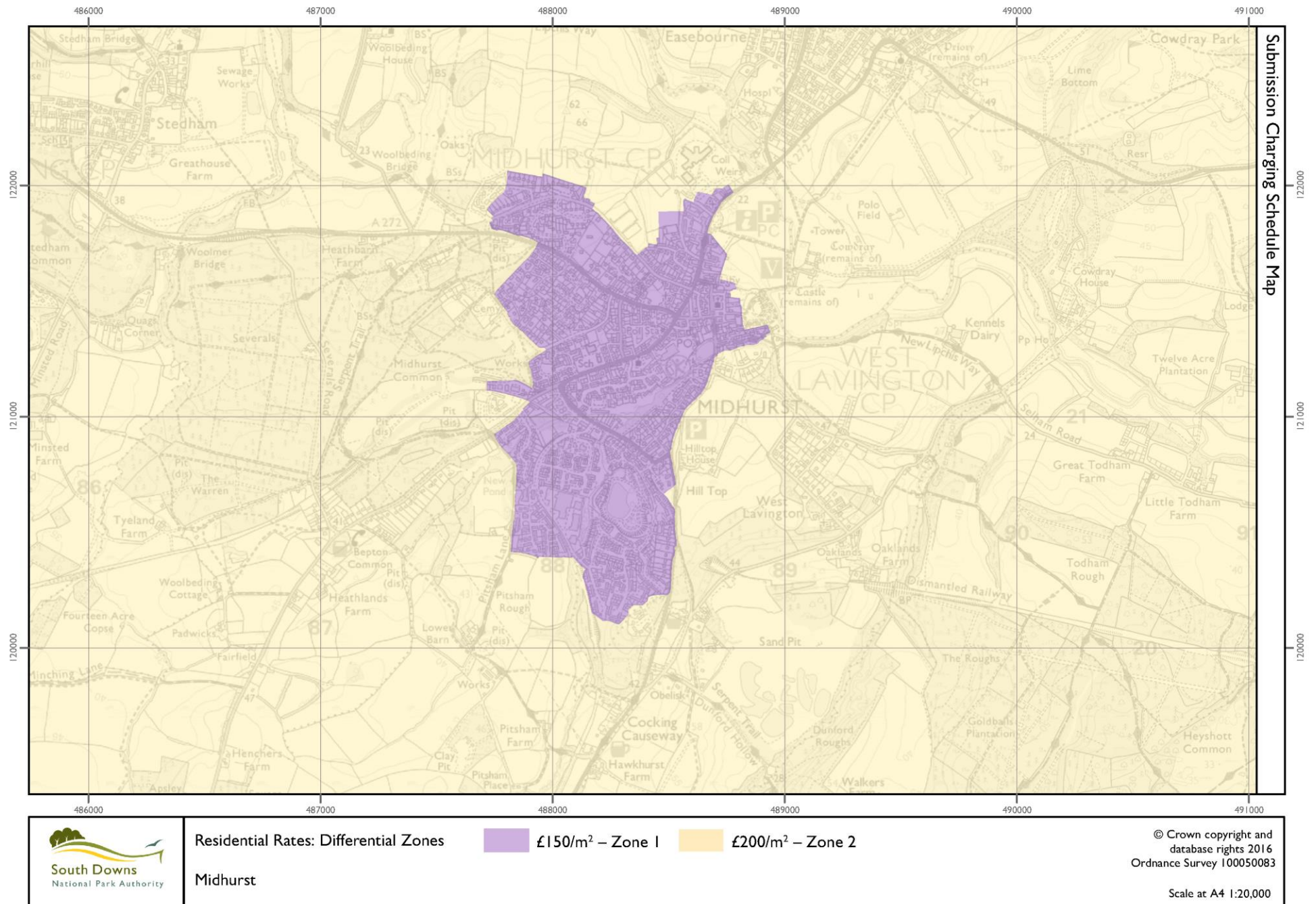
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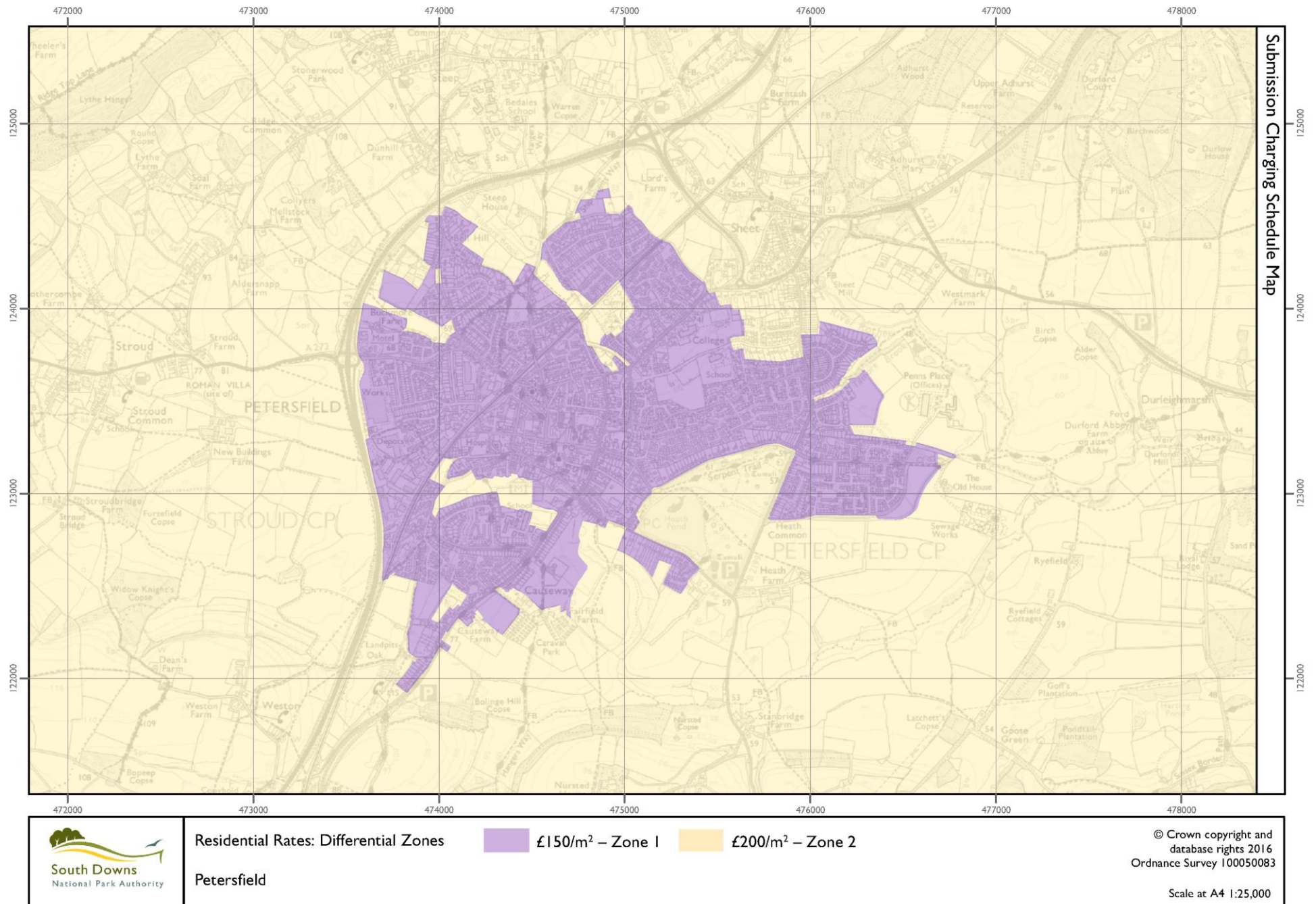
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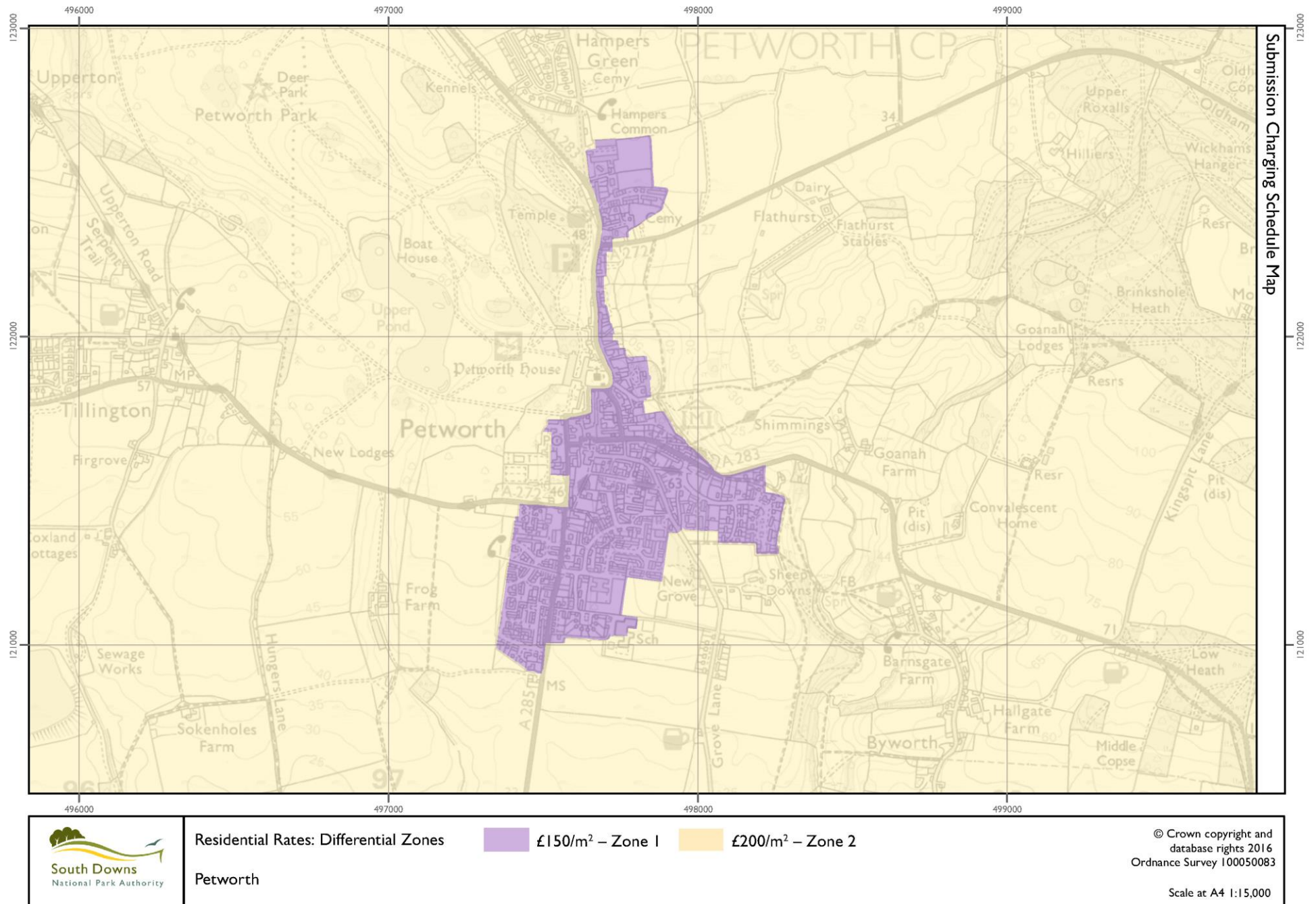














CIL Instalment Policy

(publication date 01.02.16)

1. This Policy is made in line with regulation 69B of the Community Infrastructure Regulations 2010 (as amended).
2. The Community Infrastructure Levy will be payable as follows:
 - a) **Where the chargeable amount is less than £50,000**
The chargeable amount will be required within 60 days of commencement.
 - b) **Where the chargeable amount is equal to or greater than £50,000 and less than £200,000**
Two equal instalments at 60 and 120 days after commencement
 - c) **Where the chargeable amount is equal to or greater than £200,000**
25% paid at 90 days after commencement, 25% paid at 120 days and 50% paid 270 days after commencement

NB Commencement will be taken to be the date advised by the developer in the commencement notice under CIL Regulation 67.

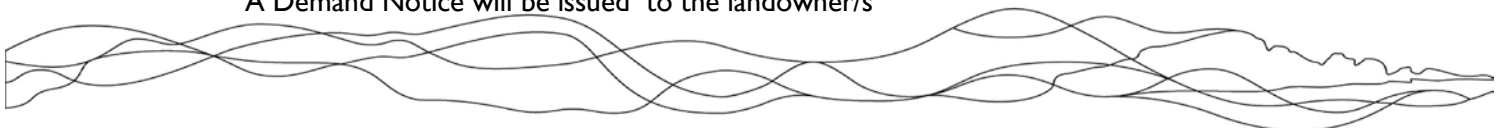
3. This Instalment Policy takes effect on **1 April 2017**.

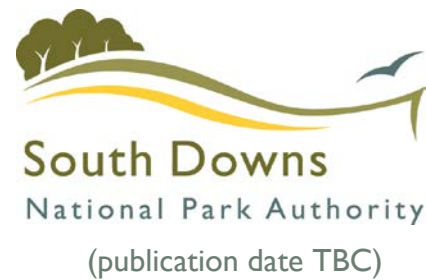
Circumstances where the Instalment Policy will not apply

4. In accordance with the Community Infrastructure Regulations 2010 (as amended) this South Downs National Park Authority CIL instalment policy will not apply in the following circumstances:
 - a) Where a Commencement Notice has not been submitted prior to commencement of the chargeable development,
 - b) Where nobody has assumed liability to pay CIL for the chargeable development on the intended day of commencement;
 - c) An instalment payment has not been made in full within 30 days of the due date for the instalment payment
 - d) A person has failed to notify South Downs National Park Authority of a disqualifying event within 14 days of a disqualifying event occurring. (Disqualifying events relate to when CIL relief has previously been granted and circumstances subsequently change).

Payment Periods

5. In all other cases where an instalment policy has not been agreed, the amount of CIL payable is due in full within 90 days from the date of commencement of development.
6. Where a CIL payment is not received in full on or before the day which it is due –
The unpaid balance becomes payable in full immediately; and
A Demand Notice will be issued to the landowner/s





CIL Infrastructure Payments Policy

1. Regulation 73A of the Community Infrastructure Regulations 2010 (as amended) allows a Charging Authority to make infrastructure payments available in its area and to accept one or more infrastructure payments in satisfaction of the whole or part of the CIL due in respect of a chargeable development.
2. Where CIL is paid by way of an infrastructure payment the amount of CIL paid is an amount equal to the value of the infrastructure provided. An agreement to provide the infrastructure must be entered into before the chargeable development is commenced. Such an agreement must be in accordance with the provisions in Regulation 73A of the Community Infrastructure Regulations 2010 (as amended).
3. Regulation 73B enables a Charging Authority that wishes to allow infrastructure payments in its area to stipulate the specific infrastructure projects or types, which it will consider accepting the provision of as infrastructure payments.
4. The SDNPA is willing to accept infrastructure payments in its area where these projects or type of infrastructure are directly related to the following SDNPA strategic infrastructure priorities and should already be identified on the SDNPA Infrastructure Delivery Plan List.
 - (a) **Strategic Cycle Network**, including the extension to Centurion Way from West Dean to Midhurst and the completion of the Egrets Way in Lewes District.
 - (b) **Natural Capital** covers a large number of SDNPA projects including large scale landscape improvements such as Big Chalk and Heathlands Reunited.
 - (c) **Hubs and Gateways** covers proposals to welcome visitors to the National Park and enhance their experience, particularly around sustainable tourism hubs such as Stanmer Park.
 - (d) **Access for All** is a working title to cover non-motorised access for priority groups.
 - (e) **Education and Interpretation** includes both formal education projects tied closely to new development and interpretation of National Park assets.
 - (f) **Strategic Floodplain Management** could link similar work of all area offices and relates to growth as Local Plan Preferred Options Policy SD17 requires integrity of existing coastal and river defences to be assessed when determining planning applications.
5. Infrastructure payments will be subject to the following conditions:
 - (a) The person offering in kind payments must have assumed liability to pay CIL, have completed the relevant forms and these must have been formally acknowledged by the SDNPA.
 - (b) The chargeable development must not have commenced before a written agreement has been obtained from the SDNPA to accept the infrastructure payments offered.
 - (c) Any agreement for infrastructure payments must clearly state the value of land or infrastructure to be provided, as valued by an independent assessor in accordance with Regulations 73 and 73A. Any agreement must also specify the timescales and quality for delivery.

- (d) The land and/or infrastructure being offered must not:
 - i. Be otherwise necessary to make the application acceptable in planning terms or ensure compliance with local plan policy requirements
 - ii. Represent an intrinsic element of the scheme
 - iii. Have previously been promoted as an additional benefit over and above CIL contributions during the allocation of application process.
 - (e) The land associated with the infrastructure payment must be fit for the relevant purpose and there must be sufficient prospect of achieving the relevant permissions to use the land for the purposes intended.
 - (f) The infrastructure provided must be fit for the relevant purpose and its provision as in kind payment must represent a time or cost efficiency to the SDNPA and its partners, or be otherwise more practical than such parties delivering the infrastructure themselves.
6. **This mechanism is offered at the Authority's discretion: this policy does not oblige the Authority to accept any such offer or application.** Any parties interested in paying CIL in this manner are therefore strongly encouraged to enter discussions with the SDNPA before any application is submitted in order to establish whether the principle of payment in kind is likely to be suitable in that instance.
7. The value of any infrastructure offered by way of payment has to be determined by a suitably qualified, independent assessor. This will determine how much liability the in-kind payment will offset. The SDNPA will require the costs of any such valuation to be met by the applicant.
8. Payments in kind may only be made with the agreement of the liable party, the SDNPA and any other relevant authority that will need to assume responsibility for the land or infrastructure.
9. This Infrastructure Payment Policy takes effect on **1 April 2017**.



Low-Cost Market Housing Relief Policy

(publication date TBC)

1. Regulation 49A of the Community Infrastructure Regulations 2010 (as amended) allows a Charging Authority to make discretionary social housing relief available in the area in which the chargeable development will be situated.
2. For the purposes of this policy, a dwelling could be considered for discretionary social housing relief where:
 - (a) The dwelling is sold for no more than 80% of its market value (where the market value at any time is the price which the dwelling might reasonably be expected to fetch if sold at that time on the open market);
 - (b) The dwelling is sold in accordance with paragraph 3 below, and;
 - (c) The liability to pay CIL in relation to the dwelling remains with the person granted discretionary social housing relief.
3. The SDNPA is not responsible for allocating the housing to be granted relief. Therefore, it is advised that any dwellings granted discretionary social housing relief should be allocated to the satisfaction of the SDNPA and in accordance with the requirements of the Local Housing Authority responsible for the area in which the chargeable development is located.
4. Social housing relief is given by deducting the floorspace of the qualifying dwellings from what would otherwise be the amount of liability to CIL that would arise in respect of the chargeable development.
5. The procedure for claiming exemption of this discretion must follow the same procedure as social housing relief, as set out in Regulations 50 – 53 of the Community Infrastructure Regulations 2010 (as amended).
6. **This mechanism is offered at the Authority's discretion: this policy does not oblige the Authority to accept any such offer or application.** Any parties interested in paying CIL in this manner are therefore strongly encouraged to enter discussions with the SDNPA before any application is submitted in order to establish whether the principle of the low-cost market housing relief is likely to be suitable in that instance.
7. This Low-cost Market Housing Policy takes effect on **1 April 2017**.

