



PRCC.53 15/16

Prosperous Communities

Date 26 April 2016

C

Subject: West Lindsey Community Infrastructure Levy (CIL) Draft Charging Schedule

Report by:

Chief Operating Officer

Contact Officer:

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Purpose / Summary:

Following legal advice over the procedure and presentation of the Community Infrastructure Levy the purpose of this report is to: -

- Confirm to the Committee the current programme in respect of progressing the adoption of Community Infrastructure Levy (CIL) by the Authority;
- To request confirmation that the Council would have made no comment on neighbouring district Preliminary Draft Charging Schedule CIL consultations;
- To confirm Member approval of the Draft Charging Schedule (DCS) for West Lindsey and consultation which is scheduled for May 2016 alongside the Central Lincolnshire Proposed Submission Local Plan; and
- To seek approval for West Lindsey to pursue a joint CIL/Local Plan examination in conjunction with City of Lincoln Council and North Kesteven District Council.

RECOMMENDATIONS: That members;

1. note the approach to CIL going forward;
2. confirm their approval for the West Lindsey Community Infrastructure Levy Draft Charging Schedule for formal consultation with the supporting documents, the Draft Regulation 123 list, Draft Instalments Policy and Draft Paying CIL in the Form of Land Policy;

3. confirm that the Council would not have commented on the North Kesteven and City of Lincoln Preliminary Draft Charging Schedules if they had been consulted by them in October / November 2015;
4. grant delegated authority to the Chief Operating Officer, in consultation with the Chair of Prosperous Communities Committee, to make amendments to the Draft Charging Schedule and supporting documents should they be necessary;
5. approve the progression of an aligned CIL examination jointly with North Kesteven and the City of Lincoln Councils, subject to the approval of the Secretary of State.
6. approve the progression of an aligned CIL examination jointly with the Central Lincolnshire Local Plan, subject to the approval of the Secretary of State.

IMPLICATIONS

Legal: Before it can be implemented, CIL is subject to independent examination. Once it has been through this process the charging schedule can be adopted by West Lindsey District Council.

Financial : FIN/15/17

The draft CiL charges are aligned to other Central Lincolnshire authorities as explained within the report.

The proposed £0 CiL charge for areas of the Gainsborough Housing Zone will encourage viable developments within this area to support delivery, against the income foregone for large project investment. However, we have built in £1m within the Capital Programme to provide infrastructure investment within this area effectively offsetting this loss.

CiL income will be utilised in principle for large strategic agreed projects on the Regulation 123 list and will remove the ability to raise Section 106 funding for them.

Section 106 agreements will continue to be used for direct mitigation of site-specific impacts.

Cost will be incurred by the Authority in respect of statutory examination process, aligned working and shared costs with Central Lincolnshire Partners will minimise these.

Staffing : Existing Local Plan resources, including the Strategic Lead for Economic Development and Neighbourhoods, Spatial Planning Team Manager, plus likely recruitment of a CIL/Section 106 Monitoring Officer.

Equality and Diversity including Human Rights : n/a

Risk Assessment : See report

Climate Related Risks and Opportunities : none

Title and Location of any Background Papers used in the preparation of this report:

- [Prosperous Communities Committee, 15 September 2015, Community Infrastructure Levy \(report\)](#)
- [Prosperous Communities Committee, 28 March 2012, Community Infrastructure Levy \(report\)](#)
- [Prosperous Communities Committee, 12 February 2013, Infrastructure Planning in Central Lincolnshire \(report\)](#)
- [Prosperous Communities Committee, 3 September 2013, Community Infrastructure Levy Regulation 123 List \(report\).](#)
- Central Lincolnshire Local Plan Whole Plan Viability Assessment (Draft)
<http://www.lincolnshire.gov.uk/central-lincolnshire/planning-policy-library/126952.article>

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

1.0 Introduction and Background

- 1.1 Further to the previous report to Prosperous Communities Committee on 15th September 2015, Members are requested to consider the next stage in the CIL adoption process.
- 1.2 Since that consultation Officers have also commissioned a review of the procedural aspects of the CIL process that have been followed thus far, including a review of all supporting documentation. This review, conducted by Legal Services Lincolnshire, has identified the need to make a number of changes to the CIL documentation and associated presentation material that was previously presented to Members, in order to clarify and make it explicit that the Draft Charging Schedule approved for consultation purposes applies to the administrative boundary of WLDC only.
- 1.3 Members are therefore asked to confirm their approval to consult on the Draft Charging Schedule, as it is now appended to this Report, as a single Charging Schedule for WLDC as the sole Charging Authority, in accordance with the Community Infrastructure Levy Regulations 2010 as amended. The DCS presented in this report follows an assessment of the representations made on the Preliminary Draft Charging Schedule (PDCS) that was consulted upon in October /November 2015 and an assessment of viability evidence (The Whole Plan Viability Assessment Report).
- 1.4 It is proposed that the DCS rates remain the same as the PDCS rates consulted on previously, with the only exception being a new rate for part of Gainsborough as explained in section 4 of this report.

2.0 Preliminary Draft Charging Schedule Consultation October/November 2015

- 2.1 The West Lindsey PDCS and a number of supporting documents were consulted upon alongside the Further Draft Local Plan in October/November 2015 as part of a larger Charging Schedule for all three districts within Central Lincolnshire. The PDCS rates that were consulted on are summarised in Table 1 below.
- 2.2 A total of 18 responses were received, a summary is included in appendix 1. Generally comments ranged from supporting CIL or suggesting higher rates, to rates being too high and likely to have an impact on development viability. There were also suggestions about exemptions and additional items that CIL could be spent on. The comments were considered but no further changes to the Charging Schedules are proposed as a direct result of the consultation as the responses did not include

supporting information that could be tested or used as evidence to warrant any amendments. The only change to the charging schedule therefore is that for part of Gainsborough, as set out in section 4 of this report.

2.3 Table 1: Preliminary Draft Charging Schedule from October 2015 consultation

Location		PDCS Rate as consulted in Oct/Nov 2015
Zone 1	Lincoln Strategy Area	£30/sqm
Zone 2	Non Lincoln Strategy Area	£20/sqm
Zone 3	SUEs and developments over 1000 in the Lincoln Strategy Area	£25/sqm
All	Convenience Retail A1	£40/sqm

2.4 Members should note that procedurally West Lindsey District Council should have had the option to respond to the City of Lincoln and North Kesteven Council’s PDCS CIL consultations in October /November 2015. Whilst a formal response was not requested or made at that time, it is considered that the response would have simply been ‘no comment’ on the basis that their rates were aligned to those in West Lindsey. Members are now asked to consider whether they would have made any comment on the PDCS of North Kesteven District Council and the City of Lincoln and to confirm the Officers recommendation that they would not have commented.

3.0 Affordable Housing

3.1 In accordance with Local Plan Policy LP11, affordable housing will be sought at 25% in the Lincoln Strategy Area (excluding Sustainable Urban Extensions), 20% in the Lincoln Strategy Area SUEs, 15% on other SUEs and 20% elsewhere.

Members should note that the Affordable Housing rates in the Local Plan are higher than recommended in Peter Brett Associates Whole Plan Viability Report in relation to the CIL rates that are being proposed. An explanatory note at Appendix 5 sets out why this is the case.

4.0 Additional Draft Charging Schedule Rate for part of Gainsborough

4.1 Background

4.2 As members will be aware, West Lindsey District Council, with the support of the Homes and Communities Agency (HCA), is promoting the redevelopment of a number of derelict/disused brownfield sites within Greater Gainsborough and along the riverfront under the Housing Zone initiative.

4.3 The 'Greater Gainsborough Housing Zone' was one of a number of areas designated by the Government in 2015 and provides the Council access to additional borrowing/funding sources and professional support from the HCA. The purpose of Housing Zones is to stimulate and accelerate housing development.

4.4 Housing Zones are expected to deliver a minimum of 750 units in most circumstances, to expedite delivery of housing on brownfield land through providing access to the Housing Zone recoverable investment loan funding; HCA professional staff support; and dedicated brokerage support from Central Government.

4.5 In conjunction with obtaining Housing Zone status, the Council secured the ability to use the “Local Development Order Incentive”, specifically designed to incentivise the delivery of housing on brownfield land. An Local Development Order (“LDO”) grants planning permission for specific types of development and can be made subject to conditions. The purpose of an LDO is to simplify and speed up the planning process by providing certainty about the type of developments that are permitted within a specific area and reducing the potential risks associated with the formal planning process, encouraging development to come forward in that area. Members recently approved the Riverside Gateway LDO for consultation and this is intended to be the first LDO in Greater Gainsborough.

4.6 Proposed charging rate for Gainsborough West

4.7 Due to the special and recognised unique features associated with Housing Zone sites, and specifically the need to initiate direct market intervention and make significant financial investment to bring these sites forward for development, further analysis of development viability in Gainsborough was commissioned. This will be published in the updated to the Whole Plan Viability report, as part of the local plan evidence base. This has provided a more detailed understanding of the Gainsborough housing market.

4.8 As a result of the new evidence that has been provided, it is proposed that an additional charging zone is introduced for an area defined as ‘Gainsborough West’, which includes the majority of the major housing zone sites plus the parts of the town centre where evidence demonstrates that there is no viable way that CIL could be sought. It is therefore recommended that development in this zone, shown in Appendix 4, would have a £0 CIL rate.

4.9 All other parts of the town outside of this zone are considered to be viable for development and would be charged CIL at the applicable rate, in line with the Draft Charging Schedule in Appendix 2. For the remainder of the district, all rates remain the same as the PDCS rates consulted on last year.

4.10 This exceptional treatment for Gainsborough West recognises the characteristics that led to the Housing Zone sites being identified in the first place, and acknowledges that sites in this part of the town are demonstrably different (in viability terms) to other parts of the town and the district. In short, if CIL were to be charged for development within this zone, it is very unlikely that any scheme would be economically viable or developed in the foreseeable future. This would be contrary to the Council’s intentions to regenerate the town centre sites and could severely compromise the opportunity to deliver the housing zone objectives.

4.11 The Council have formally recognised the need to undertake a dedicated programme of work to invest in infrastructure in Gainsborough, as detailed within the Capital Investment Programme approved by members in February 2016. Included within that programme is £1m of capital funding specifically to offset any potential loss of CIL revenue that may arise as a result of development in the Gainsborough West area not making CIL contributions.

4.12 The above evidence will be set out in the final version of the Central Lincolnshire Local Plan Whole Plan Viability Assessment and published ahead of the next CIL consultation. That document, jointly commissioned by the Central Lincolnshire authorities to support the delivery of the local plan, will outline the results of the

additional viability testing that has been carried out and will demonstrate the significance of the Housing Zone and Capital programmes in underpinning Gainsborough's growth. Officers have worked closely with the consultants appointed to undertake this body of work to ensure that the new £0 charging zone applies only to the areas where viability is demonstrably low.

5.0 Draft Charging Schedule Consultation – Next Steps

5.1 The Draft Charging Schedule is summarised in Table 2 below, and shown in full at appendix 2.

5.2 Table 2 – West Lindsey Draft Charging Schedule Rates

Location		DCS Rates
Zone 1	Lincoln Strategy Area	£30/sqm
Zone 2	Non Lincoln Strategy Area	£20/sqm
Zone 3	Developments of 1000 or more and the North East Quadrant sustainable urban extension as shown on the inset map in appendix 2	£25/sqm
Zone 4	Gainsborough West	£0/sqm
All	Convenience Retail A1	£40/sqm

5.3 It is proposed that the DCS consultation will commence during May 2016 and run for 4 weeks. Members should note that this consultation process will need to include the Central Lincolnshire Joint Strategic Planning Committee; insofar as the process will be administered jointly, however the DCS is that of the Charging Authority (WLDC).

5.4 The consultation will contain the Draft Charging schedule, (how much per metre CIL will be charged for types of dwelling in various locations) as well as the following documents (which can be found at Appendix 3);

- Draft Paying CIL in the Form of Land Policy, the in-kind policy
- Draft Instalments policy (when and in what tranches the charge is payable)
- Draft Regulation 123 List

5.5 The relevant evidence base for the DCS is: -

- Central Lincolnshire Infrastructure Delivery Plan; and
- Central Lincolnshire Whole Plan Viability Report (by Peter Brett Associates)

These documents can be found at www.central-lincs.org.uk on the Planning Policy Library Page, the document references are E010 and E011 respectively

6.0 Programme – West Lindsey CIL timescale

6.1 Subject to approval by committee the proposed timescale from PDCS to adoption is set out below:

	CIL stage	Targeted date	
1	Preliminary Draft Charging Schedule (PDCS) alongside the Local Plan	Public Consultation 15 th October to the 26 th November	Completed

2	Consideration at Prosperous Communities Committee, recommendation to approve for consultation	Committee April 2016, Public Consultation May 2016	Scheduled
4	Proposed aligned examination alongside the Local Plan Examination in Public, jointly with NKDC and CoLC	Summer 2016	Subject to member agreement, SoS approval and PINS availability
5	Adoption	Winter 2016/17	

6.2 As reported previously the three Central Lincolnshire Districts have aligned evidence and where possible some procedural matters in implementing their individual statutory roles in developing CIL documentation. Whilst the latter is a District function there are clear implications for the Local Plan and Infrastructure Delivery Plan. As such it has been a longstanding intention that the Local Plan and CIL consultations and examinations should align.

6.3 The Community Infrastructure Levy Regulations 2010 as amended enable two or more charging authorities to hold an examination for the respective CIL schedules jointly and for the joint examination of more than one CIL schedule with a Local Plan, subject to the approval of the Secretary of State. Members are therefore requested to confirm that a joint approach to examination with other Charging Authorities and alongside the Local Plan is pursued as the preferred option, subject to the approval of the Secretary of State.

7.0 Conclusions

Members of the committee are requested to approve for public consultation the Draft Charging Schedule and supporting documents and also the proposed approach going forward to adoption.

8.0 Recommendations:

That members;

1. note the approach to CIL going forward;
2. confirm their approval for the West Lindsey Community Infrastructure Levy Draft Charging Schedule for formal consultation with the supporting documents, the Draft Regulation 123 list, Draft Instalments Policy and Draft Paying CIL in the Form of Land Policy;
3. confirm that the Council would not have commented on the North Kesteven and City of Lincoln Preliminary Draft Charging Schedules if they had been consulted by them in October / November 2015;
4. grant delegated authority to the Chief Operating Officer, in consultation with the Chair of Prosperous Communities Committee, to make amendments to the Draft Charging Schedule and supporting documents should they be necessary;
5. approve the progression of an aligned CIL examination jointly with North Kesteven and the City of Lincoln Councils, subject to the approval of the Secretary of State;
6. approve the progression of the aligned CIL examination jointly with the Central Lincolnshire Local Plan, subject to the approval of the Secretary of State;

Appendix One:

Responses to Community Infrastructure Levy Preliminary Draft Charging Schedule Consultation

A total of 18 responses were submitted during the consultation, as summarised below.

At this stage it is considered that the majority of the comments provided little or no supporting evidence. Significant changes are therefore not proposed for the next consultation on the Draft Charging Schedule (DCS).

Number of respondents by interest group	Detail of response
6 developers / land owners	Chestnut, Cyden and Gladman object with limited detail. House Builders Federation with some detail
	Church Commissioners and Lindum provide some detailed comments including land value assumptions
2 Associations – Country Land Association and National Farmers Union	Both make similar suggestions around agricultural / rural buildings which are addressed in national regulations
3 infrastructure providers	Support from Police Lincolnshire NHS note the reference in the Local Plan that CIL may pay for acute health care in the future Sports England express concern about sports funding
Heritage England	Suggest the incorporation of heritage assets as an item for CIL expenditure
Ministry of Defence	Seek £0 rate for service facilities
2 members of public	1 suggests higher rates
	1 self-build issues addressed in national regs
3 Parish Councils	Caistor give support
	Welton give no comment
	Branston & Mere suggest higher rates and Gainsborough lower rates. Neither with evidence
18 Total	

WEST LINDSEY DISTRICT COUNCIL Community Infrastructure Levy Draft Charging Schedule

Where 'the regulations' or 'regulation' followed by the relevant regulation number are used below, this refers to the Community Infrastructure Levy Regulations (2010 as amended).

Opportunities to Comment on the Draft Charging Schedule (Regulation 16 Statement)

Representations (comments) about the draft charging schedule must be received between the **DD MMM 2016** [note to committee: consultation start is targeted for end of April/early May] and 23:59 on the **DD MMM 2016** [note to committee: consultation close is targeted for end-May/early June]

Representations (comments) can be made in writing, via post or email:

By post:

Community Infrastructure Levy

C/o Spatial Planning and Development
West Lindsey District Council
Guildhall
Marshalls Yard
Gainsborough
DN21 2NA

Via email: **tbc** - As set out further below, the Council has taken practical steps to align with relevant neighbouring districts and this includes this single email contact point. Representations can be made using the online form at www.west-lindsey.gov.uk and emailed to this address.

Representation (comment) where accompanied with a valid postal address can be accompanied by a request for the Council to give notice in writing of:

- i. submission of charging schedule to an examiner for him/her to prepare for a written representations or public examination process,
- ii. publication of the recommendations of the examiner and the reasons for those recommendations, and
- iii. the approval of the charging schedule by the charging authority.

The consultation response form includes an option on i to iii (above).

Any person wishing to comment on this draft charging schedule must do so before **[enter date of consultation close]** and using the details specified above. This is a requirement of regulation 17.

Working in Partnership

West Lindsey District Council, City of Lincoln Council and North Kesteven District Council have been working together to implement separate CIL schedules. This has been aligned in some cases, for example, with a single point of contact for phone and email as shown here. Lincolnshire County Council and Central Lincolnshire Local Plan Team have also supported this approach.

Telephone 01427 676 676 with queries only. Representations must be in writing as above.

Once CIL has been adopted, all contact should be directly with the District Council.

**WEST LINDSEY DISTRICT COUNCIL
Draft Charging Schedule**

Name of Charging Authority	West Lindsey District Council
Rates (£m) at which CIL is to be chargeable	CIL will be charged in Pounds Sterling (£) per square metre at differential rates according to the type of development and by location as set out in the Commercial and Residential Tables of this Schedule.
Charging Zones	The Charging Zones to which CIL will be applied are those as identified on the tables and maps as set out within this Schedule.
How the Chargeable amount will be Calculated	<p>The charging authority will calculate the amount of CIL chargeable to a qualifying development utilising the formula set out in Part 5 of the CIL Regulations. In summary (and subject to any changes that have occurred or may occur as a result of future amendments to the Regulations) the amount of CIL chargeable will be calculated as follows: CIL Rate x Chargeable Floor Area x BCIS Tender Price Index (at Date of Planning Permission) / BCIS Tender Price Index (at Date of Charging Schedule)</p> <p>The Chargeable Floor Area makes allowance for previous development on the site. The net chargeable floor area amounts to the gross internal area of the chargeable development less the gross internal area of any existing buildings that qualify for exemption on the site.</p> <p>This summary does not take account of every aspect of the Regulations.</p>
Further Information	Further information, for example, on exemptions from paying CIL will be available on the charging authority's webpages in due course. In many cases, this will be via links to national guidance.

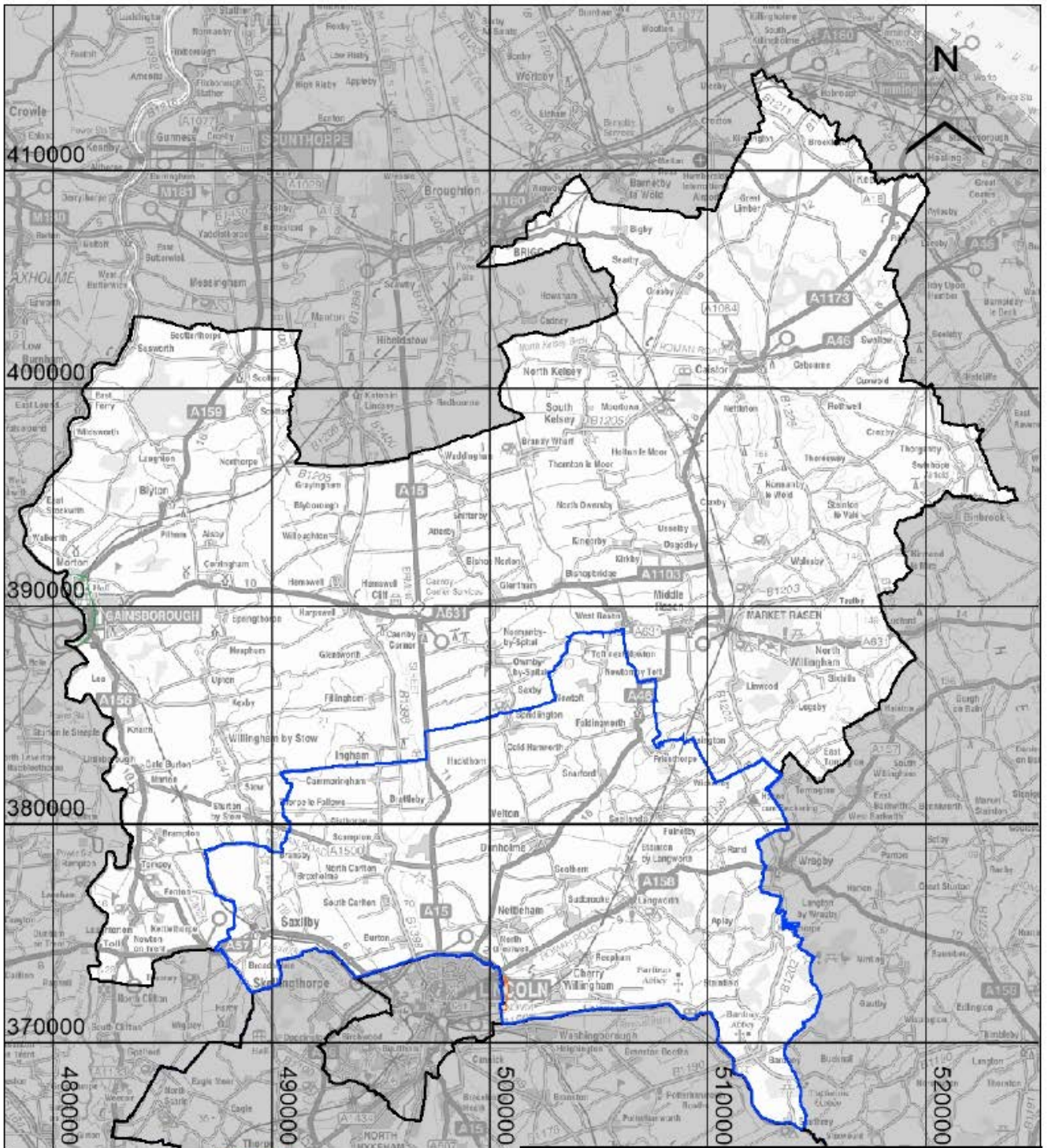
WEST LINDSEY DISTRICT COUNCIL CIL CHARGING RATES (£ per Sqm)

WEST LINDSEY DISTRICT COUNCIL CIL CHARGING SCHEDULE RESIDENTIAL CHARGING ZONES			
		Charge Per Square Metre (houses)	Charge Per Square Metre (apartments)
Zone 1	Lincoln Strategy Area (LSA)	£30	£0
Zone 2	Non Lincoln Strategy Area	£20	£0
Zone 3	Developments of 1000 or more and the North East Quadrant sustainable urban extension as shown on the draft charging schedule map.	£25	£0
Zone 4	Gainsborough West	£0	£0

WEST LINDSEY DISTRICT COUNCIL CIL CHARGING SCHEDULE COMMERCIAL CHARGING ZONES (APPLICABLE TO WHOLE DISTRICT)	
Convenience Retail	£40
All other uses*	£0

*All other uses' and the £0 rate include comparison retail and retail warehousing.

West Lindsey District Council Community Infrastructure Levy Draft Charging Schedule Zones 1, 2, 3 and 4



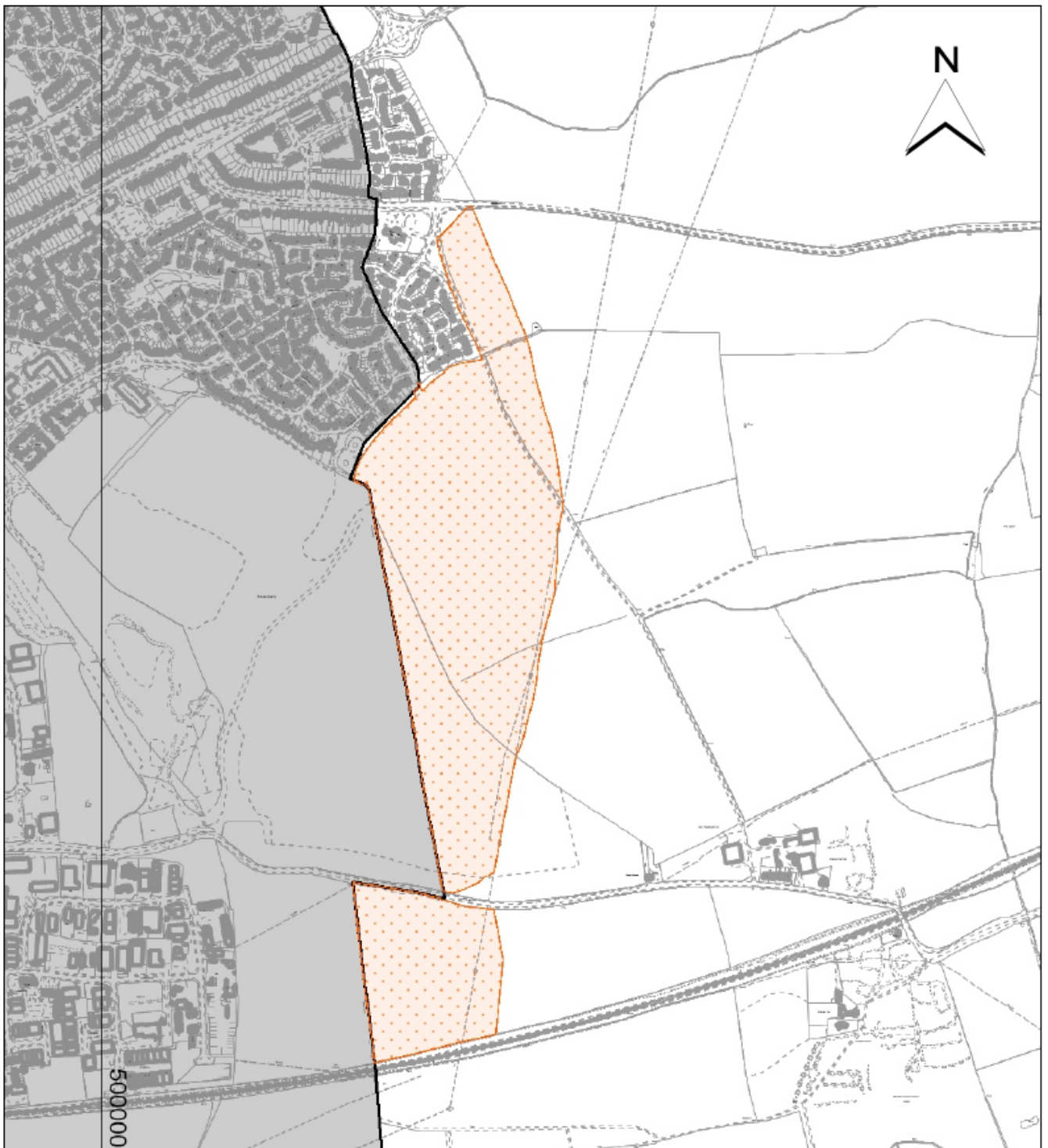
LEGEND

- Zone 1 The Lincoln Strategy Area
- Zone 2 The Non-Linear Strategy Area
- Zone 3 Developments of 1000 or more and specified Sustainable Urban Extensions within the Lincoln Strategy Area North East Quadrant (See Inset Map for more detail)
- Zone 4 West Gainsborough (See Inset Map for more detail)



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West Lindsey District Council Community Infrastructure Levy Draft Charging Schedule Zone 3 Inset Map North East Quadrant



LEGEND

- West Lindsey District Boundary
- Zone 3 Developments of 1000 or more and specified Sustainable Urban Extensions within the Lincoln Strategy Area North East Quadrant



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Appendix 3

Contains:

- A: WEST LINDSEY DISTRICT COUNCIL Community Infrastructure Levy
“Regulation 123 List” for Consultation**
- B: West Lindsey District Council, Community Infrastructure Levy Draft
Policy - Paying CIL In The Form Of Land**
- C: West Lindsey District Council Community Infrastructure Levy - Draft
Instalments Policy**

A

**WEST LINDSEY DISTRICT COUNCIL
Community Infrastructure Levy
CIL Infrastructure List “Regulation 123 List” for Consultation Apr-May 2016**

The Draft “Regulation 123 list”

It is intended that the Council will spend and distribute CIL revenue on the following items:

Lincoln Eastern Bypass
Secondary Education and School-based post-16 Education

Working in Partnership

West Lindsey District Council, City of Lincoln Council and North Kesteven District Council have been working together to implement separate CIL schedules. This has been aligned in some cases, for example, with a single point of contact for phone and email. Lincolnshire County Council and the Central Lincolnshire Local Plan Team have also supported this approach.

Telephone 01427 676 676 with queries only. Representations must be made in writing and can be submitted within the consultation period only, as set out on the council’s website and within the draft charging schedule.

Once CIL has been adopted, all contact should be directly with the District Council.

B

West Lindsey District Council

COMMUNITY INFRASTRUCTURE LEVY DRAFT POLICY

PAYING CIL IN THE FORM OF LAND

In certain circumstances **West Lindsey District Council** may support the payment of some or all of a CIL requirement in the form of land. This will depend upon six conditions:

1. The CIL liability is greater than required under the relevant regulations (currently £50,000);
2. **West Lindsey District Council** must agree to the transfer and has the right to withhold such agreement;
3. Either:
 - a) **West Lindsey District Council** must have the intention of using the land to help provide infrastructure to support the development of its area; or,
 - b) **West Lindsey District Council** must be satisfied that any third party that will receive a land transfer will use land for a specific purpose that will help provide infrastructure to support the development of its area.
4. The person transferring the land to **West Lindsey District Council** as payment must have assumed liability to pay CIL beforehand;
5. The land to be transferred must have been valued by a suitably qualified and experienced independent person to be agreed with **West Lindsey District Council**. The valuation must represent the fair market price for the land on the day it is valued;
6. Development on the site must not have commenced before a written agreement with **West Lindsey District Council** to pay some or the entire CIL amount in land has been made. This agreement must state the value of the land being transferred.

West Lindsey District Council will accept a land transfer at its discretion. The authority will consider agreements within the context of relevant development plan documents, supplementary planning documents and corporate strategies.

Prior to commencement of development on the site in question, a CIL liable party should discuss possible land transfer with **West Lindsey District Council**.

It should be noted that the agreement to pay in land may not form part of a planning obligation entered into under Section 106 of the Town and Country Planning Act 1990.

The land transfer agreement may allow the transfer of land in instalments, subject to the payment proportions and due dates set out in the relevant demand notice.

Any outstanding CIL amount (after a transfer of land) should be paid in line with the payment due dates contained in the relevant demand notice.



C

WEST LINDSEY DISTRICT COUNCIL

R123 V1.01 from CL standard 09/03/2015

COMMUNITY INFRASTRUCTURE LEVY

DRAFT INSTALMENTS POLICY

Regulation 70 of the Community Infrastructure Levy Regulations 2010 sets a default of full payment of the levy within 60 days of the commencement of development. The Regulations also enable a charging authority to set an Instalment Policy that allows payments to be spread over longer periods. West Lindsey District Council consider it reasonable that payment instalments are scheduled in proportion to the scale of CIL liability for proposed developments.

In accordance with regulation 69b of the CIL Amendment Regulations, **WEST LINDSEY DISTRICT COUNCIL** will apply the following Instalment Policy to all development on which CIL is liable.

The Instalments Policy will come into effect on [INSERT DATE], from which time the Community Infrastructure Levy will be payable by instalments as follows:

Where the chargeable amount is less than £50,000

- Full payment will be required within 60 days of the commencement date or further period as set out by Regulation 70.

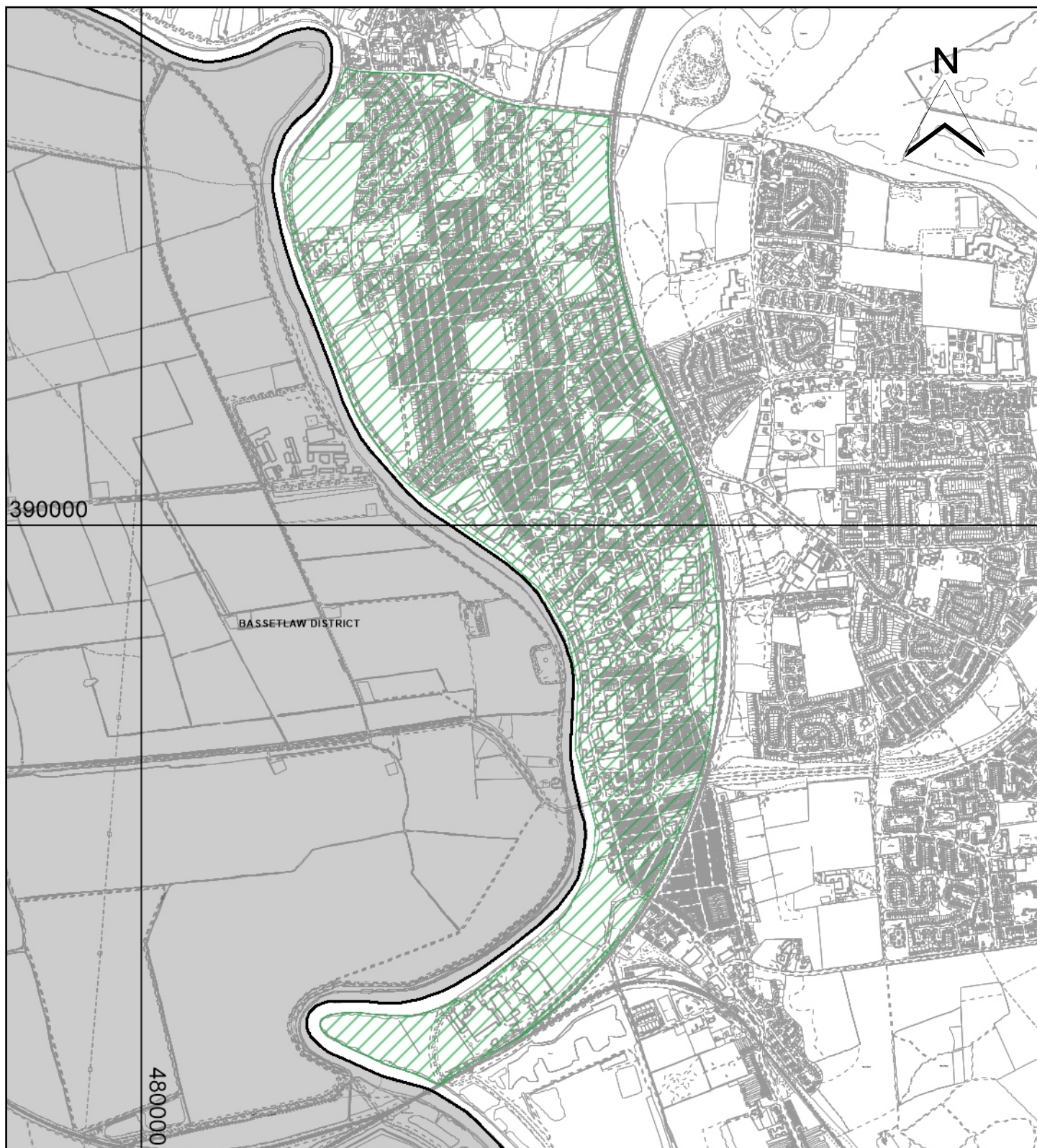
Where the chargeable amount is £50,000 - £300,000

- First instalment representing 25% of the chargeable amount will be required within 60 days of the commencement date; and
- The second instalment representing 75% of the chargeable amount will be required within 365 days of the commencement date.

Where the chargeable amount is above £300,000

- First instalment representing 25% of the chargeable amount will be required within 60 days of the commencement date;
- Second instalment representing 25% of the chargeable amount will be required within 365 days of the commencement date;
- Third instalment representing 25% of the chargeable amount will be required within 730 days of the commencement date; and
- The fourth and final instalment representing 25% of the chargeable amount will be required within 1095 days of the commencement date.

West Lindsey District Council Community Infrastructure Levy Draft Charging Schedule Zone 4 Inset Map West Gainsborough



LEGEND

 West Lindsey District Boundary

 Zone 4 West Gainsborough
West Gainsborough



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Appendix 5 - Information to Inform Members about the proposed levels of Draft Charging Schedule CIL rates

1.0 Introduction

Peter Brett Associates have produced a Whole Plan Viability Report (“the WPV Report” - see <http://www.lincolnshire.gov.uk/central-lincolnshire/planning-policy-library/126952.article> document number E011A). The purpose of the WPV report was;

- to assess whether or not the Local Plan is viable; and
- to make recommendations for viable rates of CIL that can be charged as a result of the financial constraints in the Local Plan.

In relation to viable rates of CIL, CIL charges, alongside affordable housing obligations (and Section 106) all have a significant impact on development viability. They all form part of a total amount of obligation a development is expected to provide (this can be described as an obligation pot). There is a fundamental relationship between CIL and Affordable Housing therefore, as they come from the same ‘pot’ and if more/too much is required of one there is less (or not enough) for the other. A balance therefore needs to be struck about how much goes to each obligation from ‘the pot’.

2.0 PBA Recommendation

PBA make recommendations on how this balance can be struck between affordable housing and CIL (assuming an amount is coming from the ‘obligation pot’ for Section 106.) See Table 1 below. Highlighted in bold is the PBA recommendation for the CIL rate at the proposed affordable housing percentage obligation in LP11 of the Local Plan.

Table 1 - Affordable housing and CIL charge options for the Central Lincolnshire Plan Whole Plan Viability Report Executive Summary April 2016

CIL Market Zones	25% affordable	20% affordable	15% affordable
	CIL up to	CIL up to	CIL up to
Lincoln Strategy Area	£25 p sq. m	£35 p sq. m	£45 p sq. m
Gainsborough Urban	£0 p sq. m	£15p sq. m	£25 p sq. m
Gainsborough West CIL Zone 4	£0 p sq. m	£0 p sq. m	£0 p sq. m
All other rural areas	£0 p sq. m	£15p sq. m	£25 p sq. m
Lincoln Strategy Area SUEs (for West Lindsey this means the part of the North East Quadrant within the district)	£0 p sq. m	£20 p sq. m	£30 p sq. m
Gainsborough SUEs	£0 p sq. m	£0 p sq. m	£15 p sq. m
Flatted schemes	£0p sq. m	£0p sq. m	£0 p sq. m

These recommended CIL rates are **not** set at the maximum level. It is common practice not to go to this maximum 'CIL Surplus' level (effectively using all that is left in the obligation pot after affordable housing and section 106 is taken out, for CIL) but to add a degree of 'buffer' (the gap between what is charged and technically what could be charged) to give greater confidence that both the affordable housing targets and the CIL rates are viable, and not impede the delivery of development and of the Local Plan. (Viability is modelled on a range of scheme scenarios but by definition modelling cannot cover every scheme specific detailed eventually therefore the buffer creates 'room' if a scheme is more costly than expected to remain viable and deliverable)

Table 2 below (column 3) shows the maximum CIL surplus level, i.e. the highest rate with no buffer.

3.0 Officer Recommendation

Officers recognise the significant need for infrastructure going forward but also acknowledge the need for viable development. However it is considered PBA have been too cautious and applied too great a buffer in recommending CIL rates. A smaller buffer is considered more appropriate and reasonable, as development will remain viable but will maximise the potential delivery of Affordable Housing and (via CIL receipts) Infrastructure.

3.1 Reason for Officer Recommendation

Historic examples of developer contributions by area are referenced in PBA's report. These examples in many cases show £4,000 to £6,000 (up to £9,800) per unit has been secured through section 106 for infrastructure. In the case of the scheme which secured £9,800 per unit, this is as well as 35% affordable housing. Whilst it is noted that in some cases either affordable housing or infrastructure contributions are below these rates, it is unusual for both to be as low as the combined policy targets in the Proposed Submission Local Plan and the respective DCSs. The range of CIL rates proposed by PBA, £15 and £25 psqm, is equivalent to £1,425-£2,375 per unit (for a unit of 95sqm), well below the examples evidenced in the report. The proposed higher CIL rates of between £20psqm (£1,900 also for a unit of 95sqm) or £30 (£2,850 also for a unit of 95sqm) are still well within the higher examples historically negotiated within Central Lincolnshire. In this context, it can be evidenced that CIL contributions outside the range proposed by PBA are viable with sufficient residual section 106.

PBA's recommendation are within 50%-74% of the CIL surplus and 34% for the Lincoln Strategy Area SUEs (% of the maximum that could be charged) on the least viable typologies (schemes that are the most costly to deliver and generate the least surplus for CIL , other types of scheme could generate more CIL surplus in which case the buffer is effectively greater)

Officers take the view that this discount is too great, and are proposing DCS rates (column 5 in the table below) within 71-88% of the CIL surplus.

The table below summarises the officer recommendation and the PBA recommendation for CIL rates based on the affordable housing percentages in various locations in West Lindsey which have been agreed in both the Further Draft and subsequent Proposed Submission Central Lincolnshire Local Plan. (Policy LP11)

Table 2 - Relationship between PBA maximum and recommended CIL rates and actual Local authority proposed CIL rates at proposed affordable housing percentages in Local Plan policy LP 11

1. CIL Market Zones	2. Affordable housing (proposed % rate in Local Plan Policy LP11)	3. PBA maximum CIL charge (the maximum CIL surplus level based on least viable typologies)	4. PBA recommended CIL rate at proposed affordable housing percentage to allow a buffer of 54-74% of CIL surplus	5. Proposed Officer recommended CIL Draft Charging Schedule Rate to allow a buffer of 71-88% of the CIL surplus
Lincoln Strategy Area	25%	£34 psqm	£25 psqm	£30 psqm
Non Lincoln Strategy Area (i.e. Gainsborough Urban and rural areas)	20%	£24 psqm	£15 psqm	£20 psqm
Gainsborough West	20%	£0 psqm	£0 psqm	£0 psqm
Lincoln Strategy Area SUEs (i.e. the West Lindsey part of North East Quadrant)	20%	£59 psqm	£20 psqm	£25 psqm
Gainsborough SUEs	15%	£30 psqm	£15 psqm	£20 psqm
Flats	As above	-	£0	£0

5.0 Conclusion

At 71%-88% (as a percentage of what could be charged) the Draft Charging Schedule (DCS) rates still remain significantly below the CIL surplus based on the least viable typology, especially so for the Sustainable Urban Extensions (SUEs).

In all cases, it is also worth noting that the proposed rates are below 2% of gross development value, i.e. even the most challenging of Central Lincolnshire's local markets CIL, as proposed, is expected to be less than 2% of all value created by the proposed development

In summary:

- The DCS rates that Officers propose are within the scope of the PBA report recommendations on CIL rates;
- It is considered that whilst the approach is less cautious the only difference between the Officers' proposals and PBA's recommendation is the degree of the buffer;
- The affordable housing percentage in the (Proposed Submission – April 2016) are not fixed, non-negotiable requirements (unlike CIL) i.e. the Local Plan allows a degree of flexibility, downwards, on the affordable housing 'ask' should the impact of CIL and other costs, on a site by site basis, be of such a degree to warrant a lower affordable housing contribution;
- The potential risk to the Officer recommendation is that the Local Plan or CIL inspector does not agree. This could mean we are required to reduce the affordable housing percentage in the Local Plan in line with the Officer recommended CIL rate. Or an inspector may require the CIL rate to be reduced to the PBA recommended level for the Affordable housing rates in the Local Plan.