



Rutland
County Council

Rutland County Council
Draft Charging Schedule
Background Paper
in support of the introduction of a
COMMUNITY INFRASTRUCTURE LEVY

February 2015

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1 INTRODUCTION

The purpose of this document is to set out supplementary information in support of the Draft Charging Schedule (DCS) for Rutland County Council's Community Infrastructure Levy (CIL). The DCS 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).

The Draft Charging Schedule (CS) sets out the CIL rates that will be applicable to new development in Rutland. In March 2013 the Council approved publication for consultation purposes of a Preliminary Draft Charging Schedule (PDCS), with supporting evidence, as the first stage in the process of adopting a CIL Charging Schedule.

This Draft Charging Schedule (DCS) is amended to take account of representations submitted during the consultation exercise on the PDCS along with adjustments deemed necessary to ensure that the Council's proposals are compliant with the latest regulations applying to CIL.

The Draft Charging Schedule (DCS) is supported by this Background Paper which provides further details on the evidence drawn on by the Council in deciding its proposed rates of CIL.

Both documents are issued for consultation to help set a CIL charge that meets the County Council's specific circumstances.

Background

Government guidance on the community infrastructure levy published in April 2013 sets out that two key pieces of evidence are required to justify the CIL:

- Evidence of an infrastructure funding gap, and;
- Evidence that the proposed CIL rates will not affect the overall viability of development in the area in which they operate.

The infrastructure funding gap shown in this report has been identified by the Council based on an appropriate process of infrastructure planning and costing. This funding gap could at least partly be met through CIL.

The proposed CIL schedule of rates set out in the DCS have been subject to a rigorous process of viability testing to ensure that the rates would not affect the viability of development in Rutland. The detailed viability evidence was initially contained within a 'Leicestershire and Rutland CIL Viability Study' report (undertaken by HDH Planning and Development) published in January 2013. This work was extensively updated for the Council by HDH Planning and Development in June 2014.

A significant further impact on residential viability affecting Rutland has been through revised Planning Practice Guidance issued by government on 28th November 2014. This has introduced restrictions on developer type tariffs on community services and facilities and Affordable Housing developer contributions on small sites in rural areas which has the effect of increasing developer viability on these sites.

The remainder of this Background Paper includes an explanation of the basic principles and benefits of the CIL, details of the Council's key development and growth priorities and how CIL could help achieve them, a summary of the evidence used to justify the CIL, the proposed CIL rates, basic CIL forecasts and next steps.

2 WHAT IS THE COMMUNITY INFRASTRUCTURE LEVY?

2.1 Introduction

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 is intended to fund infrastructure that the Council, local community and neighbourhoods need. For example, this infrastructure could include new or safer road schemes, park improvements or a new health centre. The 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.

To charge CIL the Council must produce and adopt a Charging Schedule. This is subject to inspection by an independent CIL Examiner appointed by the Council. The Charging Schedule sets out the CIL rates that will be applicable to new development in Rutland.

This document is a Background Paper to the County Council's Draft Charging Schedule (DCS). It is issued for consultation so that the comments received will help the CIL charge to be tailored to the County Council's specific circumstances.

2.2 CIL legislation

Part 11 of the Planning Act 2008 provided powers for local authorities to introduce the CIL in their areas. The CIL Regulations 2010 ("the Regulations") came into force on the 6th May 2010 and set out how CIL is to be introduced. Key amendment Regulations came into force in May 2011, April 2012, April 2013 and February 2014.

2.3 Key features and benefits of the CIL

CIL has the following key features that will benefit the implementation of infrastructure necessary to meet the needs of Rutland County Council's growing population over the planning period (2014-2026).

- CIL will help fund the infrastructure needed to achieve the objectives of the County Council's adopted Core Strategy (July 2011)
- CIL is justified because most development puts an additional strain on the community infrastructure. Infrastructure includes physical infrastructure such as roads, schools and hospitals but also local services and amenities. The CIL ensures that developments make some financial contribution towards the costs of the additional infrastructure that their development creates the need for.
- CIL is intended to be affordable. It is a simple fixed charge and the process used to set and administer the charge is transparent and guided by Government regulations. This means that developers have certainty regarding what their CIL contributions will be from the start of the development process and the public understand how the development will contribute to their local community.
- CIL gives the council a degree of flexibility to set priorities for what the money should be spent on. It is a reasonably predictable funding stream that allows the council (and infrastructure providers) to plan ahead more effectively to deliver the infrastructure that is required in the local community.
- On 25th April 2013 the government announced amendment regulations whereby a significant proportion of the CIL will be passed directly to local neighbourhoods to address local needs arising as a consequence of development. Neighbourhoods without a neighbourhood plan but where the CIL is charged will receive a 15 per cent share of the revenue from development in their area, but this will be capped at £100 per council tax dwelling per year. Areas with adopted neighbourhood plans will receive a 25 per cent share of the revenue from development in their area.

- In February 2014 the government announced further amendments to the CIL regulations. They introduce a new mandatory exemption for self-build housing residential annexes and extensions.

The amendments also include;

- i) A change to allow charging authorities to set differential rates by reference to the intended floorspace of development, or the intended number of units or dwellings;
- ii) A change that will delay until April 2015 the date from which local authorities' ability to seek financial contributions through the use of section 106 agreements will be scaled back;
- iii) Provisions that provide a basis for giving charging authorities the option to accept payments in kind through the provision of infrastructure either on-site or off-site for the whole or part of the levy payable on a development;
- iv) A new 'vacancy test' so that buildings must have been in use for six continuous months out of the last three years for the levy to apply only to the net addition of floorspace. The rules had previously required a building to be in continuous lawful use for at least six of the previous 12 months
- v) A requirement on the charging authority to strike an appropriate balance between the desirability of funding infrastructure from the levy and the potential effects of the levy on the economic viability of development across the area, rather than the aim to do so
- vi) Provisions for phasing of levy payments to all types of planning permission to deal fairly with more complex developments.

2.4 Deciding the CIL rate

The proposed CIL is set at a rate that does not put at serious risk the overall development of the area by making development unviable. To achieve this, an appropriate balance has been made 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.

2.5 Who will pay CIL?

The CIL rate is expressed as a £ per m² charge. CIL will be applied to:

- most buildings that people normally use
- where more than 100 m² of floorspace (net) or a new dwelling is created (even if it is less than 100 m²)¹
- residential and non residential uses

CIL will be payable on the commencement of development or for larger developments, over an agreed phased period. The tariff for each type of development is set out in the CIL Charging Schedule (see Section 4 below).

There will be no charge for change of use applications unless additional floorspace is created, as well as no charge for the sub-division of existing dwellings. The CIL regulations also make other exemptions and CIL is not payable on the following:

- structures into which people do not go

- most forms of affordable housing
- redevelopments that do not result in a net increase in floorspace (subject to caveats); and
- development exclusively for charitable purposes.

The Council can also choose to adopt a zero rate if viability testing shows that a particular use or area cannot withstand the charge.

In February 2014 government announced further amendments to the CIL regulations introducing a mandatory exemption for self-build housing, residential annexes and extensions.

2.6 How will CIL be collected?

In most cases, Rutland County Council will collect the levy as the 'Collecting Authority'.

When planning permission is granted the Council will issue a liability notice setting out the amount of the levy that will be due for payment when the development is commenced, the payment procedure and the possible consequences of not following this procedure.

The responsibility to pay the levy runs with the ownership of land on which the liable development will be situated. That benefit is transferred when the land is sold with planning consent, which also runs with the land. Although ultimate liability rests with the landowner, the regulations recognise that others involved in a development may wish to pay. To allow this, anyone can come forward and assume liability for the development.

2.7 When will CIL have to be paid?

The levy's charges will become due from the date that a chargeable development is commenced in accordance with the terms of the relevant planning consent.

The Council proposes to introduce an instalment policy however to ensure that larger developments have extended periods over which to pay. The proposed instalment policy is set out at Appendix 2.

2.8 What will CIL be spent on?

The definition of infrastructure is set out in the adopted Core Strategy and includes transport, education, health, flood defences and green infrastructure. An assessment of the County Council's infrastructure needs is attached at Appendix 1 to this background paper and summarised at Table 3.1 below. Following consultation on the PDCS, the Council has drawn up a 'Regulation 123' list (see Section 4.3 below). This 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.

2.9 Relief for exceptional circumstances

The Council is not at this stage proposing to offer exemptions or relief beyond that which is set out as a statutory requirement in the 2010 Regulations (as amended). The Council will review responses before considering whether to adopt any CIL discretionary relief on the implementation of CIL. The regulations on this matter make clear that relief should only be granted in 'exceptional circumstances'.

Further advice on both mandatory exemptions and relief from CIL is set out at section 4.6 below.

3 THE EVIDENCE BASE

3.1 Introduction

This Background Paper to the DCS for Rutland County Council provides the following:

- **Evidence of an infrastructure funding gap** - Evidence of the total infrastructure funding gap that the CIL is intended to support, having taken account of the other sources of available funding.
- **Viability assessment** - Evidence regarding the effect the CIL will have on the economic viability of development in Rutland County Council. This will demonstrate that the proposed CIL rate strikes an appropriate balance between helping to meet the infrastructure funding gap identified and the potential effects on the economic viability of development in the local area.

These two essential pieces of evidence are summarised below.

3.2 Assessment of Rutland County Council's Infrastructure Needs

Context

The Council's Vision

The Council's vision that "Rutland is a great place to live, learn, work, play and visit" is underpinned by 6 strategic aims. Within each are strategic objectives that relate to the quality of infrastructure in Rutland to meet the vision. Building our infrastructure is one of the strategic aims but delivery of the vision requires meeting all of the objectives relating to a wider view on infrastructure provision as follows;

- Creating a safer community for all requires improved road safety;
- Creating an active and enriched community requires sustainable employment, linking our towns and Rutland Water, providing adequate and affordable fitness opportunities and improved access to the countryside;
- Creating a sustained environment requires investment to reduce waste going to landfill, and improved design linked to affordability and sustainability;
- Building our infrastructure requires support for small and medium enterprises, more affordable housing and a greater choice of tenure, regeneration in Oakham and improved transport to support employment;
- Meeting the health & wellbeing needs of the community requires supporting accessible, local healthcare and supporting our growing older population and those with complex or specific needs and;
- Creating a brighter future for all requires ensuring adequate school places.

The spatial strategy associated with the vision is set out within Rutland's adopted Core Strategy. A key part of this is the delivery of new housing and the required infrastructure to support this.

The Core Strategy

The Core Strategy proposes the following development 2006 to 2026:

- Approximately 3,000 new homes of mixed type and tenure 2006-2026 (of which there is a remaining requirement of 603 dwellings over the period 2014-2026)
- Approximately 5 hectares of employment land for office, warehousing and industrial purposes 2006-2026 to deliver a significant number of new jobs. Over the period 2006-2014 some 4.68 hectares of employment land was completed. This figure does

not include Oakham Enterprise Park which will deliver a further 3 hectares of employment land up to 2026.

- Between 1838 to 2234m² of net additional food retailing floorspace is required at Oakham over the period 2006 to 2026 to meet the Core Strategy requirement. Up to an additional net 5,484m² comparison floorspace is also required during the plan period. The following retail floorspace has been completed across Rutland as a whole during the period 2006 to 2014:
 - 30,571m² of A1 floorspace of which 26,013m² is the Co-Op store TO CHECK
 - 1650m² of A2 development
 - 105m² of A3
 - 672m² of mixed use retail.
- An affordable housing target of 35% including a commuted sum policy on small sites of 5 or less dwellings.

NB The Council's commuted sum policy as set out in the Core Strategy is now superseded by new government policy issued November 2014 whereby only housing sites outside the Parishes of Oakham and Uppingham in designated rural areas of between 6 and 10 dwellings and no greater in total gross internal area than 1,000m² can generally be required to make s106 commuted sum developer contributions towards AH.

These homes and employment opportunities will help to meet the future needs of Rutland

In its adopted Core Strategy the Council identified the critical infrastructure requirements to support development of a Sustainable Urban Extension to Oakham. A section 106 Agreement attached to the outline planning permission granted for the SUE in 2011 makes provision for developer contributions in accordance with the Council's 'tariff' policy linked through phasing to the delivery of 1,100 new dwellings. A further development of 100 dwellings on a Greenfield site to the south of Oakham also delivers to the tariff requirements such that the most critical residential investments required to deliver the planned growth in Rutland is already committed, along with funding for supporting infrastructure.

Through these funding streams, alongside other committed Council funded capital programme projects and longer term projected investments by either the Council or local infrastructure providers, a substantial investment in the future community infrastructure is already secured or proposed without CIL.

To support the remaining planned growth further infrastructure is anticipated to be required. The current infrastructure requirements are summarised at Table 3.1 below. Further detail on the infrastructure requirement is set out in an Infrastructure Project List (IPL) attached at Appendix 1. This shows 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.

TABLE 3.1: RUTLAND ESTIMATED INFRASTRUCTURE REQUIREMENTS TO 2026

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

Funding Gap

The total cost of identified infrastructure need based on consultation with infrastructure providers and modelling is approximately £25m. We have taken into account some anticipated existing funding before establishing the total infrastructure funding gap that CIL could largely help to meet. Currently there is approximately £13m of funding anticipated to meet Rutland's future infrastructure needs for the plan period. If this identified and projected funding is taken away from the total infrastructure costs it leaves a funding gap of approximately £12m. This means that the CIL is justified and will be an important funding

² Covers committed capital funding and any agreed planning obligations or other private sector contributions.

source to help ensure that there is sufficient infrastructure to meet the needs generated by future housing and development growth.

3.3 The Regulation 123 List

Drawing from the Council's Infrastructure Project List attached at Appendix 1 to this Background Paper, priority infrastructure items are identified in a proposed Regulation 123 list (R123) set out below.

The R123 list clarifies projects that no developer will be asked to contribute towards through a S106 Agreement. In other words it clarifies that there will be no 'Double Dip' into development related profit, only CIL will be applied towards infrastructure (over and above s106 obligations towards Affordable Housing and other specific site related requirements).

The R123 list prioritises the following areas of investment;

- Oakham and Uppingham Town Centre Management and public realm improvements
- Off-site highway and highway related investments
- Car parking improvements
- Public and community, including school, transport services, and related infrastructure investments
- New re-cycling facilities
- New and expanded health facilities
- Education, Learning and Skills
- Enhanced policing and community safety
- Improved broadband connectivity
- Improvements to library provision outside Oakham
- Development of heritage and cultural facilities
- County sports provision.

These are all critical facilities and services which planned growth can be legitimately required to contribute towards.

The overall scale of the planned investment in these facilities and services is approximately £25m. Funding committed from the Council's capital programme, committed S106 funds or other Council/Infrastructure providers budgets/grants etc amounts to about £13m leaving £12m required from CIL to plug the funding gap.

An assessment of potential CIL receipts from uncommitted planned growth (i.e. yet to be granted planning permission) suggests that about £3m might be drawn down from CIL after allowing for funding for Parish Council's and CIL administration costs at 5%.

3.4 Development Viability

A key element of the evidence base is an assessment of the effect of CIL on the viability of development. The HDH Planning and Development studies commissioned by the Council have drawn on a wide range of existing available evidence. A key focus of the following viability studies has been to assess the level of CIL that can be supported without making schemes economically unviable across a range of uses and locations in the study area;

- Leicester, Leicestershire and Rutland wide CIL Viability Study (HDH Planning & Development, January 2013);
- Affordable Housing Commuted Sums in the Context of CIL (HDH Planning & Development, January 2013);
- Rutland County Council CIL Viability Study Update (HDH Planning & Development, June 2014).

These studies can be viewed on the Council's website at;

http://www.rutland.gov.uk/local_plan/developer_contributions/community_infrastructure_levy.aspx

To assist the above work, the Council has compiled information relating to the Council's track record in negotiating contributions from developers under the existing s106 system (see Appendix 3 attached).

The principal approach to the viability studies relies on comparing Residual Land Values (RLV) from a series of development scenarios, and benchmarking these against indicative Existing Use Values (EUV). This approach is commonly used by developers to value the cost of developable land. The analysis is also supported by a broad property market review and research for the county. It includes a series of development appraisals of hypothetical sites within each charging area for both residential and commercial development. The residential development appraisals have been based on the layouts and house types of actual recent planning applications to ensure they were representative of the typical types of development that are likely to come forward in the future and thus provide confidence in the viability assessment.

The viability analysis is based on assumptions of cost, such as professional fees and marketing costs, and draws on representative industry examples within Leicestershire, Rutland and the wider East Midlands area. It allows for 20% developers' profit and a competitive return for landowners. This approach meets the requirements of paragraph 173 of the National Planning Policy Framework (NPPF) that requires work, such as this project, to reflect 'competitive returns' for landowner and developer.

The approach to these appraisals is at a relatively high level, and not undertaken for specific actual sites but rather representative generic sites. The January 2013 Leicestershire and Rutland CIL viability study sets out the assumptions and then the results of the development financial appraisals for a range of development sites that are representative of the type of development that is likely to come forward in the future and should therefore be assessed for their ability to pay CIL. The values set in this study were updated in the June 2014 Rutland study referred to above.

4 PROPOSED CIL RATES

4.1 Striking an ‘Appropriate Balance’ – Factors to Consider

In setting CIL the council has weighed up various policy priorities – particularly those that affect what is paid for and delivered by the development industry. The payment of CIL, the delivery of affordable housing, the potential for additional s106 payments and the construction of development to the required environmental standards are all costs to a developer. If a council wishes to introduce a new charge such as CIL or increase an existing requirement on developers there will be a corresponding knock on effect on the other requirements.

Regulation 14 (as amended) sets out the context for setting the rates of CIL – the relevant parts say:

- 1) *In setting rates (including differential rates) in a charging schedule, a charging authority must strike an appropriate balance between—*
 - (a) *the desirability of funding from CIL (in whole or in part) the actual and expected estimated total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding; and*
 - (b) *the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.*

4.2 Proposed CIL Rates for Consultation

CIL will be an important mechanism for helping fund infrastructure needed to support the Council’s vision and associated growth plans in the County and a number of factors and considerations have been taken into account in determining the proposed CIL rates. It is not envisaged or expected that CIL should be the only funding mechanism – but that it is one of a number of potential funding streams that will be used to help fund infrastructure.

CIL rate setting is not an exact science but a qualitative judgement based on appropriate and available evidence. The specific considerations and processes that the Council has gone through to determine the proposed rates are described below. Rates are set in the context of CIL Regulations 13 and 14 (of the CIL Regulations 2010 as amended) plus the specific evidence as summarised in Sections 3 of this Background Paper.

In setting the proposed rates the Council has taken a cautious approach having regard to the results of the viability testing as summarised in Section 3 of this paper as well as other factors described below. Caution is also taken due to the continuing uncertainty in the development industry and economy more widely.

The proposed CIL rates are derived from a comprehensive viability assessment undertaken across the sub-region of Leicester, Leicestershire and Rutland as published in January 2013. The study derived its viability assessment following developer/stakeholder consultation. The report includes clear evidence of the influence of developer, landowner and agents responses to both the initial, values, assumptions etc and the first draft of the overall viability analysis. This work has now been reviewed for Rutland in a Viability update published in June 2014

Rutland County Council proposes the following CIL rate(s) for consultation in its Draft Charging Schedule:

TABLE 4.1: SCHEDULE OF PROPOSED CIL RATES	
Use Type	Proposed 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.

Hotels relate to C1 use as per the Use Classes Order.

Uses not included in Table 4.1 are not proposed for a CIL levy charge.

4.3 Evidence to Support Proposed CIL Rates

1. Residential rate setting

In setting residential rates, which will form the majority of development within Rutland over the plan period, three principle steps were taken. Firstly consideration was taken of the viability results as summarised in Section 3.3 of this paper. The Council, with advice from the HDH Planning & Development, looked to see what the viable sites could afford in terms of additional profit. The intention in setting CIL rates is to ensure that the majority of developments being planned for in the council's local plan still remain viable.

The adopted Core Strategy sets out a requirement for 3,000 new homes over the 20 year period 2006 to 2026. All but 603 were either built, under construction or committed (i.e., with planning permission) at the end of March 2014. Allowing for about 600 new dwellings to

come forward in the remaining period the Council has considered the site types most likely to be the source of supply.

The Site Allocations & Policies DPD provides further policy guidance on where and when the council proposes to manage the remaining development growth required to deliver the Core Strategy.

The 2013 study looked at 16 different residential 'site types' across the sub-region of which 13 were agreed to be site types that could come forward in Rutland. For each site type the study generated a likely level of maximum potential 'profit' expressed in £psm. Of these site types the Council is particularly interested in those which the planned growth of the County critically depends on.

Assumptions about the distribution of the remaining residential development across Rutland across the site types assessed by HDH Planning & Development are set out at Appendix 4 attached.

The Council expects most to come forward on either greenfield urban edge or 'medium' greenfield sites, particularly in Oakham, Uppingham and the Rural Centres (site type references 4, 10 and 11) and on small sites such as a village house and small village site (site types 15 and 16). The other site types identified for Rutland may well occasionally come forward but are not critical to the delivery of the plan. In striking an appropriate balance therefore it is not considered critical that there is sufficient profit 'headroom' for town centre flats and ex-garage site types to meet in full both the proposed CIL charge and the Council's Affordable Housing contribution obligations where applicable.

For the site types where there is a critical dependency the Council is satisfied that there is sufficient profit 'headroom' to anticipate that the developments coming forward will be able to meet the CIL liability. The Council's assessment on viability is judged to still apply taking account of changes introduced by the government in November 2014 on the use of S106 Agreements. Government policy scales back the use of Section 106 Agreements on small sites in relation to both developer obligations towards essential community services and facilities and developer contributions towards the off-site delivery of Affordable Housing through commuted sums (see below).

Section 106 Agreements

Current Policy

In setting CIL rates consideration has been given to the Council's achievements through applying its S106 policy on planning obligations and developer contributions and Affordable Housing.

The Council adopted supplementary planning guidance in June 2010 to clarify its S106 requirements to support the delivery of its local plan. The SPD determined the types of infrastructure being prioritised and the scale of financial contributions that might be applied, depending on the relationship between the proposed development, the local needs generated by it and local infrastructure capacity. The S106 'tariff' has been particularly effective in helping determine S106 contributions from new residential development.

Evidence is collated to compare CIL to the amount that has been achieved on average through S106. An assessment of successfully negotiated S106 Agreements for the relevant different site types identified in the Leicester, Leicestershire and Rutland Viability Study has been undertaken by the Council. This covers the period since the Council's SPD on Planning Obligations and Developer Contributions was adopted up to the end of December 2012. Many of the sites proposed for development in this period were small sites where no Affordable Housing (AH) was secured. This is because, prior to September 2011, AH contributions were not sought by the Council on sites of 5 or less dwellings. On average the level of S106 contributions, exclusive of affordable housing, has been £85 per square metre

over the assessment period. Clearly this reflects the continuing relatively difficult market conditions. A summary of this evidence is set out at Appendix 3 attached.

Off-site Affordable Housing Contributions through S106 Agreements

In November 2014, government introduced changes to Planning Practice Guidance which restricts the Council's use of S106 Agreements in relation to both developer obligations towards essential community services and facilities and developer contributions towards the off-site delivery of Affordable Housing through commuted sums.

The effect of these changes is significant in relation to the viability of developments on sites of 5 or fewer dwellings in 'designated' rural areas and sites of 10 or fewer in Oakham and Uppingham. On these sites it will only be possible to apply S106 requirements in relation to 'Exception Sites'. This means that for these sites the viability of developments, and therefore the ability to pay CIL at the proposed rate, will be greatly enhanced. The 'designated rural areas' effectively cover all of Rutland outside of the Parishes of Oakham and Uppingham.

On sites of 6 to 10 dwellings within the 'designated rural areas' it is likely that the Council will secure off-site commuted sum contributions towards Affordable Housing unless the proposed development exceeds 1,000m² in Gross Internal Area (GIA). If this threshold is exceeded it is likely that the Council will seek on-site Affordable Housing contributions.

Further work has been undertaken to better understand the sensitivity of applying CIL alongside the Council's requirements for a commuted sum to be paid in lieu of Affordable Housing. This work looked at the effect of this policy as applied at the time to sites of 5 or fewer dwellings. Work was commissioned in December 2012 from HDH Planning and Development Services (who also undertook the 2012 Leicester, Leicestershire and Rutland CIL Viability Study). This provides evidence to assess different potential levels of residential CIL being balanced with different levels of commuted sums for Affordable Housing on sites of 5 or less dwellings whilst still maintaining overall development viability. The Council has also reviewed its own assessment of the costs, and impact on viability, of providing off site Affordable Housing contributions since the adoption of the Council's "Developer Contributions to Off-site Affordable Housing" SPD in June 2012.

The above evidence supported a decision implemented by the Council in April 2013 to applying a 'cap' to reduce the maximum off-site commuted sum for affordable housing. This was to provide further support, in terms of viability, for the residential development of small sites, particularly the small site types 13 and 14 described at Appendix 4 attached.

A review of affordable housing needs across Rutland has concluded that larger sites of 10 dwellings or more could make a reduced 30% contribution towards Affordable Housing at the point that CIL is adopted (current policy is to seek 35%).

Formal policy guidance on Affordable Housing and Section 106 Agreements will be drawn up for consideration alongside the Council's Draft CIL Charging Schedule in due course before the Council's proposals for CIL go to formal Examination. This will confirm the Council's proposed rate of commuted sums to be applied to the larger sites of 6 to 10 dwellings at the 'capped' level set in April 2013.

Comparing Residential CIL Rates Elsewhere

Finally, the Council considered what other authorities are charging, particularly those close by and/or within similar property market areas. The intention in setting CIL is not to go too far out of line in terms of what others are charging (while taking account of viability and different strategies for using s106 in the context of CIL). The Council considered adopted rates of CIL in Newark and Sherwood, Shropshire and Huntingdonshire, where for residential rates CIL is levied at £0-75, £40-80 and £85 respectively. The Council also considered what neighbouring local authorities are proposing to charge. East Northants and Corby consulted on their Draft Charging Schedules in the Spring of 2014. Residential CIL

rates of £112.50 (East Northants) and £100 psm (Corby) in the rural areas bordering Rutland are proposed. Kettering also proposes £100 psm in its PDCS for its rural areas.

The Council is also aware of a useful database published on-line by Planning Resource which gives a useful update on CIL progress across England and Wales and can be viewed at;

<http://www.planningresource.co.uk/article/1121218/cil-watch-whos-charging-what>

This shows a small number of rural planning authorities where CIL is adopted with average residential CIL rate and sample size of Councils as follows;

South East – 13 LPA give average of £115psm
South west – 6 LPA give average of £139psm
East of England – 7 LPAs give average of £110psm
East Midlands – 2 LPA give average of £65psm
North East – none
North West 4 LPA give average of £66psm
West Midlands 1 LPA AT £80PSM
Yorks/Humberside – none
Wales -2 LPA give average of £33psm

There are considerations however about how different charging authorities approach rate setting;

- **Not many have actually adopted** – these are the only reliable ones as many draft CIL proposals get brought down through challenges at Examination and there are none known where the rate has increased. There are only 2 adopted through the 40 or so LPA's in the East Midlands.
- The proposed rates of CIL need to be read with AH policy – Many of the Local authorities that have adopted did so before the November 2014 S106 policy change was announced. If their adopted rates were based on S106 policy at the time allowing for securing Affordable Housing commuted sums on small sites some of these Councils could now have justified higher CIL rates than those adopted.
- Some LPA's that have adopted CIL do not apply S106 obligations for AH on sites below 15 dwellings. Those that don't apply below 10 dwellings or 6 in rural areas would be comparable to our situation as it stands now.
- Some Councils are taking account of other policy imperatives like renewable energy or Codes for Sustainable Homes which add to housing delivery costs and therefore affect viability
- Some Councils have large strategic sites with S106 liabilities delivered through their local plans or planning decisions already issued that effectively deliver the growth required. This means that the infrastructure to support the growth is secured and CIL is marginal to this. In other words they don't need the development that will have to pay the CIL so can be more cavalier about the issue of viability.

Exemptions from CIL for Specialist Housing

The Council also asked HDH Planning & Development to look further at the case being made (in response to the proposed rates of CIL set out in the PDCS) for exemption from CIL for certain types of specialist housing. Following consideration of the PDCS consultation responses the Council intends to exempt Use Class C2 "Residential Institutions" developments from any obligation to contribute to Affordable Housing generally. This includes residential accommodation and care to people in need of care other than a use within class C3 (dwelling houses) as well as hospital/nursing homes and residential school colleges or training centres.

Following further analysis of the viability of older people's housing in the 2014 Viability Update the advice from HDH Planning and Development is that CIL is not charged on either sheltered housing or 'Extracare' housing.

Taking account of these key factors the Council proposes to set for residential CIL (excluding sheltered housing or extracare housing) a rate of £100 per square metre across the entire County.

2. Non-residential rate setting

For non-residential development the Leicester, Leicestershire and Rutland Viability Report found that viability did not change geographically across the Rutland. Therefore one rate can be set for the County for each development type where a CIL rate is proposed. Again a cautious approach has been taken.

Although the starting point in the evidence to support potential CIL rates has been drawn from the HDH Planning & Development 2013 Viability Study, the 2014 Viability update suggests that the proposed rate for retail warehouses should be reduced from £150 psm to £75 psm. The 2014 update report confirms that the CIL rate for supermarkets, including discount supermarkets, proposed in the PDCS should be maintained at £150 psm.

In setting the specific rates account was taken of the following factors;

- Whilst the Council wishes to see diverse and comprehensive retail provision, no such stores are provided for in the local plan;
- Although there have been no S106 agreements attached to any planning consents for retail warehouses or distribution uses negotiated in Rutland there have been three S106 Agreements negotiated in relation to supermarkets. Two of these have secured contributions at rates similar to the proposed CIL rate, the exception being a smaller discount supermarket store where the S106 Agreement secured a rate of £80psm;
- Adopted commercial rates for commercial uses in comparable areas such as Newark and Sherwood District are similar.

4.4 Summary - Striking an Appropriate Balance

In accordance with CIL legislative requirements the Council has used appropriate available evidence to determine both the rates of CIL proposed and the prioritisation of the infrastructure required to support the planned growth across the County.

The Proposed CIL rate

The Council adopted supplementary planning guidance in June 2010 to clarify its S106 requirements to support the delivery of its local plan. The SPD determined the types of infrastructure being prioritised and the scale of financial contributions that might be applied, depending on the relationship between the proposed development, the local needs generated by it and local infrastructure capacity. The S106 'tariff' has been particularly effective in helping determine S106 contributions from new residential development for investment in supporting infrastructure.

The S106 tariff has been applied now for over 3 years. Agreements reached provide evidence of the level of CIL that might be reasonably applied in the future. In determining the level of CIL for future residential development however, the Council has taken into account the need for Affordable Housing (including financial contributions from small site developments towards off site Affordable Housing provision). Account also still has to be taken of other essential investment that can only be secured through S106 Agreements.

The Council has also addressed the impact on viability of the changes in government policy on S106 Agreements in relation to small housing sites announced in November 2014. The intention in setting CIL rates is to ensure that the majority of developments being planned for in the council's local plan still remain viable. The Council considers that, by applying the new Section 106 policy guidance, the viability of small sites to deliver Affordable Housing and CIL will be significantly enhanced.

The adopted Core Strategy sets out a requirement for 3,000 new homes over the 20 year period 2006 to 2026. All but 603 were either built, under construction or committed (i.e., with planning permission) at the end of March 2013. Allowing for about 600 new dwellings to come forward in the remaining period the Council has considered the site types most likely to be the source of supply.

For the site types where there is a critical dependency the Council is satisfied that there is sufficient profit 'headroom' to anticipate that the developments coming forward will be able to meet the CIL liability. To conclude the Council considers that it has used all appropriate available evidence to satisfy itself that the proposed rates of CIL will not undermine the economic viability of development across its area.

The Council also considers that there is more than sufficient profit 'headroom' for the delivery of the planned growth to pay the levy after Affordable Housing contributions and other site related S106 requirements have been met.

Further guidance on the relationship between CIL and the other site related s106 requirements are set out below.

Relationship between CIL and remaining S106 Agreements

In June 2010 the Council published a Guidance Note on the Council's priorities in negotiating planning obligations and developer contributions. This was to explain the way in which the recently adopted S106 'tariff' policy would be applied. The Council confirmed in this guidance that the highest priority would be given "to provide for the physical infrastructure needed to deliver the project, as without this the scheme will not proceed".

This would include the provision of highway works, sustainable transport requirements and dealing with public rights of way, all of which are needed before the development can take place. Other infrastructure requirements such as off-site flood defence or drainage improvements would also fall within this category.

Cost specifics for a development must also be taken into account. This could include, restoring a listed building, meeting archaeological requirements, protecting the biodiversity of the site or dealing with contamination. Requirements to meet sustainable construction, sustainable waste management and air quality and renewable energy are also included here.

The above approach will be applied when CIL is implemented. It will be applied in conformity with Planning Practice Guidance and therefore meet the requirements to scale back developer contributions and off site commuted sums towards Affordable Housing on the smaller sites. An additional re-assurance is given that no "provision of highway works, sustainable transport requirements and dealing with public rights of way" will be required that are covered by the R123 list referred to above.

In recommending that a residential CIL rate of £100 psm is viable across Rutland, the 2014 Viability Update allows for up to £2,500 per dwelling for 'incidental' S106 charges for essential investment without which the planning application could not be granted.

The County Council will also bear in mind that seeking high specifications on essential infrastructure identified above will reduce the availability of funds on the larger sites for Affordable Housing planning obligations and come to a balanced view. The Council will also have regard to the overall quality of the development.

Conclusion

The Council considers that a reasonable balance is being struck in its proposals whereby the rate of CIL will not undermine the delivery of the proposed growth but will ensure sufficient developer funding to meet a realistic, prioritised and deliverable schedule of improvements to community facilities and services that will help mitigate the impact of the development.

4.5 Formula for Calculating the Chargeable Amount

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). This is set out at Appendix 4

4.6 Mandatory Exemptions and Relief from CIL

The CIL regulations provide for certain types of development to be exempt or eligible for relief from CIL, as set out below:

Development exempt from CIL

- The conversion of any building previously used as a dwelling house to two or more dwellings
- Development of less than 100sqm of gross internal floorspace, provided that it does not result in the creation of a new dwelling; this includes residential extensions
- The conversion of a building in lawful use, or the creation of additional floorspace within the existing structure of a building in lawful use
- Development of buildings and structures into which people do not normally go (e.g., pylons, wind turbines, electricity sub stations)
- Residential extensions and free-standing residential annexes

Development entitled, upon application, to Mandatory Relief from CIL

- Development by registered charities for the delivery of their charitable purposes, as set out in Regulation 43 of the Community Infrastructure Levy Regulations 2010
- Those parts of a development which are to be used as social housing, as set out in Regulation 49 of the Community Infrastructure Levy Regulations 2010
- "Self-build" dwellings

Discretionary Relief

The CIL regulations allow for charging authorities to choose to offer two types of discretionary relief:

- to a charity landowner where the greater part of the chargeable development will be held as an investment, from which the profits are applied for charitable purposes, or
- relief from the levy in exceptional circumstances, subject to the provisions of the CIL Regulations 2010 which set out the circumstances that would enable an application to be made for exceptional relief from CIL liability.

The Council is not at this stage proposing to offer exemptions or relief beyond that which is set out as a statutory requirement in the 2010 Regulations (as amended).

The Council will review responses before considering whether to adopt any CIL discretionary relief on the implementation of CIL.

5 CIL PROJECTIONS

To provide an indication of the potential receipt the County Council could receive from CIL a high level financial assessment is performed below. Using residential growth figures only (which account for the majority of the County's growth) and a proposed CIL rate of £100 per sq m for residential development only at an average GIA/unit of 90m², the approximate total potential CIL receipt from the potential remaining housing supply over the plan period 2016-2026 has been calculated as follows:

- Overall CIL revenue from additional housing development estimated at £4m
- Potential funding to go to Parish Council accommodating this development estimated at £0.8m
- Council use of 5% allowance for setting up and administering CIL estimated at £0.2m

Residual CIL receipts available for investment by RCC and non-Parish partner stakeholders in community infrastructure estimated at £3m

Some additional future CIL income will also be derived from the proposed CIL charges to be applied to the non-residential uses set out in Table 4.1 above.

Conclusion

If this is compared to the total estimated infrastructure funding gap of approximately £12m as shown in Section 3 it demonstrates that there is likely to remain a funding gap of approximately £9m. It is expected however that there will be other sources of capital funding that have yet to be identified that will come forward to help reduce this gap.

6 NEXT STEPS

6.1 Next Steps

The Council will undertake a further round of consultation on the proposed charging schedule as set out in this document. Once the public comments on the Draft Charging Schedule have been considered the Council then has a further opportunity to modify the Draft Schedule (which would lead to a further four weeks of consultation) if necessary before then having it considered by a CIL Examiner at Public Examination.

The remaining work programme is shown in **Table 6.1** below:

TABLE 6.1: NEXT STEPS		
Step	Date	Action
Step 1	February – March 2015	Formal consultation on DCS and DIPL
Step 5	March – May 2015	Consideration of responses
Step 6	September 2015	Public Examination
Step 7	October 2015	Inspectors Report
Step 8	November 2015	Internal Council political procedures on final CS and IPL
Step 9	January 2016	Adoption of CIL

6.2 Responding to the Consultation

The consultation period runs from 13th February 2015 until 4:15pm on 27th March 2015

To comment on this Draft Charging Schedule, please do so by either:

- **By Post** – Writing to the Planning Policy and Housing Manager, Rutland County Council at Catmose, Oakham, Rutland LE15 6HP
- **By e mail** – localplan@rutland.gov.uk

It is important that you make it known if you wish to be heard by the Examiner at the public examination when making your representation in response to this consultation.

Relevant documents can be viewed at the following locations:

- The County Council offices in Oakham
- Public Libraries in Rutland
- On the Council's website at www.rutland.gov.uk/cil

Rutland County Council Draft Infrastructure Project List

1. Introduction

- 1.1 The starting point for preparing a CIL Charging Schedule is for Local Authorities to demonstrate that there is a funding gap in the provision of infrastructure required to support new development.
- 1.2 This methodology statement explains the process undertaken by the County Council, along with the guidance it is complying with, in order to produce a list of infrastructure items that may potentially be funded by the proposed Community Infrastructure Levy (CIL).

2. Background

- 2.1 The National Planning Policy Framework (NPPF) sets out national planning policy principles to ensure the delivery of sustainable development to meet growth. Government states that;
 - The scale of obligations and policy burdens should not undermine the viability of the development being planned for;
 - The cumulative impact of all the development being planned for should form the basis of assessments of the infrastructure required to support delivery and make it sustainable;
 - The essential infrastructure being funded by development growth should be capable of being delivered as and when it is needed.
- 2.3 The CIL was introduced through regulations published in 2010. Subsequent modifications followed in 2011, 2012 and 2014. The regulations allow local authorities in England and Wales to raise funds from developers undertaking new building projects in their area in order to ensure sustainable development is delivered in accordance with the NPPF. It allows for the money raised to be used to fund a wide range of infrastructure that is needed as a result of development.
- 2.4 In order to set a CIL charging schedule the regulations require that the Council must have an appropriate evidence base to support the proposed levy. Part of this evidence base is an Infrastructure Project List which sets out the infrastructure required to support development across the county. This document has been drawn up to be fully compliant with this requirement.

3. Council Vision and Strategic Objectives

3.1 The Council's vision that "Rutland is a great place to live, learn, work, play and visit" is underpinned by 6 strategic aims. Within each are strategic objectives that relate to the quality of infrastructure in Rutland to meet the vision. Building our infrastructure is one of the strategic aims but delivery of the vision requires meeting all of the objectives relating to a wider view on infrastructure provision as follows

- Creating a safer community for all requires improved road safety;
- Creating an active and enriched community requires sustainable employment, linking our towns and Rutland Water, providing adequate and affordable fitness opportunities and improved access to the countryside;
- Creating a sustained environment requires investment to reduce waste going to landfill, and improved design linked to affordability and sustainability;
- Building our infrastructure requires support for small and medium enterprises, more affordable housing and a greater choice of tenure, regeneration in Oakham and improved transport to support employment;
- Meeting the health & wellbeing needs of the community requires supporting accessible, local healthcare and supporting our growing older population and those with complex or specific needs and;
- Creating a brighter future for all requires ensuring adequate school places.

3.2 The spatial strategy associated with the vision is set out within Rutland's adopted Core Strategy. A key part of this is the delivery of new housing and the required infrastructure to support this.

4. Rutland County Council Infrastructure Project List

4.1 The Rutland Infrastructure Project List identifies essential items of infrastructure that are needed to meet needs generated by the development growth being planned for within Rutland. The scale of growth, along with a strategic policy framework to direct its broad location and manage its delivery, is set out in the Council's Local Plan Core Strategy. This was adopted in July 2011 following independent examination and covers the period to 2026. The Infrastructure Project List therefore covers the same period.

4.2 As part of the process of compiling the Infrastructure Project List, the Council has consulted infrastructure providers to confirm that infrastructure items are still necessary to support the new development being planned for. The methodology used by stakeholders for assessing infrastructure requirements has been scrutinised to ensure it is robust and where appropriate (eg health, education and emergency services, modelling has been undertaken). This process ensures that infrastructure items are not included to remedy existing

Appendix 1

deficiencies. It also ensures that any existing capacity to accommodate the impact of growth is taken account of such that it is the 'net' need for the infrastructure investment that is identified for funding in the Infrastructure Project List.

- 4.3 As well as simply identifying the 'net' infrastructure required for the growth being planned for, the Infrastructure Project List shows, and then takes account of;
- The existence of committed and/or projected supporting funding from sources other than CIL and;
 - The remaining funding gap that only CIL can fill to enable the essential infrastructure to be provided.
- 4.4 The Infrastructure Project List only includes infrastructure that is likely to be funded through CIL. Where it is already known, or it is very likely, that infrastructure items will be funded and delivered as part of new development through Section 106 Agreements, these infrastructure items have either not been included in the Infrastructure Project List, or the estimated contributions have been deducted off the infrastructure cost. This includes some of the funding committed to infrastructure provision from the strategic development site at Oakham North.
- 4.5 Committed funding that reduces the CIL funding gap requirement includes public sector capital funding, other private sector or agreed developer contributions and sources of external grant aid where appropriate as well as signed or agreed S106 agreements referred to above.
- 4.6 The Council's evidence demonstrates that the overall cost of the infrastructure identified in the Infrastructure Project List would exceed the level of funding the proposed CIL is expected to deliver. It is therefore expected that further decisions will need to be made on the prioritisation of the infrastructure to be delivered using CIL gap funding.

COMMUNITY INFRASTRUCTURE LEVY – DRAFT INFRASTRUCTURE PROJECT LIST

Rutland County Council Infrastructure Funding Gap: Items that may potentially be funded by CIL.

	Primary Infrastructure (necessary to support development and growth)	Lead Delivery Agency	Cost (£)	Committed or Projected Funding (£)	Funding Gap - Required Developer Contribution (£)	Indicative Phasing
HIGHWAYS						
Oakham Town Centre Improvements	Environmental Improvements, High Street, Oakham	RCC	1,000,000	572,000	428,000	2017/18
Other Oakham Improvements	Braunston Road, Oakham Traffic Calming & Pedestrian Crossing	RCC	22,500	12,500	10,000	2017/18
Car Parking	Car Park Renewal Programme - Oakham and Uppingham	RCC	35,000	0	35,000	2016
Sub-Total			1,057,500	584,500	473,000	
TRANSPORT						
Public and Community Transport Infrastructure	Maintenance of Sustainable Transport Interchange, Oakham	RCC	140,000	0	140,000	2015
Bus Services						
	Extended Hopper	RCC	2,053,000	1,584,000	469,000	
	Schools Bus Transport	RCC	1,300,000	0	1,300,000	
	Rural Bus Provision	RCC	1,420,000	420,000	1,000,000	2016

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	Primary Infrastructure (necessary to support development and growth)	Lead Delivery Agency	Cost (£)	Committed or Projected Funding (£)	Funding Gap - Required Developer Contribution (£)	Indicative Phasing
County Wide Wheels to Work	Wheels to Work Capital Costs	RCC	81,000	72,900	8,100	2016
Sub-Total			4,994,000	2,076,900	2,917,100	
WASTE						
Civic Waste amenity and recycling	Expand/new waste and recycling facilities	RCC	960,500	338,300	622,200	2016
Sub-Total			960,500	338,300	622,200	
SOCIAL & COMMUNITY						
Adult Social Services	Expand Residential Home capacity with extra 16 full time residential care beds	RCC	582,200	385,800	196,400	2016-2021
Disabled Facilities	Disabled Facilities Grant	RCC	83,000	0	83,000	2021-2026
Youth Services	New base for youth service and young people's homeless accommodation	RCC	12,600	0	12,600	2021-2026
Sub-Total			677,800	385,800	292,000	

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	Primary Infrastructure (necessary to support development and growth)	Lead Delivery Agency	Cost (£)	Committed or Projected Funding (£)	Funding Gap - Required Developer Contribution (£)	Indicative Phasing
Education, Learning & Skills						
Education Early Year & Childcare	Building infrastructure for non-maintained services for additional children	RCC	526,100	0	526,100	2016
Primary School	New build and expansion of existing Primary school facilities	RCC	5,100,000	2,860,000	2,240,000	2016-2026
Secondary	Building infrastructure for additional secondary school places.	RCC	2,880,000	1,240,000	1,640,000	2016-2026
Post 16/Further Education	Building infrastructure for enhanced student facilities.	RCC	1,000,000	0	1,000,000	2017-2026
Sub-Total			9,506,100	4,100,000	5,406,100	
LOCAL HEALTH SERVICES	New, expanded or improved GP Facilities.					
	Increased capacity at Uppingham GP Practice to cater for Uppingham needs.	NHS	130,800	0	130,800	2016-21
	Additional clinical and administrative space at Empingham GP Practice	NHS	95,400	0	95,400	2021-2026
	Internal re-configuration at Market Overton surgery facility	NHS	67,000	0	67,000	2021-2026
Sub-Total			293,200	0	293,200	

Appendix 1

	Primary Infrastructure (necessary to support development and growth)	Lead Delivery Agency	Cost (£)	Committed or Projected Funding (£)	Funding Gap - Required Developer Contribution (£)	Indicative Phasing
Emergency Services						
Police	Police infrastructure and Community Safety.	Leics & Rut. Police	1,077,700	850,000	227,700	2014-2026
Sub-Total			107,700	850,000	227,700	
LIBRARIES						
Improvements to library provision outside Oakham - RCC Option	Refurbishment of building including ICT replacement and upgrade of children's area	RCC	106,600	0	106,600	2016
Improvements to library provision outside Oakham - UTC NP Option	TBD	UTC	TBD		TBD	TBD
Sub-Total			106,600	0	106,600	
MUSEUMS						
	Development of Heritage and Cultural facilities.	RCC	142,100	62,200	79,900	2016-2018
Sub-Total			142,100	62,200	79,900	
ECONOMIC DEVELOPMENT						
	Oakham and Uppingham Town Centre Management	RCC	660,000	415,000	245,000	2016-2021
	Improved Broadband Connectivity	RCC	300,000	0	300,000	
Sub-Total			960,000	415,000	545,000	

Appendix 1

	Primary Infrastructure (necessary to support development and growth)	Lead Delivery Agency	Cost (£)	Committed or Projected Funding (£)	Funding Gap - Required Developer Contribution (£)	Indicative Phasing
Outdoor Sports and Playing Fields						
	County Sports Provision	RCC	1,349,700	465,500	884,200	2020
Sub-Total			1,349,700	465,500	884,200	
Indoor Sports Facilities						
Expand or re- modelling of existing indoor facilities eg Halls or Pools	County Sports Provision	RCC	3,710,000	3,592,000	118,000	2017
Sub-Total			3,710,000	3,592,000	118,000	

Summary

Service Areas	Cost (£)	Committed or Projected Funding (£)	Funding Gap - Required Developer Contribution (£)
Highways, Transport and Waste	7,012,000	2,999,700	4,012,300
Health and Social Care	971,000	385,800	585,200
Education, Learning and Skills	9,506,100	4,100,000	5,406,100
Emergency Services	1,077,700	850,000	227,700
Economic Development	960,000	415,000	545,000
Culture and Leisure	5,308,400	4,119,700	1,188,700
Overall Total	24,835,200	12,870,200	11,965,000

Appendix 2

Proposed CIL Instalment Policy

Number of dwellings / 1000m2 non-residential development	Number of Instalments	Total Timescale for Instalments	Payment Amounts (%)	Payment Periods (Days from Commencement)
1	2	270 days (9 months)	10	60.
			90	270
2 to 5	3	365 days (1 year)	10	60
			45	270
			45	365
6 to 25	3	548 days (18 months)	10	60.
			45	365
			45	548
26 to 50	4	730 days (2 years)	10	60.
			30	365
			30	548
			30	730
51 to 100	5	1095 days (3 years)	10	60.
			23	365
			23	548
			23	730
			23	1095
101 to 200	6	1460 days (4 years)	10	60.
			18	365
			18	548
			18	730
			18	1095
			18	1460
201 to 300	7	1825 days (5 years)	10	60.

Appendix 2

			15	365
			15	548
			15	730
			15	1095
			15	1460
			15	1825
300+	8	2190 days (5 years)	10	60.
			13	365
			13	548
			13	730
			13	1095
			13	1460
			13	1825
			12	1826

Evidence of S106 Agreements to Support Proposed CIL

Development Description	Site Type	Value of Developer Contributions	Size of Development Charged (m2)	Rate per m2
2 dwellings	15	7,640	507	15
18 dwellings	10	50,083	1361	37
2 Bungalows	15	10,441	222	47
1 dwelling	16	7171	120	56
2 dwellings	15	22320	281	79
96 Dwellings	4	750055	8160	92
1 dwelling	16	15,333	175	88
1 dwelling	16	5,800	95	61
1 dwelling plus 1 extension	15	8,187	70	117
1 dwelling	16	6,469	96	68
Extension to form new dw.	14	6,375	94	68
Replacement dwelling	16	5,360	127	42
1 dw barn conversion	16	8,064	142	57
1 dw barn conversion	16	7,782	69	113
Village Brownfield 25 dws*	8	252,007	2125	119
Total Value of S106 Agreements		1,163,087		
Total size of development charged			13,644	
Average Rate per m2 (ex AH)				85.2
Hawksmead Development*	1	7,677,688	93,160	82.4
*assuming average dw size of				

Appendix 3

85m2				
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Appendix 2 – Annual Delivery of Affordable Housing Compared to RCC Core Strategy Target

Affordable housing delivery (gross)		
Year	No.	Source
2006-07	13	HSSA 2008 Line n9a 2006-07 column
2007-08	23	HSSA 2008 Line n9a 2007-08 column
2008-09	62	NI155/Housing Strategy
2009-10	9	NI155/Housing Strategy
2010-11	29	NI155/Housing Strategy
2011-12	26	AMR para. 7.20
2012-13 Q1 to Q3	22	TENS PI155
Total	182	

Policy CS11 of the Council's Core Strategy sets a minimum target of 40 affordable homes per year in the period 2009-2026. Over the period 2006-2012 (6 complete years) 160 AH have been built against a target of 240.

Modelled Site Types for Rutland CIL Viability Update

		2014 to 2019		2019 to 2026		Total	
	Site Typology	Units	%	Units	%	Units	%
4	Greenfield 2 Totals	82		82		164	27
	Areas A B and C Uppingham	82		82		164	
10	Medium greenfield	74		34		108	18
	Oakham Parks Site	40		0		40	
	H4 Ketton	34		0		34	
	H8 Ketton	0		34		34	
11	Urban edge	69		38		107	18
	H5/H6 Ketton	40		0		40	
	H7 Greetham	0		19		19	
	H9 Ryhall	0		9		9	
	Catmose Farm Park	18		0		18	
	9% of remaining windfall requirement of 234 split over two time periods	11		10		21	
13	Ex garage site	4		3		7	1
	3% of remaining windfall requirement of 234 split over two time periods	4		3		6	1
14	Town Village Infill	19		18		37	6
	16% of remaining windfall requirement of 234 split over two time periods	19		18		37	
15	Small Village Scheme	40		30		70	12
	H2/H3 Empingham allocations	10		0		10	
	26% of remaining windfall requirement of 234 split over two time periods	30		30		60	
16	Village House	54		53		107	18
	46% of remaining windfall requirement of 234 split over two time periods	54		53		107	
	TOTAL	342		258		600	100

Summary	2014-2019	2019 - 2016		
	Units	Units	Total Units	%
Site Type				
4 - Greenfield	82	82	164	27
10 – Medium Greenfield	74	33	108	18
11 – Urban Edge	69	38	107	18
13 – Ex Garage	4	3	7	1
14 – Town or Village Infill	19	18	37	6
15 – Smaller Village Scheme	40	30	70	12
16 – Single Village	54	53	107	18
TOTAL	342	258	600	100

Appendix 4

NB. Total windfall over period 2001-2012 = 655 dwellings of which;

- 46% have been on single plots (site type 16)
- 26% have been on small village sites (site type 15)
- 16% have been on Town/Village infill (site type 14)
- 9% have been on Urban Edge (site type 11)
- 3% have been on ex garage site (site type 13)

Remaining Windfall required to deliver approx. 600 additional unconsented dwellings after above allocations accounted for = $600 - 366 = 234$

Formula for Calculating the Chargeable Amount

1. 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).
2. 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_p = the index figure for the year in which planning permission was granted; and

I_c = 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—

$$Gr - Kr - \frac{(Gr \times E)}{G}$$

where—

G = the gross internal area of the chargeable development;

Gr = the gross internal area of the part of the chargeable development chargeable at rate R;

Kr = 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 Ex (as determined under paragraph (8)0, unless Ex 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 Ex must be calculated by applying the following formula -

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

where—

E_p = the value of E for the previously commenced phase of the planning permission;

G_p = the value of G for the previously commenced phase of the planning permission; and

Appendix 5

K_{pr} = the total of the values of K_r 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_r and E in paragraph (vii); or
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.