

# East Hampshire District Council Community Infrastructure Levy Preliminary Draft Charging Schedule May 2014

1. East Hampshire District Council ('the Council') has published this Community Infrastructure Levy ('CIL') Preliminary Draft 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 Preliminary Draft Charging Schedule is published for public consultation as the first step in setting a CIL charge for East Hampshire District Council. It is published in accordance with Regulation 15 of the CIL Regulations 2010 and the consultation process will follow the statutory Guidance 2014. The Council will take into account any comments made on this document before publishing a Draft 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 1 April 2015. The current requirements for planning obligations under Section 106 of the Planning Act will continue until the CIL is adopted.

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 consultation document have therefore been informed by evidence of both infrastructure needs and development viability. 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 District Joint Core Strategy, as required by the statutory Guidance<sup>ii</sup> and the National Planning Policy Framework.<sup>iii</sup>

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

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

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

## 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:

- The adopted East Hampshire District Joint Core Strategy 2014
- Draft Infrastructure Delivery Plan 2013, and
- Community Infrastructure Levy Viability Assessment 2014.

8. This evidence can be found at the Council's website: [www.easthants.gov.uk/CIL](http://www.easthants.gov.uk/CIL).

## Preliminary Draft 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.

Residential Use <sup>v</sup>	CIL in £/sq m
Residential (Land north of SDNP excluding Whitehill & Bordon)	£180
Whitehill & Bordon (Excluding Eco-Town)	£60
Whitehill & Bordon (Eco-Town)	£0
Land south of SDNP (The Southern Parishes)	£100

Non- Residential Use	CIL in £/sq m
Hotels	£70
All Retail	£100
Any other non-residential 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 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.

<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.

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

**12.** The Council is proposing to set differential rates, in accordance with Regulation 13, for different intended uses of development. 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 Preliminary Draft Charging Schedule Map (*at the end of this document*).

- Zone 1 relates to the land to the north of the SDNP (excluding Whitehill & Bordon);
- Zone 2 relates to the Southern Parishes (or land to the south of SDNP);
- Zone 3 relates to Whitehill & Bordon excluding the Eco-Town and
- Zone 4 relates to the Eco-Town growth area.

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 welcomes your comments on the following discretionary matters.

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

**16.** 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 would be published alongside the adopted Charging Schedule. The Council welcomes your comments on the use of an instalments policy and what it should contain.

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

**17.** 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. The Council welcomes your comments on exceptional circumstances relief.

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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>

**18.** 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 welcomes your comments on payment-in-kind.

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

**19.** 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 welcomes your comments on this form of relief.

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

**20.** 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. The Council welcomes your comments on this form of relief.

## Consultation process

**21.** The consultation period for this Preliminary Draft Charging Schedule will run from 30 May 2014 to 5pm on 11 July 2014. Comments are invited from all stakeholders, individuals and groups in this open consultation particularly related to the proposed rates, the 'discretionary matters' and any other issues you wish to raise.

**22.** Comments are invited using the following contact details:

**Email:** ldf@easthants.gov.uk  
**Phone:** 01730 234219  
**Post:** CIL Project Manager, Penns Place, Petersfield, Hampshire GU31 4EX

## Accessibility

**23.** All documents related to this consultation are available on the Council's website ([www.easthants.gov.uk/cil](http://www.easthants.gov.uk/cil)). Copies of the documents are also available to view at the Council Offices in Petersfield, local libraries and information centres within East Hampshire District.

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

**24.** The Council will take into account any comments made on this document before publishing a Draft Charging Schedule in September 2014. An independent examiner must approve the Draft Charging Schedule before the Council can adopt a final Charging Schedule. The CIL charge will be applied to all liable planning permissions from the date of adoption in April 2015. The CIL rates will be reviewed periodically thereafter.

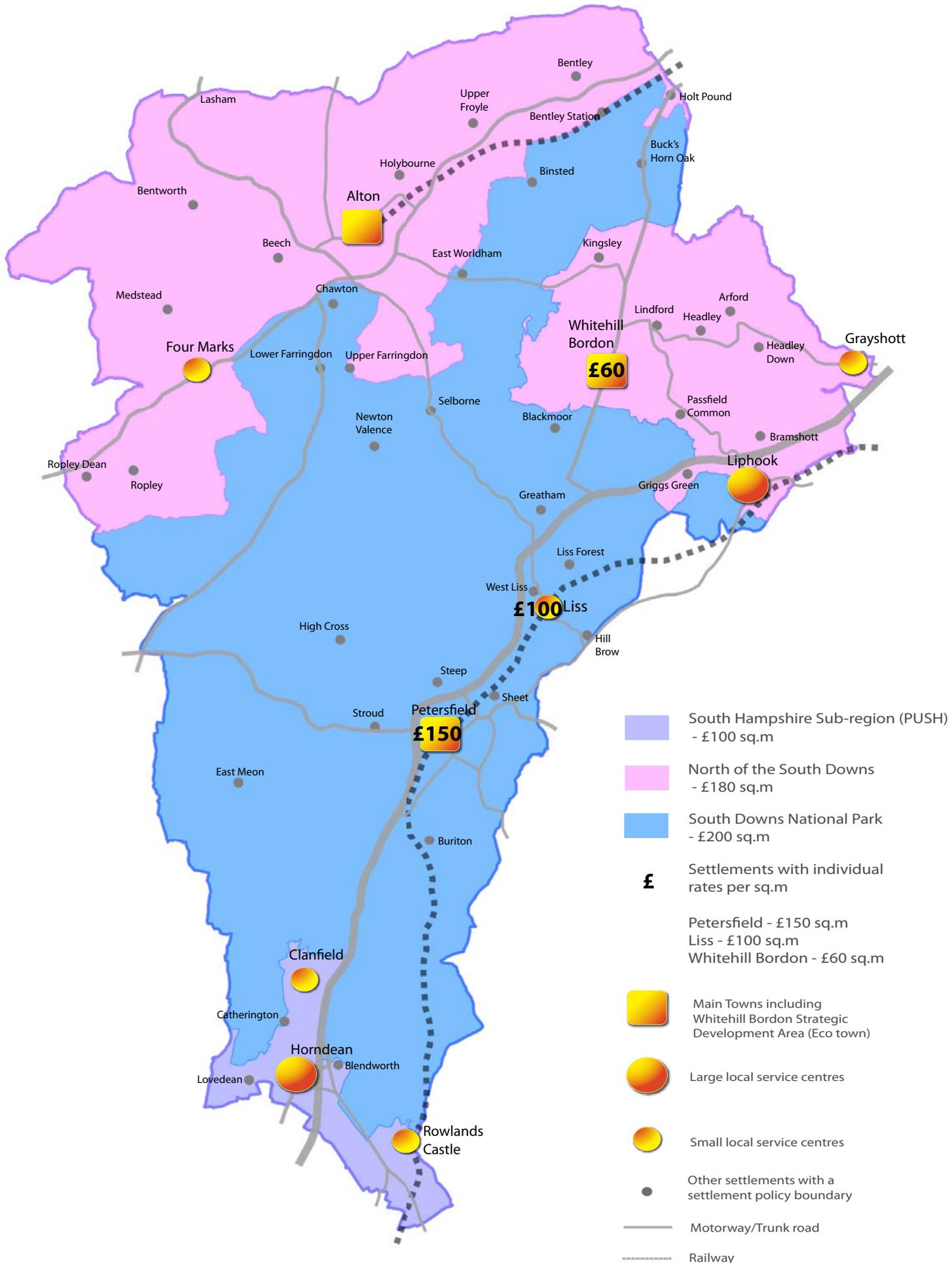
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<sup>ix</sup> Enabled by Regulations 59 and 73 of the CIL Regulations 2010 (as amended by Regulation 8 of the CIL Amendment Regulations 2014).

<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).

# East Hampshire District Council and South Downs National Park Indicative CIL Levels



Map Not To Scale