

# East Hampshire District Council Community Infrastructure Levy Revised Submission Charging Schedule February 2015

1. East Hampshire District Council ('the Council') has published this Community Infrastructure Levy ('CIL') Revised Submission Charging Schedule as the Local Planning Authority and CIL Charging Authority for the area of East Hampshire District Council outside the South Downs National Park Authority area, under powers provided by Section 206 of the Planning Act 2008.

2. This Revised Submission Charging Schedule is submitted for the examination step in setting a CIL charge for East Hampshire District Council. The Council has taken into account comments made on the Preliminary Draft and Draft Charging Schedule documents from the First and Second consultations and member consideration of the Charging Schedules and supporting evidence before publishing this Revised Submission Charging Schedule for examination.

## East Hampshire District Council CIL

3. The CIL was introduced by Part 11 of the Planning Act 2008 and is governed by the CIL Regulations 2010 (as amended). Statutory Guidance was published by the Department for Communities and Local Government in April 2013 and amended in January 2014. East Hampshire District Council intends to adopt and implement a CIL Charging Schedule on or about 6 April 2015. The current requirements for planning obligations under Section 106 of the Planning Act will continue until the CIL is adopted and thereafter where appropriate.

4. The Council is required to, in setting CIL rates, 'strike 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'.<sup>i</sup>

5. The rates proposed in this document have therefore been informed by evidence of both infrastructure needs and development viability as well as the first and second consultations. The finance secured through the CIL will provide additional investment for infrastructure delivery in support of new development across the Council's area. It will not threaten the viability of the development strategy in the East Hampshire

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<sup>i</sup> Regulation 14 (as amended by Regulation 5(3) of the CIL Amendment Regulation 2014)

District Joint Core Strategy, as required by the statutory Guidance <sup>ii</sup> and the National Planning Policy Framework.<sup>iii</sup>

## Appropriate evidence

6. East Hampshire District Council CIL rates must be informed by appropriate available evidence.<sup>iv</sup>

7. The evidence underpinning the CIL rates includes:

- i) The adopted East Hampshire District Joint Core Strategy 2014
- ii) Representations to the first and second consultations and the Council's response and proposed changes/additions.
- iii) The draft Regulation 123 List,
- iv) Draft Infrastructure Delivery Plan 2014, and
- v) Community Infrastructure Levy Viability Assessment 2014 first report (April 2014), addendum report (November 2014) and Further Addendum Report (January 2015).

8. This evidence can be found at the Council's website:

[www.easthants.gov.uk/CILExamination](http://www.easthants.gov.uk/CILExamination).

## Submission Charging Schedule rates

9. The proposed rates set out below are supported by evidence of development viability across the East Hampshire (excluding South Downs National Park) area. These rates will come into force in April 2015, subject to amendment if necessary, and will be non-negotiable. They will apply to the areas shown on the maps attached as Appendix C to the CIL01 Submission Document.

Residential Use <sup>v</sup>	CIL in £/sq m
Residential other than class C2, C2A uses and Extra Care Housing	VP2 Locations £65 (Whitehill/Bordon excluding Regeneration Project CIL Zone)  VP3 Locations £110 (Southern parishes of Clanfield, Horndean and Rowlands Castle)  VP4 and VP 5 Locations £180 (Northern parishes excluding Whitehill/Bordon and Alton)  Alton CIL Zone Location £150
Residential other than class C2, C2A uses and Extra Care Housing in VP4 and VP5 Locations (excluding Alton) for developments of 1 to and including 10 dwellings with a total floor area of 1000 square metres or less	£200
Residential C3A sheltered housing in	£40

<sup>ii</sup> CIL Guidance 2013, para.8.

<sup>iii</sup> National Planning Policy Framework 2012, paras 173–177.

<sup>iv</sup> Defined by Section 211 (7A) of Planning Act 2008 (as amended by Section 114(2) of the Localism Act 2011) and Regulation 14 (as amended by Regulation 5 of the CIL Amendment Regulations 2014)

<sup>v</sup> The proposed 'Residential' levy rates are based on an interim assumption of 40 per cent affordable housing policy in the Local Plan with the exception of a 35% target at Whitehill & Bordon. See the Viability Assessment for further information.

self contained houses and flats with communal facilities and an age restriction	
Whitehill & Bordon (Regeneration Project CIL Zone)	£0

Other Uses	CIL in £/sq m
Offices	£0
Hotels in all areas (excluding the Whitehill & Bordon Regeneration Project Zone)	£70
Hotels in the Whitehill & Bordon Regeneration Project Zone	£0
High street/ centre retail and out of centre retail in all areas (excluding the Whitehill & Bordon Regeneration Project Zone)	£100
High street/ centre retail and out of centre retail in the Whitehill & Bordon Regeneration Project Zone	£0
Industrial and warehousing	£0
Student accommodation	£0
All class C2, C2A, C3B, C3C and extra care housing use	£0
Any other development	£0

## Use of Proposed Levy (£/m<sup>2</sup>)

**10.** 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'<sup>vi</sup> 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.

**11.** Part 6 of the CIL Regulations 2010 (as amended) exempts the following types of development from CIL liability:

- Social (affordable) housing
- Domestic residential extensions
- Self-build development
- Development by charitable institutions
- Changes of use that do not increase floor space
- 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.

**12.** The Council is proposing to set differential rates, in accordance with the Regulation for different intended uses of development and different locations as identified above.

**13.** For residential uses, the Council also proposes to set differential rates for different geographical zones with reference to viability evidence. The boundaries of residential zones are shown on the Draft Charging Schedule Maps (*at the end of this document*).

- Zone 1a relates to the land to the north of the SDNP (excluding Whitehill & Bordon and Alton) for developments of 11 units and above;

<sup>vi</sup> The Authority will use the HMRC Valuation Office Agency's definition of gross internal area.

- Zone 1b relates to the land to the north of the SDNP (excluding Whitehill & Bordon and Alton) for developments of 10 units and below or of 1,000 sq metres or less;
- Zone 2 relates to the Southern Parishes (or land to the south of SDNP);
- Zone 3 relates to Whitehill & Bordon excluding the Regeneration Project CIL Zone and
- Zone 4 relates to the Whitehill & Bordon Regeneration Project CIL Zone area.
- Zone 5 relates to Alton
- A district wide zone for Residential Sheltered housing.

Non-residential rates have similarly been tested with the resulting conclusions in section 9 above.

**13.** The CIL rates will increase with market inflation over time to ensure their effectiveness at delivering 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.

### Discretionary matters

**14.** The CIL Regulations allow the Council to make certain choices about how to implement the CIL. Some of these discretionary matters relate to exemptions from paying a CIL levy for certain types of development. All choices on discretionary matters are flexible and can be amended or removed at any time. The Council has determined that there will be no discretionary exemptions recommended at this time but that exceptions will be considered on their merit when submitted to the Council for consideration.

### Payment by instalments <sup>vii</sup>

**15.** Payment of a CIL charge is due from the date a chargeable development commences. The Council can offer the payment of CIL by instalments to provide flexibility and support for more complicated developments. An 'instalment policy' stating the parameters of this process was published alongside the draft Charging Schedule and approved my members for consideration at the examination and for adoption as submitted or modified.

### Relief for exceptional circumstances <sup>viii</sup>

**16.** Liability to pay a CIL charge on chargeable development is a statutory obligation and is non-negotiable. The Council can, however, in exceptional circumstances offer discretionary relief from liability to pay a CIL charge. Offering this relief would provide the Council with some flexibility to deal with complex sites which are proved to have exceptional costs or other requirements which make them unviable.

Justification for this relief would have to be demonstrated through appropriate evidence of viability and is entirely at the discretion of the Council. This relief can be activated and deactivated at any time subject to a notice of intention to be published by the Council. At this stage it is not recommended that there will be any discretionary exemptions.

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<sup>vii</sup> Enabled by Regulation 69B of the CIL Regulations 2010 (as amended).

<sup>viii</sup> Enabled by Regulations 55 and 57 of the CIL Regulations 2010 (as amended) and CIL Relief: Information document (May 2011).

## Land- and infrastructure-in-kind<sup>ix</sup>

**17.** The Council can allow, at its discretion, the value of land transferred to the Council and infrastructure provided or constructed by a developer to be offset against the CIL charge. This would enable developers to provide the infrastructure needed to support new development directly, rather than paying for it indirectly through the CIL. The value of land- and infrastructure-in-kind would be determined by the District Valuer. The Council will consider applications for land an infrastructure in kind as an exceptional circumstance and resolve accordingly.

## Relief for charitable investment activities<sup>x</sup>

**18.** The Council can allow, at its discretion, relief from CIL liability to charity landowners where the greater part of a development is held as an investment from which the profits are applied for charitable purposes. The Council resolved not to consider relief for CIA at this time.

## Relief for low-cost market housing<sup>xi</sup>

**19.** The Council 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. It is the Council's position that it has not recommended this discretion.

## Consultation process

**20.** The consultation period for the preliminary draft charging schedule ran from 30 May to 11 July 2014 and that for the Draft Charging Schedule ran from 6 November 2014 to 5pm on 19 December 2014. Comments were invited from all stakeholders, individuals and groups in these open consultations particularly related to the proposed rates and were considered in setting the rates at section 9 above.

A further consultation period is now proposed to consider the Revised Submission Charging schedule.

## Accessibility

**22.** All documents related to this submission will be available on the Council's website ([www.easthants.gov.uk/cil](http://www.easthants.gov.uk/cil)).

If for any reason you are unable to access the documents in this way please contact the Planning Policy Team on the contact details above.

## Next steps

**23.** The Council has taken into account any comments made on the background evidence to this document before publishing this Revised Submission Charging Schedule. An independent examiner must approve the Draft Charging Schedule before the Council can adopt a final Charging Schedule. The CIL charge will be

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<sup>ix</sup> Enabled by Regulations 59 and 73 of the CIL Regulations 2010 (as amended by Regulation 8 of the CIL Amendment Regulations 2014).

<sup>x</sup> Enabled by Regulations 44–48 of the CIL Regulations 2010.

<sup>xi</sup> Enabled by Regulation 49A of the CIL Regulations 2010 (as amended by Regulation 7 of the CIL Amendment Regulations 2014).

applied to all liable planning permissions from the date of adoption in April 2015. The CIL rates will be reviewed periodically thereafter.

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