

Local Plan for the Bradford District

Bradford District Community Infrastructure Levy (CIL)

Charging Schedule



Community Infrastructure Levy Charging Schedule

Approved by Full Council on **[date to be inserted following full council approval]**

Charges Implemented on **1 July 2017**

Under the Planning Act 2008 and
Community Infrastructure Levy Regulations 2010 (as amended)

The City of Bradford Metropolitan District Council is a charging authority for the purposes of Part 11 Section 206 of the Planning Act 2008 and may therefore charge the Community Infrastructure Levy in respect of development in the Bradford District.

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i. Statement of Statutory Compliance

The Community Infrastructure Levy Charging Schedule has been approved and published in accordance with the Community Infrastructure Levy Regulations 2010 (as amended 2011, 2012, 2013, 2014 and 2015) and Part 11 of the Planning Act 2008 (as amended by Part 6 of the Localism Act 2011).

In setting the levy rates, the City of Bradford Metropolitan District Council has struck an appropriate balance between:

a) the desirability of funding from CIL in whole or in part the actual and 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 the District.

This Charging Schedule was approved by Bradford Council on [date to be inserted following full council approval]

This Charging Schedule will come into effect on 1 July 2017

1. Introduction

- 1.1 The Community Infrastructure Levy (CIL) is a levy that local authorities can choose to charge on new developments in their area. The money can be used to support development of the area by funding the infrastructure that the Council, local communities and neighbourhoods deem as necessary.
- 1.2 The City of Bradford Metropolitan District Council (the Council) is a charging authority for the purposes of Part 11 Section 206 of the Planning Act 2008 and may, therefore charge the Community Infrastructure Levy in respect of development in the Bradford District. This document is the Charging Schedule for the Bradford District Community Infrastructure Levy (CIL). The document sets out the Charging Schedule, the general principles of CIL and its links to Section 106 planning obligations. It has been prepared in accordance with the Planning Act 2008 and the Community Infrastructure Levy Regulations 2010 as amended by the Community Infrastructure Levy (Amendment) Regulations 2011, 2012, 2013, 2014 and 2015

2. General Principles

- 2.1 The CIL is a tariff system that local authorities can choose to charge on new development in their area by setting a Charging Schedule. The Charging Schedule will sit alongside the Bradford District Local Plan, but will not form part of the statutory development plan.
- 2.2 Once adopted, CIL is fixed, non-negotiable and enforceable. CIL will be charged on new development. It is charged per square metre on net additional gross internal floor-space of development. CIL is not charged on affordable housing and buildings used for charitable purposes.
- 2.3 The amount payable will be set at the time planning permission is granted and payment will be due at the commencement of development. Larger

amounts will be payable in instalments over fixed time periods, in-line with any instalment policy.

- 2.4 The process for setting and implementing the Charging Schedule is set out in the CIL Regulations 2010, together with subsequent amended CIL Regulations in 2011, 2012, 2013, 2014 and 2015. Under the CIL Regulations restrictions have come into force for existing planning obligations (Section 106 agreements) from April 2015. This will significantly restrict the current use and pooling of planning obligations.

3. Planning Obligations (Section 106) and CIL

- 3.1 The CIL is intended to provide infrastructure to support the development of an area rather than making an individual planning application acceptable in planning terms, which is the purpose of a planning obligation (Section 106 Agreement). CIL can be collected on a range of developments and then 'pooled' in the style of a tariff. The pooled levy can then be spent on a range of infrastructure, providing greater flexibility in the delivery of local infrastructure.
- 3.2 CIL will not fully replace planning obligations. The existing Section 106 (S106) system will remain in place, but has been scaled back to ensure that CIL is the key mechanism for pooled infrastructure funding. Planning obligations will continue to be the primary mechanism for securing affordable housing through the planning system. In addition, they will still be used to mitigate the direct impact of the development proposed, for site specific measures to make a development acceptable in planning terms.
- 3.3 The CIL Regulations restrict the use of planning obligations to ensure that developments are not charged twice for the same infrastructure type or project (i.e. through both a planning obligation and a CIL charge). The Council is therefore required to publish a list of infrastructure it intends to fund via CIL (Regulation 123 list), to accompany the Charging Schedule. When a CIL charge is introduced S106 requirements will only be used for

those matters directly related to a specific site and which are not set out in the 123 list. Furthermore, from April 2015 the Council can only pool a maximum of five planning obligations towards a particular piece or type of infrastructure, dating back to 6 April 2010.

4. Development Liable for CIL

- 4.1 The levy is generally payable on the following types of development:
- Development comprising 100 square metres or more of new gross internal floor area.
 - Development of less than 100 square metres of new floor space that results in the creation of one or more dwellings.
 - The conversion of a building that is no longer in lawful use.
- 4.2 The owner of land is liable to pay the CIL, unless another party claims liability such as a developer or planning applicant. This is in-keeping with the principle that those who benefit financially from planning permission being granted should share some of that gain with the community. That benefit is transferred when the land is sold with planning permission, which also runs with the land.
- 4.3 The levy's charges will become due from the date that a chargeable development is commenced. The definition of commencement of development for the levy's purposes is the same as that used in planning legislation, unless planning permission has been granted after commencement. 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.

5. Calculating the CIL Charging Rates

- 5.1 The local authority must demonstrate that new or improved infrastructure is needed to support development in their area and what other sources of funding are available. It must also show a funding gap for the necessary infrastructure that demonstrates the need to put in place the levy.
- 5.2 In setting rates in a charging schedule the local authority must also have regard to the potential effects of the imposition of CIL on the economic viability of development across its area and, in its informed judgement, strike an appropriate 'balance' between the desirability of funding infrastructure from the levy and the potential impact on viability.
- 5.3 A charging authority must set out its levy rate(s) in a charging schedule. In order to set the CIL rates the Council has considered evidence on the infrastructure requirements and viability of development across the District. Based on this evidence the Council has made a reasoned judgement as to the appropriate level at which to charge CIL.
- 5.4 The Council submitted the CIL Draft Charging Schedule for independent examination on 11 May 2016. The CIL examination hearing was held on 4 October 2016 and the examination report was received by the Council in December 2016. The examination report recommended approval of the Charging Schedule, subject to two modifications considered necessary to meet statutory requirements. Subject to these modifications the examination concluded that the Bradford District CIL Charging Schedule satisfies the requirements of Section 212 of the 2008 Planning Act and meets the criteria for viability in the CIL Regulations 2010 (as amended). The modifications have been made to the final CIL Charging Schedule. The CIL examination report is available to view on the Council's website: www.bradford.gov.uk/planningpolicy

6. Evidence Documents for CIL

6.1 The following supporting evidence documents informed the production of the Charging Schedule and were made available for inspection / comment:

- Bradford Community Infrastructure Levy Viability Evidence (DTZ, June 2015)
- Bradford CIL Viability Evidence Update (Cushman & Wakefield (formerly DTZ), December 2015)
- Local Infrastructure Plan (CBMDC, June 2015, December 2015 and March 2016 Updates)
- Council responses to representations on the Preliminary Draft Charging Schedule (CBMDC, 2015).
- Council response to representations on the Draft Charging Schedule (CBMDC, 2016).
- Draft Regulation 123 List (CBMDC)

6.2 The Council submitted the Draft Charging Schedule for examination on 11 May 2016. During the examination period further evidence was presented by the Council and considered as part of the examination.

6.3 All the evidence documents are available on the Council's website:
www.bradford.gov.uk/planningpolicy

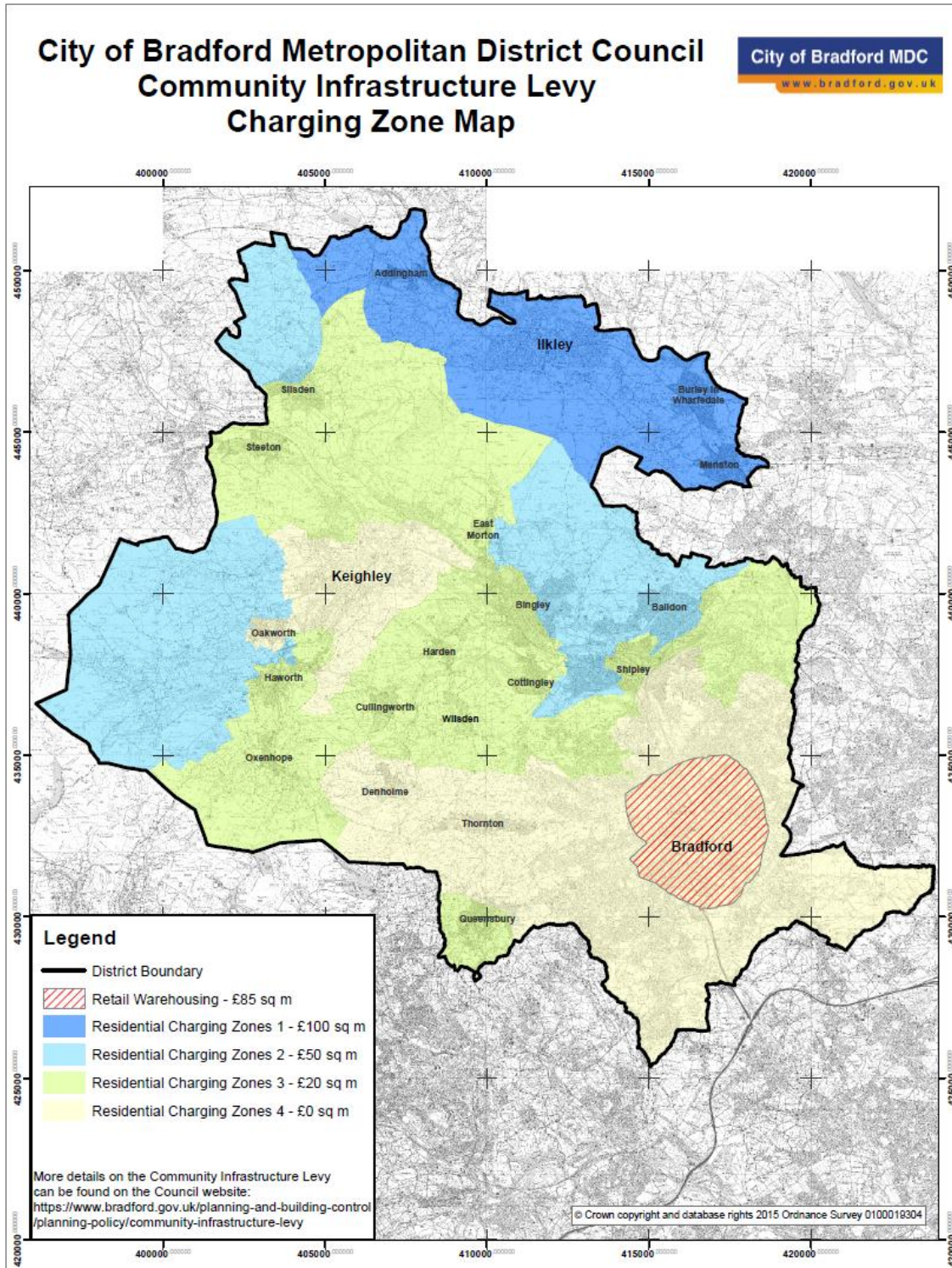
7. The Charging Schedule Rates

7.1 The Council's charging rates are set out in the table below. The Charging Schedule is primarily concerned with the rates proposed rather than the Council's mechanism for allocating the revenue.

Type of Development	Charging Schedule CIL Charging Rates (per sq. m)
Residential- Zone 1 (C3) ¹	£100
Residential - Zone 2 (C3) ¹	£50
Residential - Zone 3 (C3) ¹	£20
Residential - Zone 4 (C3)	£0
Retail warehousing ² - Central Bradford	£85
Large Supermarket (>2000 sq m)	£50
All other uses not cited above	£0
<p>¹ Excludes specialist older persons' housing (also known as Sheltered/Retirement/Extra Care) defined as residential units which are sold with an age restriction typically to the over 50s/55s with design features, communal facilities and support available to enable self-care and independent living.</p> <p>² Retail warehouses are usually large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items and other ranges of goods. They can be stand-alone units, but are also often developed as part of retail parks. In either case, they are usually located outside of existing town centres and cater mainly for car-borne customers. As such, they usually have large adjacent, dedicated surface parking.</p>	

7.2 The residential and retail warehousing charging zones are shown on the CIL charging zone map. An interactive version of the map is also available on the Council's website at: www.bradford.gov.uk/planningpolicy

CIL Charging Zone Map



8. Regulation 123 List

- 8.1 The Council is required to set out a list of those projects or types of infrastructure that it intends will be, or may be, wholly or partly funded through the CIL. The list does not identify priorities for spending within it, or any apportionment of the CIL funds across the District, and does not signify a commitment from the Council to fund the projects listed through the CIL.
- 8.2 The list is based on the infrastructure requirements set out in the Local Plan Core Strategy and the Council's updated infrastructure planning evidence (LIP). The Regulation 123 List is available to view on the Council's website at: www.bradford.gov.uk/planningpolicy
- 8.3 The Council will review this list at least once a year, as part of the monitoring of CIL collection and spend, and any changes to the list will be justified, clear and subject to appropriate local consultation.
- 8.4 The Council will work with local communities and Parish, Town and Community Councils to agree local priorities for spend. The 'meaningful proportion' held by local communities may be spent on items on the Regulation 123 List, but it does not have to be, provided that it meets the requirement to support the development of the area.
- 8.5 Once the neighbourhood portion of the CIL income has been allocated to the relevant neighbourhood in which the development has taken place, the remaining CIL money will be pooled and spent on strategic infrastructure priorities to support growth and economic development in the District. The infrastructure spending priorities will be informed by the Regulation 123 list. The predicted CIL income will not meet the estimated infrastructure funding gap. Therefore, CIL money will be spent on infrastructure priorities in conjunction with other sources of funding.
- 8.6 The CIL Regulation 123 restricts the use of Section 106 (S106) Obligations to ensure that individual developments are not charged for the

same infrastructure through the duplication of developer contributions. A S106 contribution cannot be made towards infrastructure projects on the Regulation 123 List.

- 8.7 From 6 April 2015, the use of S106 has been scaled back. S106's will still be used to provide affordable housing contributions and site specific matters to make a development acceptable in planning terms. S106 obligations will need to meet the tests in CIL Regulation 122 and 123. There will be a limit of pooling five separate obligations dated back to 6 April 2010 for an infrastructure project or type of infrastructure.
- 8.8 For clarity, the Council will publish a list that will outline the matters that will continue to be secured through S106 Obligations.

9. Exemptions and Payment Terms

- 9.1 The CIL Regulations (as amended 2015) exempt the following from paying the CIL:
- Where the gross internal floor area of new buildings or extensions would be less than 100 square metres (unless the development will result in the creation of one or more dwellings).
 - Development by registered charities of their own land to be used wholly or mainly for their charitable purposes.
 - The conversion of any building previously used as a dwelling house to two or more dwellings.
 - Floorspace resulting from a change of use development where part of the building has been in continuous lawful use for at least six months in the three years prior to the development being permitted.
 - Development of buildings and structures into which people do not normally go (e.g. pylons, wind turbines, electricity sub stations).
 - Buildings into which people go only intermittently for the purpose of maintain or inspecting fixed plant or machinery.
 - Residential extensions, annexes, houses and flats which are built by "self-builders".
 - Social Housing (that meets the relief criteria set in the Regulations).

- A building for which planning permission was granted for a limited period.
- Vacant buildings brought back into the same use.
- Where the levy liable is calculated less than £50 overall.
- Specified types of development as set out in the charging schedule which the Council has decided should be subject to a zero charge rate.

Exceptional Circumstances Relief

9.2 The CIL Regulations allow for the Council to provide further relief, at their discretion, to avoid rendering a site with specific and exceptional cost burdens unviable, should circumstances arise. The Council do not have to offer this relief, but if it chooses to do so, it must adopt a discretionary relief policy. This is not part of the charging schedule and may be published at a different time. Exceptional circumstances should be rare and should not constitute state aid. The Exceptional Circumstances Relief Policy can be viewed as a separate document available on the Council's website. It should be noted that the power to offer relief can be deactivated once a charging schedule is in place, in line with the CIL Regulations.

Phased Payments of CIL

9.3 The CIL Regulations allow for the Council to make provisions for phased payments of CIL. A phased payment approach and / or an instalment policy helps developers with cash flow, assisting in making more development viable, therefore, helping the charging system to be flexible. Phased payments can be permitted where a planning application is subdivided into phases for the purpose of the levy. This is expected to be especially useful for large scale development, which are likely to be brought forward in a number of phases. Each phase would be a separate chargeable development and therefore liable for payment in line with any instalment policy in force. The principle of phased delivery must be

apparent from the planning permission. Bradford Council as a charging authority will consider offering phased payments.

Instalments Policy

- 9.4 The Council may adopt an instalments policy which allows developers to pay their CIL charge in instalments to provide flexibility in the CIL charging regime. Without such a policy, the whole of the CIL charge is liable on the commencement of development. Instalment policies can assist with development viability and delivery by improving the cash flow of a development (as the CIL payment is not paid upfront).
- 9.5 The details of any instalments policy will be set out in a separate document. Any instalments policy is required to be published on the Council's website; and can be revised, or withdrawn as appropriate, in-line with the CIL Regulations.

Payments in Kind

- 9.6 The CIL Regulations allow for the Council to accept payments in kind, in the form of land or infrastructure, to be offset against the CIL liability where agreed by the Council as more desirable instead of monies. The value of both land and infrastructure payments must be equal to the value of the land / infrastructure required.
- 9.7 This must only be done with the intention of using the land to provide, or facilitate the provision of, infrastructure to support the development of the area. The Council does not have to adopt a payment in-kind policy, but should it choose to do so, it must publish a policy document which sets out conditions in detail. This is not part of the charging schedule and may be published separately.
- 9.8 Where a levy is to be paid as land or infrastructure, a land or infrastructure agreement must be entered into before development commences. This

must include the information specified in CIL Regulations and be provided to the same timescales as cash payments. This may be by way of instalments if applicable and practicable. Land paid in kind may contain existing buildings and structures, and land or infrastructure must be valued by an independent valuer who, in the case of land, will ascertain its open market value, and in the case of infrastructure the cost (including related design cost) to the provider. This will determine how much liability it will off-set.

- 9.9 Where land is required within a development to provide built infrastructure to support that specific development, it will be expected that any land transfer will be at no cost to the Council and will not be accepted as a CIL payment in kind.

10. Review of the Charging Schedule

- 10.1 Charging authorities must keep the charging schedule under review and ensure that levy charges remain appropriate over time and may revise the charging schedule in whole or in part. Any revisions must follow the same processes as the preparation, examination, approval and publication of a charging schedule (as specified under the Planning Act 2008, particularly sections 211-214 as amended by the Localism Act 2011 and the CIL Regulations). If the Council wishes to stop charging the levy it may do so at any time by making a formal resolution to do so.
- 10.2 Government does not prescribe when reviews should take place. National Planning Practice Guidance advises that charging authorities should take account of market conditions and infrastructure needs and consider linking a review of their charging schedule to any substantive review of the evidence base for the Local Plan. At this time the Council is unable to set a date for the review of the rates, but it is anticipated that this will be linked to the future progress on the Local Plan. Details of any forthcoming review of the rates will be published on the Council's website, along with the appropriate consultation.

Appendix A.

Calculating the CIL Charge (Regulation 40 as amended)

Key points in calculating the CIL charge:

- The collecting authority must calculate the amount of CIL payable (“chargeable amount”) in respect of a chargeable development in accordance with the CIL Regulations.
- The chargeable amount is an amount equal to the aggregate of the amounts of CIL chargeable at each of the relevant rates.
- Where that amount is less than £50 the chargeable amount is deemed to be zero.
- The relevant rates are the rates, taken from the relevant charging schedules, at which CIL is chargeable in respect of the chargeable development.
- CIL is charged on the net floor area (gross internal area) of development chargeable.

1. The amount of CIL charge must be calculated by applying the following formula:

$$\text{CIL Charge} = \frac{\mathbf{R \times A \times I_p}}{\mathbf{I_c}}$$

Where:

A = the deemed net area chargeable at rate R, calculated in accordance with the section below;

I_p = the index figure for the year in which planning permission was granted

I_c = the index figure for the year in which the charging schedule containing rate R took effect

R = the relevant chargeable rate

If it is necessary to apply several rate(s) to a chargeable development, the total amount will equal the sum of the amounts of CIL charge calculated at each relevant rate.

The index is the national All-in Tender Price Index published from time to time by the Building Cost Information Service of the Royal Institution of Chartered Surveyors: the figure which should be used for a given year is the figure for 1st November of the preceding year.

2. Calculation of net chargeable area, A

A is calculated by:

$$\text{Net Chargeable Area (A)} = \frac{\text{GR} - \text{KR} - \{ \text{GR} \times \text{E} \}}{\text{G}}$$

Where:

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

G = the gross internal area of the chargeable development

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 on 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 below), unless Ex is negative, provided that no part of any building may be taken into account under both the above.

Ex is calculated by:

$$\text{EP} - (\text{GP} - \text{KPR})$$

Where:

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

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

KPR = the total of the values of KR for the previously commenced phase of the planning permission.

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