



**Rutland**  
County Council

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**COMMUNITY INFRASTRUCTURE LEVY**  
**Charging Schedule**

**January 2016**

# Rutland County Council

## COMMUNITY INFRASTRUCTURE LEVY

### Charging Schedule

**This document sets out the Charging Schedule (CS) for Rutland County Council's Community Infrastructure Levy (CIL). The CS and the proposed rates have been prepared in accordance with Part 11 of the Planning Act 2008 and the Community Infrastructure Levy Regulations 2010 (as amended)**

1. The Community Infrastructure Levy (CIL) is a new levy that local authorities in England and Wales can choose to charge on new developments in their area. The money raised is intended to fund infrastructure that the Council, local community and neighbourhoods need. This could include, for example, new or safer road schemes, park improvements or a new health centre.
2. CIL is designed to be simple. It applies to most new buildings and charges are based on the size and type of the new development.
3. This document is the County Council's Charging Schedule (CS). It is amended to take account of representations submitted during the consultation exercise on an earlier Preliminary Draft Charging Schedule (PDCS) along with adjustments deemed necessary to ensure that the Council's proposals are compliant with the latest regulations applying to CIL. A public examination of a Draft Charging Schedule (DCS) was undertaken from July to September 2015 by an Inspector appointed by the Secretary of State. The Inspector's report published xxth October 2016 concluded that the DCS satisfies the requirements of Section 212 of the 2008 Act and meets the criteria for viability in the 2010 regulations (as amended). The inspector therefore recommended that the Charging Schedule be approved.
4. This CS is supported by a Background Paper which provides further details on the evidence drawn on by the Council in deciding the rates of CIL to be applied.

### Deciding the CIL Rate

5. CIL is set at a rate that the Council considers not to put at serious risk the overall planned development of the area by making such development unviable. In achieving this, an appropriate balance has been made by the Council between what CIL charge will best enable the necessary infrastructure for the local area and the potential effects the CIL charge will have on the viability of development.

### Who will pay CIL and what will it be spent on?

6. The CIL rate is expressed as a £ per m<sup>2</sup> charge. CIL will be applied to most buildings that people normally use where more than 100 m<sup>2</sup> of floorspace (net) or a new dwelling is created (even if it is less than 100 m<sup>2</sup>). It will be applied to most forms of residential development (with the exception of self-build housing, property extensions and residential annexes). It will also apply to the specified non-residential uses set out below. The Council proposes to adopt a zero rate where viability testing shows that a particular non-residential use cannot withstand a charge.
7. The definition of infrastructure is set out in the Council's adopted Core Strategy and includes transport, education, health, flood defences and green infrastructure. More details appear in an Infrastructure Project List attached at Appendix 1 to the CS Background Paper which accompanies this CS. This is also summarised in Table 1 below. Following consultation on the PDCS, the Council prepared a 'Regulation 123' list, which lists infrastructure projects or types of infrastructure that it intends to fund through CIL. S106 contributions can still be sought for infrastructure directly related to a development, provided that the infrastructure is not part of the Regulation 123 list. The Regulation 123 list is set out in the CS Background Paper which accompanies this CS.

## Relief for Exceptional Circumstances

8. The Council is not offering exemptions or relief beyond that which is set out as a statutory requirement in the 2010 Regulations (as amended). The regulations on this matter make clear that relief should only be granted in 'exceptional circumstances'.
9. Further advice on both mandatory exemptions and relief from CIL is set out at section 4.6 of the CS Background Paper

## Assessment of Rutland County Council's Infrastructure Needs

10. The infrastructure requirements summarised at Table 1 below illustrate Rutland County Council's anticipated infrastructure needs to 2026. It is focused only on the provision of new infrastructure that is required in whole, or in part to meet the needs generated by the development growth being planned for over the remaining plan period to 2026. Account is then taken of whether there is likely to be sufficient funding to meet that need. Where a funding gap is established CIL can potentially be charged to help address the gap.

<b>TABLE 1: RUTLAND ESTIMATED INFRASTRUCTURE REQUIREMENTS TO 2026*</b>				
<b>Infrastructure Element</b>	<b>Required Infrastructure Schemes</b>	<b>Infrastructure Cost (£)</b>	<b>Committed Funding (£)</b>	<b>Funding gap (£)</b>
Highways, Transport and Waste	<ul style="list-style-type: none"> <li>• Oakham Town Centre &amp; other town centre improvements</li> <li>• Car parking</li> <li>• Various public &amp; community transport initiatives</li> <li>• New recycling facility</li> </ul>	7,012,000	2,999,700	4,012,300
Health and Social & Care	<ul style="list-style-type: none"> <li>• Disabled, residential care and youth facilities</li> <li>• New and expanded GP facilities</li> </ul>	971,000	385,800	585,200
Education, Learning and Skills	<ul style="list-style-type: none"> <li>• Additional places for early year/childcare</li> <li>• New build and expansion of existing Primary School facilities</li> <li>• Expansion of existing Secondary School facilities</li> <li>• Building infrastructure for additional post 16 needs</li> </ul>	9,506,100	4,100,000	5,406,100
Emergency Services	<ul style="list-style-type: none"> <li>• Enhanced policing &amp; community safety</li> </ul>	1,077,700	850,000	227,700
Economic Development	<ul style="list-style-type: none"> <li>• Oakham and Uppingham public realm improvements</li> <li>• Improved Broadband Connectivity</li> </ul>	960,000	415,000	545,000
Culture and Leisure	<ul style="list-style-type: none"> <li>• Improvements to library provision outside Oakham</li> <li>• Development of Heritage and Cultural facilities</li> <li>• Indoor and Outdoor Sports and Playing Fields</li> </ul>	5,308,400	4,119,700	1,188,700
<b>Total</b>		<b>24,835,200</b>	<b>12,870,200</b>	<b>11,965,000</b>

**Footnote to Table 1** – This is an assessment undertaken in February 2015 and figures relating to committed infrastructure funding are liable to change over time.

## **CIL RATES**

### **Striking an ‘Appropriate Balance’ – Factors to Consider**

11. In setting CIL the Council has weighed up various policy priorities. Critical costs to a developer recognised, and taken account of, include the payment of CIL at the proposed rate, the delivery of affordable housing, potential additional, site specific, s106 payments and the construction of development to the required environmental standards. It is recognised that by introducing a new charge such as CIL or increase an existing requirement on developers there will be a corresponding knock on effect on the developer’s ability to meet other requirements.

### **CIL Rates**

#### ***Residential rate setting***

12. In setting residential rates, consideration was initially taken of the viability results from the Leicester, Leicestershire and Rutland Viability Report. The Council, with advice from the consultants that carried out the viability study, looked to see what the variable types of residential development sites could afford in terms of additional profit. This work was extensively updated by consultants in June 2014.
13. The intention in setting CIL rates is to ensure that developments critical to the delivery of the Council’s local plan still remain viable. Further work has also been undertaken on the implementation of the council’s policy on affordable housing and its approach to negotiating commuted sums on small sites. This resulted in the Council reducing its commuted sum as of April 2013 in order to enable CIL to be set at a rate that is affordable to the developers of these sites, whilst still maintaining a commuted sum to enable affordable housing to be delivered.
14. The CIL update report referred to above has also taken account of publication of the National Planning Policy Framework and Planning Practice Guidance (PPG). The PPG scales back the powers of local planning authorities to secure tariff style developer obligations. In response to the changes made, the Council has also reviewed its S106 policy requirements in respect of both Affordable Housing provision and remaining infrastructure requirements that may be necessary to mitigate the impact of residential development. Further details are set out in the CS Background Paper.
15. Finally, the Council considered what other authorities are charging, particularly those close by and/or within similar property market areas. Further details on the basis for the CIL rates are set out in the CS Background Paper.
16. Taking account of these key factors the Council set for residential CIL a rate of £100 per square metre across the entire County.

#### ***Commercial rate setting***

17. For commercial rates the Leicester, Leicestershire and Rutland Viability Report, as updated by the June 2014 report, finds that viability does not change geographically across the Rutland. Therefore one rate can be set for the County for each development type. Again a cautious approach has been taken and rates set out in Table 2 are below the maximum viable amounts. In setting the specific rates account was again taken of adopted commercial CIL rates for similar uses in comparable areas.
18. In light of the above striking of an appropriate balance and the evidence presented in Section 2, the council has set the following CIL rate(s):

SCHEDULE OF CIL RATES	
Use Type	CIL Rate (per sq m)
Residential	£100
Sheltered Housing and Extra Care Housing	£NIL
Distribution	£10
Food Retail (Supermarkets)*	£150
Retail Warehouses	£75

The following definitions of uses are considered appropriate for the purposes of this charging schedule:

**Retail – Food Retail (Supermarkets)** are shopping destinations in their own right where weekly food shopping needs are met and which can also include non-food floorspace as part of the overall mix of the unit.

Details of this approach were set out by Geoff Salter in his report following his examination of the Wycombe DC CIL Charging Schedule (September 2012)

**Retail warehouses** are large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods) DIY items and other ranges of goods catering for mainly car-borne customers.

**Distribution** relates to B8 use as per the Use Classes Order.

**Residential** means new dwellings/flats. It does not include any other developments within Class C1, C2 or C3 of the Town and Country Planning (Use Classes) Order 1987 (as amended) such as residential care homes, Extra Care housing and other residential institutions.

**Uses not included in the above schedule are not liable to a CIL levy charge.**

## FORMULA FOR CALCULATING THE CHARGEABLE AMOUNT

19. The formula for calculating the chargeable amount is set out in full in Part 5 of the Community Infrastructure Regulations 2010 (as amended) (The Regulations).
20. The following is from the regulations:
  - i. The collecting authority must calculate the amount of CIL payable (“chargeable amount”) in respect of a chargeable development in accordance with this regulation.
  - ii. The chargeable amount is an amount equal to the aggregate of the amounts of CIL chargeable at each of the relevant rates.
  - iii. But where that amount is less than £50 the chargeable amount is deemed to be zero.
  - iv. The relevant rates are the rates, taken from the relevant charging schedules, at which CIL is chargeable in respect of the chargeable development.

- v. The amount of CIL chargeable at a given relevant rate (R) must be calculated by applying the following formula—

$$\frac{R \times A \times I_p}{I_c}$$

Where -

A = the deemed net area chargeable at rate R, calculated in accordance with paragraph (7);  
 I<sub>p</sub> = the index figure for the year in which planning permission was granted; and  
 I<sub>c</sub> = the index figure for the year in which the charging schedule containing rate R took effect.

- vii The value of A must be calculated by applying the following policy formula—

$$G_r - K_r - \frac{(G_r \times E)}{G}$$

where—

G = the gross internal area of the chargeable development;

G<sub>r</sub> = the gross internal area of the part of the chargeable development chargeable at rate R;

K<sub>r</sub> = the aggregate of the gross internal areas of the following –

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

E = the aggregate of the following –

- (i) the gross internal areas of parts of in-use buildings that are to be demolished before completion of the chargeable development, and
- (ii) for the second and subsequent phases of a phased planning permission, the value E<sub>x</sub> (as determined under paragraph (8)0, unless E<sub>x</sub> is negative,

provided that no part of any building may be taken into account under both of paragraphs (i) and (ii) above.

- (viii) The value E<sub>x</sub> must be calculated by applying the following formula -

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

where—

E<sub>p</sub> = the value of E for the previously commenced phase of the planning permission;

G<sub>p</sub> = the value of G for the previously commenced phase of the planning permission; and

K<sub>pr</sub> = the total of the values of K<sub>r</sub> for the previously commenced phase of the planning permission

- (ix) Where a collecting authority does not have sufficient information, or information of sufficient quality, to enable it to establish that a relevant building is an in-use building, it may deem it not to be an in-use building.

- (x) Where a collecting authority does not have sufficient information, or information of sufficient quality, to enable it to establish -  
 (a) whether part of a building falls within a description in the definitions of K<sub>r</sub> and E in paragraph (7); or  
 (b) the gross internal area of any part of a building falling within such a description,

it may deem the gross internal area of the part in question to be zero.

- (xi) In this regulation –

“building” does not include –

- (i) a building into which people do not normally go;

- (ii) a building into which people go only intermittently for the purpose of maintaining or inspecting machinery; or
- (iii) a building for which planning permission was granted for a limited period;

“in-use building” means a building which –

- (i) is a relevant building, and
- (ii) contains a part that has been in lawful use for a continuous period of at least 6 months within the period of 3 years ending on the day planning permission first permits the chargeable development;

“new build” means that part of the chargeable development which will comprise new buildings and enlargements to existing buildings;

“relevant building” means a building which is situated on the relevant land on the day planning permission first permits the chargeable development;

“relevant charging schedules” means the charging schedules which are in effect –

- (i) at the time planning permission first permits the chargeable development, and
- (ii) in the area in which the chargeable development will be situated;

“retained part” means part of a building which will be –

- (i) on the relevant land on completion of the chargeable development (excluding new build),
- (ii) part of the chargeable development on completion, and
- (iii) chargeable at rate R.”