



**Vale
of White Horse**
District Council

South Oxfordshire and Vale of White Horse

Joint Local Plan 2041

EXAMINATION LIBRARY DOCUMENT

CIL03



Help us Shape the Future

Community Infrastructure Levy (CIL) CHARGING SCHEDULE

Your Vale - Your Future

November 2021

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1. BACKGROUND

- 1.1 In 2010, Government introduced the Community Infrastructure Levy (CIL) as the preferred mechanism for securing developer contributions towards infrastructure to support growth in an area.
- 1.2 The Council's first CIL Charging Schedule came into effect in November 2017 and was subsequently reviewed to reflect the adoption of Part 2 of the Vale of White Horse Local Plan 2031 in October 2019 and changes to the CIL Regulations in September 2019.
- 1.3 This revised Charging Schedule was formally adopted by the Council on 6 October 2021 and will be implemented from 1 November 2021. It includes a brief explanation of CIL and the rationale behind rate setting. New CIL rates for three separate zones across the District are set out in Table 1 on page 7.
- 1.4 Preparation of the Charging Schedule was supported by the following evidence documents, which can be found on the Council's website.
 - Two Infrastructure Delivery Plans (IDPs), which set out infrastructure requirements to support the delivery of planned development within the VOWH Local Plan 2031 at the time they were compiled;
 - A CIL Viability Assessment, undertaken by consultants on behalf of the Council, which comprised: Viability Assessment (April 2019); Viability Addendum (August 2020); and Viability Assessment Executive Summary (October 2020); and
 - An Infrastructure Funding Gap Statement, which compared the likely CIL income from anticipated new developments with the cost of infrastructure identified in the Infrastructure Delivery Plans.
- 1.5 Alongside the adoption of this CIL Charging Schedule, the Council has also adopted a revised Developer Contributions Supplementary Planning Document (SPD), with the same implementation date of 1 November 2021.

2. INTRODUCTION

- 2.1 The Community Infrastructure Levy (CIL) came into force in April 2010 and is a levy that local authorities can choose to charge on new development in their area. The money raised can be used to fund a wide range of infrastructure such as transport schemes, schools, community facilities, health and social care

facilities, parks, green spaces and leisure facilities.

- 2.2 Amendments to the Community Infrastructure Levy Regulations 2010 were introduced in September 2019. Significant changes included: removal of pooling restrictions for S106 obligations (i.e. the requirement that no more than five S106 obligations can fund a single infrastructure project); removal of the requirement for a Regulation 123 list (i.e. a list of infrastructure projects that CIL might be spent on); and introduction of a new requirement to produce an annual Infrastructure Funding Statement.
- 2.3 Vale of White Horse District Council, as the local planning authority, is classed as a charging authority and may therefore charge CIL in respect of development that takes place in the District¹. The Council has been charging CIL since November 2017 and reviewed its CIL rates in 2021 to take account of new policies and allocations set out within the VOWH Local Plan 2031 Part 2, as well as amendments to the Government's CIL Regulations.
- 2.4 CIL is not charged on affordable housing, buildings used for charitable purposes or self-build housing. CIL applies to all 'chargeable development' which is defined as:
- All new buildings, but excluding those into which people do not usually, or only occasionally, go (e.g. only to inspect machinery or structures such as electricity pylons or substations)
 - Developments of 100m² or more of additional gross internal floorspace
 - The creation of one additional dwelling, even if the gross internal floorspace is less than 100m²
 - Some developments not requiring planning permission (permitted development) will also be liable for CIL if they do not meet the exemption criteria.

3 INFRASTRUCTURE

- 3.1 The infrastructure requirements to support the growth set out in the adopted Vale of White Horse Local Plan 2031 are set out in the Infrastructure Delivery Plans, which provide the details of the infrastructure required to support growth in the District. The funding of this infrastructure comes from different sources (including Section 106 agreements, CIL, Government's Housing Infrastructure Fund and business rate retention). The CIL regulations require that, in order to

¹ Under the terms of Part 11 of the Planning Act 2008.

justify charging CIL, the Council must demonstrate that there is a 'gap' between the infrastructure needs of the District and the funding that is available, including anticipated CIL income. An Infrastructure Funding Gap Report was prepared to demonstrate this need.

4 CIL AND S106 AGREEMENTS

- 4.1 Section 106 agreements and Section 278 Highways Agreements will continue to be used to secure mitigation and affordable housing following the CIL review. The amended CIL regulations no longer contain a restriction on the pooling of monies from more than five S106 obligations to fund a single infrastructure project and both CIL and S106 funding can be secured towards the same piece of infrastructure without the limitation of pooling.
- 4.2 The Council has adopted a revised Developer Contributions Supplementary Planning Document (SPD), which identifies how the Council will ensure new development contributes towards the provision of infrastructure such as roads, schools, community facilities, leisure facilities, green and open spaces.

5 VIABILITY AND RATE SETTING

- 5.1 In order to establish levy rates for development, a charging authority should carry out a broad test of viability across its district, together with specific viability testing for strategic sites.
- 5.2 The Council commissioned consultants Aspinall Verdi to carry out a review of viability across the District, examining the cumulative impact of the policies in the Local Plan 2031 and CIL. This review was undertaken to assess the effect that any revised CIL rates would have on development viability.

Residential Development

- 5.3 The viability assessment has shown that development across the District is viable and that maximum CIL rates in the region of £570psm have been found to be achievable without compromising development viability.
- 5.4 The viability assessment provides evidence to support different residential CIL rates based on differing land values across the District. The eastern parishes (i.e. Abingdon, Appleford, Blewbury, Chilton, Cumnor, Drayton, Harwell,

Kennington, Milton, North Hinksey, Radley, South Hinksey, Sunningwell, Sutton Courtenay, Upton, Wootton and Wytham) have higher land values and can therefore sustain a higher CIL rate, which is reflected in the charging schedule. As the majority of brownfield development is likely to come forward in the built-up areas of Wantage, Grove and Faringdon, new development in these locations would not be able to sustain a higher CIL rate without prejudicing viability. Consequently, the Charging Schedule includes a separate charging zone covering these areas, which allows a higher CIL rate to be set for the rest of the District.

- 5.5 The strategic allocations within Part 2 of the Local Plan 2031 have also been tested against CIL. The sites which have been included within the Viability Assessment are:
- East of Kingston Bagpuize;
 - Dalton Barracks; and
 - North West Grove.
- 5.6 The infrastructure requirements to bring forward these sites are considerable and although some sites could bear a small CIL charge, our viability consultants have recommended that these sites do not pay CIL, but instead deliver their infrastructure requirements fully through S106/S278 agreements.
- 5.7 In addition, there are several strategic allocations which were exempt from paying CIL in the previous Charging Schedule. The exemption on these sites has been carried forward into this Charging Schedule. These sites are:
- Crab Hill;
 - Didcot Power Station;
 - East of Coxwell Road;
 - Grove Airfield;
 - Land South of Park Road;
 - Monks Farm;
 - North of Shrivenham;
 - South of Faringdon;
 - Valley Park; and
 - North-West Valley Park.

- 5.8 The viability assessment found that minor development (fewer than 10 dwellings) could support a higher CIL rate than major development, as it does not have to provide affordable housing.

Non-Residential Rates

- 5.9 The viability of non-residential development in the District has also been assessed. Business uses (including offices, industrial and distribution and retail) have been found unable to support a CIL charge. Although the assessment has shown that town centre retail uses cannot support a CIL charge, supermarkets and retail warehousing can continue to support the CIL rate of £117² (rounded).

Rate Setting

- 5.10 In arriving at our CIL rates, we must strike an appropriate balance between the need to fund the infrastructure required to support development and the potential effects that imposing CIL rates may have on the economic viability of development across our area. It is therefore important not to set rates at the margin of viability and we have made a reasoned judgment, providing a significant buffer to protect against unforeseen circumstances, such as an increase in build costs. Overall, we have taken account of the viability evidence in setting the charging zones as set out below.

6 CIL RATES

- 6.1 The CIL regulations allow us to set differential rates (including zero rates) for different geographical areas or for different land uses across our charging area. The CIL regulations also provide us with the ability to set differential rates in relation to scales of development.
- 6.2 The CIL rates, shown below in Table 1, are based on the recommendations from the CIL Viability Assessment. Some of the strategic sites are zero rated and not subject to CIL charges, as they will contribute towards infrastructure solely through S106 agreements. Figure 1 is a map of the CIL charging zones for the District. It identifies the strategic allocations which are CIL exempt.

² The charge is £116.78 based on current indexation. When CIL was first introduced the rate was £100.

Table 1: CIL Charges

Development Type	CIL RATE (£ per square metre)		
Residential Development (including student accommodation ³ , HMOs, age restricted and sheltered housing)	Zone 1: Eastern Parishes ⁴	Zone 2: Built up areas: Wantage, Grove and Faringdon ⁵	Zone 3: Rest of District
Major Schemes (10 dwellings and more net)*	£280	£100	£200
Minor Schemes (9 dwellings and fewer net)**	£340	£160	£260

* Schemes of between 6 and 9 dwellings in the Area of Outstanding Natural Beauty are charged as major development, where affordable housing contributions are provided.

** Other chargeable residential development (e.g. residential extensions over 100 sq m and annexes) will be charged at the relevant zone rate

Development Type	CIL RATE (£ per square metre)
Strategic Sites⁶	£0
Institutional accommodation: Extra-care, nursing and care homes	£0
Supermarkets and Retail Warehousing	£117
Residential rural exception site	£0
All other development	£0

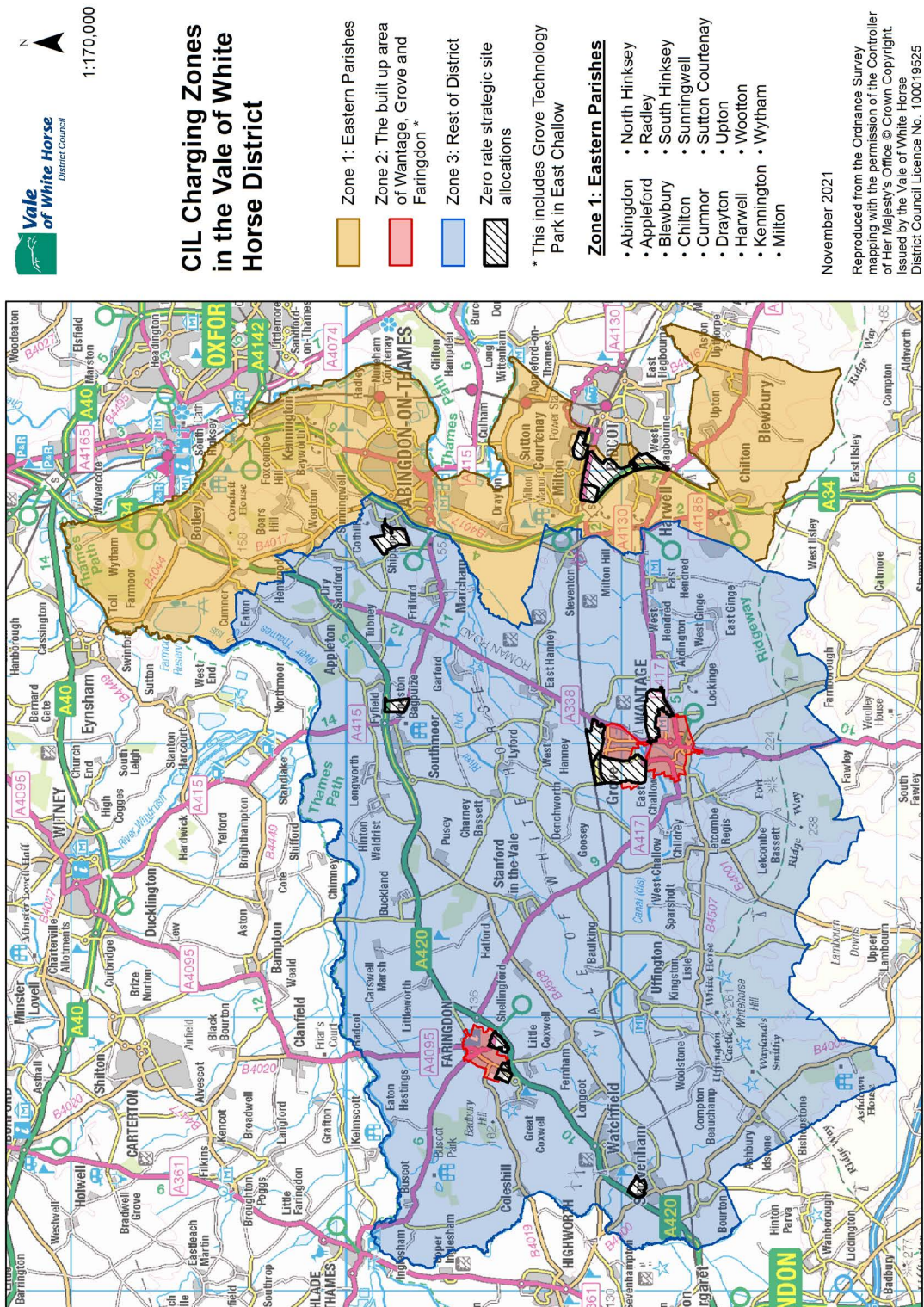
³ Student accommodation which is self-contained (e.g. studio flats) will be charged CIL at the relevant residential rate. Student accommodation of a communal nature (e.g. shared living areas and/or kitchens) will be nil rated.

⁴ The Eastern Parishes are: Cumnor, Wytham, North Hinksey, South Hinksey, Kennington, Wootton, Sunningwell, Radley, Abingdon, Drayton, Sutton Courtenay, Appleford On Thames, Milton, Harwell, Chilton, Upton, and Blewbury

⁵ This includes Grove Technology Park in East Challow

⁶ Strategic allocated sites: LPP1: Crab Hill, Didcot Power Station, East of Coxwell Road, Faringdon, Grove Airfield, Land South of Park Road Faringdon, Monks Farm, North of Shrivenham, South of Faringdon, Valley Park, North West Valley Park, LPP2: Dalton Barracks, East of Kingston Bagpuize, North West Grove.

Figure 1 – CIL Charging Map



7 NEIGHBOURHOOD FUNDS

- 7.1 The Regulations require the Council to pass on a proportion of the revenues from CIL receipts to the towns and parishes within which the chargeable development took place. Parishes with a Neighbourhood Plan will receive 25 per cent of the CIL revenue from new development within their neighbourhood plan area. Parishes without a Neighbourhood Plan will receive 15 per cent of the levy revenue, subject to a cap of £100 per existing council tax dwelling per year.
- 7.2 CIL must be spent on infrastructure. To ensure transparency, both the Council and the town or parish council must report annually on how CIL receipts have been spent. By 31 December each year, the Council must produce an Infrastructure Funding Statement and the town or parish council must submit a financial report to the Council. Both are then published on the Council's website.

8 CALCULATING THE CHARGEABLE AMOUNT

- 8.1 The amount of CIL charge a development is liable to pay is calculated according to Schedule 1 of the CIL (Amendment) (England) (No. 2) Regulations 2019. The method involves multiplying the relevant CIL rate for the type/location of the development by the net additional floorspace – and factoring in an inflation measure to allow for changes in building costs over time. A summary of the method is set out below:

CIL rate x Net additional new build floorspace x Inflation measure

- 8.2 The inflation measure used will be the national 'All-in Tender Price Index' published by the Building Cost Information Service (BCIS) or the Royal Institution of Chartered Surveyors (RICS). The inflation measure involves dividing the Index costs from the year planning permission is granted, by the Index costs from the year the Charging Schedule is adopted. Full details of the method are set out in the Regulations.
- 8.3 The CIL Regulations specify that where the overall chargeable amount on a scheme is less than £50, it is deemed to be zero.
- 8.4 In certain circumstances, where a development includes the demolition of an existing building, the existing Gross Internal Area (GIA) can be deducted from the proposed floorspace. These deductions in respect of demolition or change of use will only apply where the existing building has been in continuous lawful use for at least six months in the 3 years prior to the development being permitted and is still in situ on the day planning permission is granted.

9 EXEMPTIONS

- 9.1 Most development that involves the creation of buildings that people normally use will be liable to pay CIL⁷. However, the Regulations provide for several exemptions to CIL⁸ against which the levy will not be charged, including:
- New buildings or extensions under 100 sqm of gross internal floor space, which do not involve the creation of a new dwelling;
 - Dwellings built by 'self-builders'
 - The change of use, conversion or subdivision of a building that does not involve an increase in floorspace;
 - The creation of a mezzanine floor within a building;
 - Temporary development permitted for a limited period;
 - Buildings into which people go only intermittently for the purpose of inspecting or maintaining fixed plant or machinery
 - Vacant buildings brought back into the same use;
 - Structures which are not buildings, such as pylons or wind turbines;
 - Affordable housing (defined as social rented and intermediate housing) provided through a local housing authority, registered provider or charitable body; and
 - Development by charities for charitable purposes.
- 9.2 CIL is charged on the gross internal floorspace⁹ of new development. Where planning permission is granted for a development that involves the extension or demolition and then rebuild of a building in lawful use¹⁰, the level of CIL payable will be calculated based on the net increase in floorspace. This means that the existing floorspace contained in the building to be extended or demolished will be deducted from the total floorspace of the new development when calculating the CIL liability.

⁷ This includes development permitted by a general consent (including permitted development)

⁸ Under Part 6 of the CIL Regulations 2010 (as amended)

⁹ The gross internal floorspace is the internal area of the building, and should include rooms, circulation and service space such as lifts and floorspace devoted to corridors, toilets, storage, ancillary floorspace (e.g. underground parking) etc.

¹⁰ The definition of lawful use is contained in Schedule 1 Part 1 of the CIL (Amendment) (England) (No. 2) 2019 states that "...contains a part that has been in lawful use for a continuous period of at least six months within the period of three years ending on the day planning permission first permits the chargeable development."

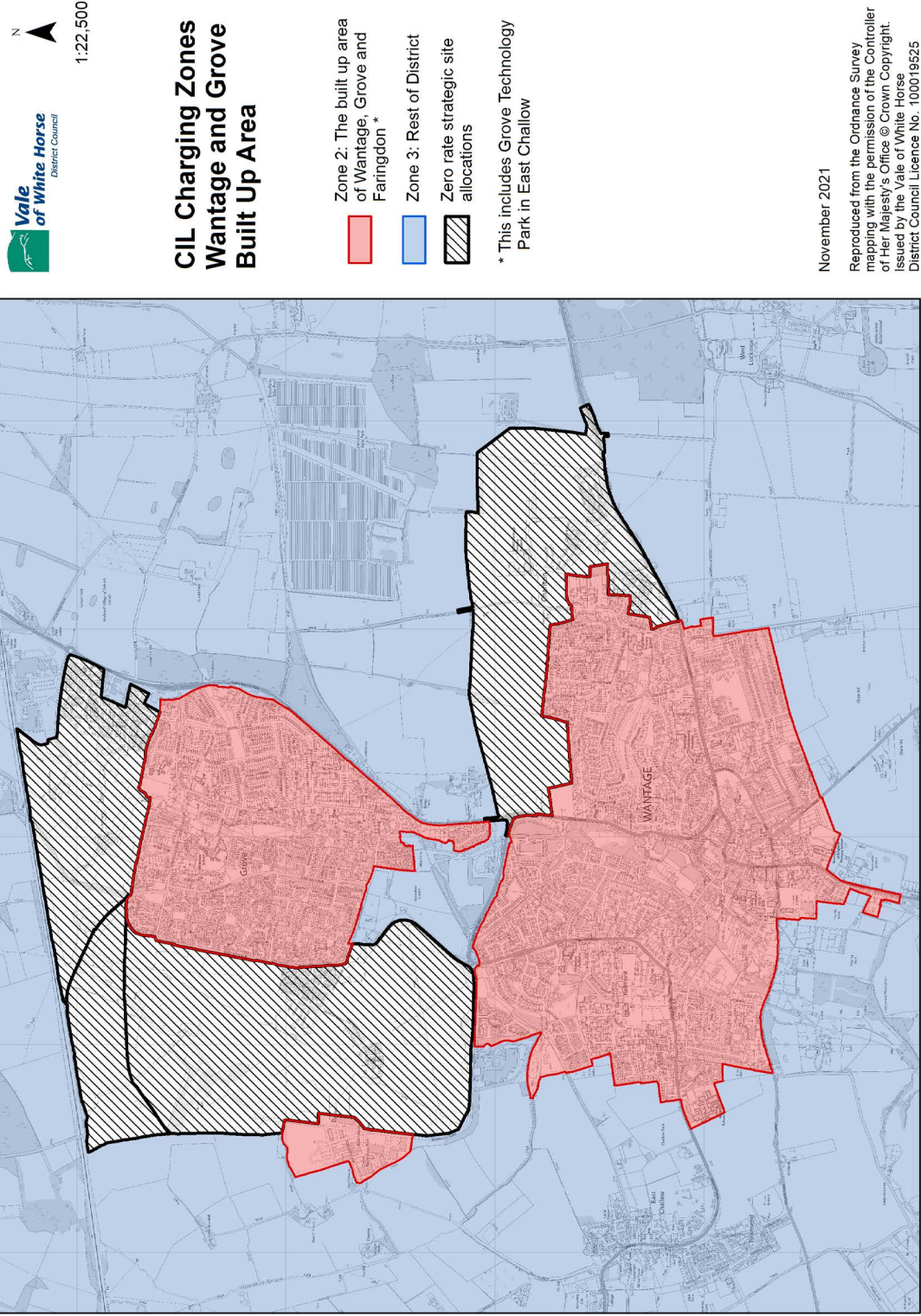
- 9.3 The Council can claw back any CIL relief where a development no longer qualifies for that relief within a period of seven years from the commencement of the development. For example, should a charity develop a building for charitable purposes and subsequently sell the building to the open market within seven years, then the Council will be able to claw back the CIL that would have been charged on the building had it been originally used for private use. Should a self-builder find that they must sell or rent the new dwelling within 3 years of the commencement of the development then the Council will then seek to clawback any CIL relief provided.
- 9.4 Under CIL Regulation 55, a council can choose to offer exceptional circumstances relief, if charging CIL would have an unacceptable impact on the economic viability of a particular development. Exemptions can also be made for charitable institutions, where this would constitute State Aid (under CIL Regulation 45). However, in the Vale of White Horse District, neither discretionary charity relief nor exceptional circumstances relief are currently available and the Council does not propose to revise its exemptions policy.

10 SPENDING CIL AND REPORTING

- 10.1 CIL revenue will be spent on the infrastructure needed to support development in the Vale. How CIL is spent is currently set out within our CIL Spending Strategy. In addition, the Council will produce an Infrastructure Funding Statement which will be published annually by 31 December. The Infrastructure Funding Statement reports on all funds secured, received and spent in the previous financial year for CIL and S106. Oxfordshire County Council will also produce its own Infrastructure Funding Statement annually in the same way.
- 10.2 Vale of White Horse District Council will use 5% of the CIL revenue to fund the administration costs of the Levy.

APPENDICES

Appendix A - Zone 2 Inset Maps

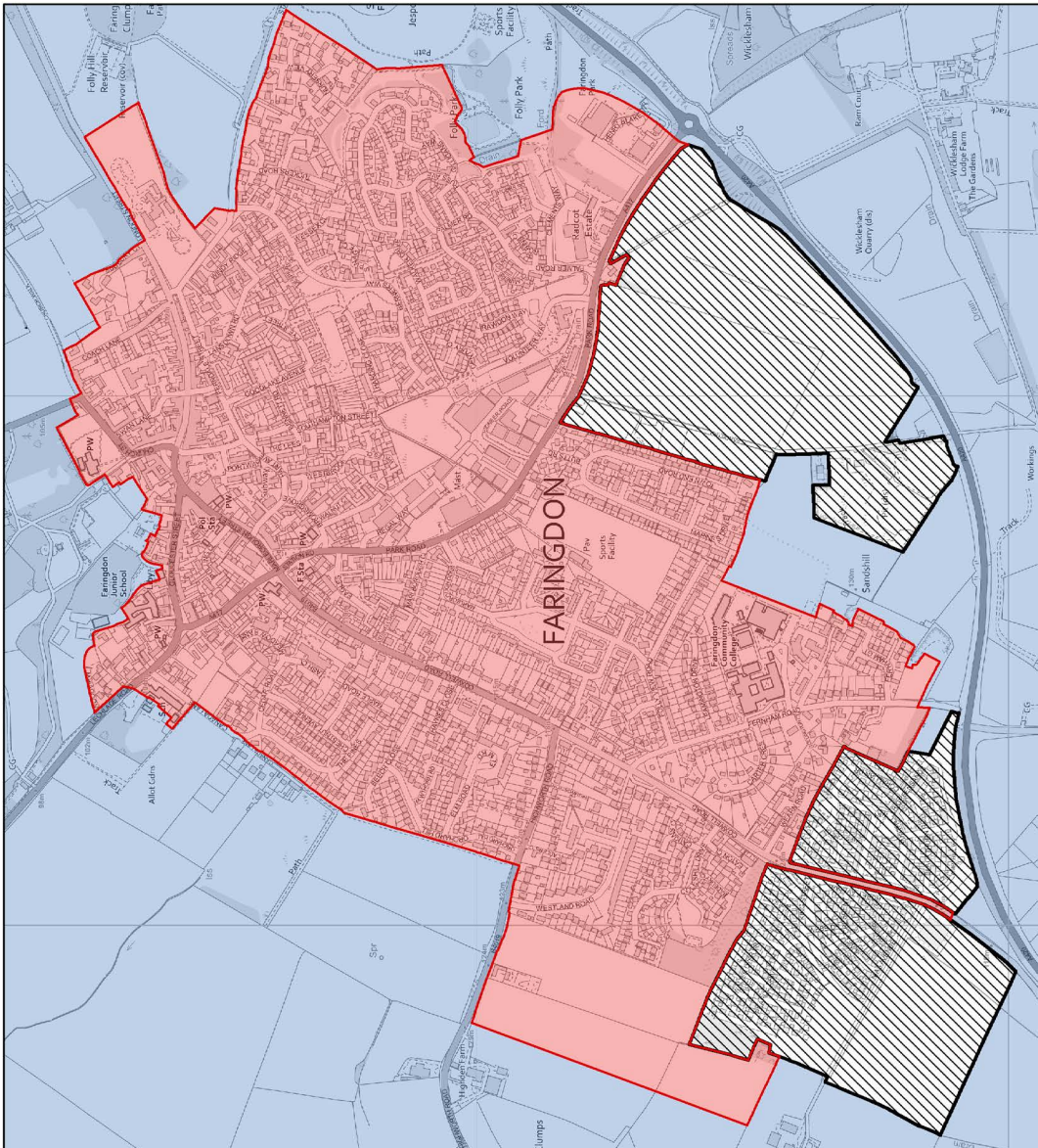




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CIL Charging Zones Faringdon Built Up Area

- Zone 2: The built up area of Wantage, Grove and Faringdon
- Zone 3: Rest of District
- Zero rate strategic site allocations



November 2021

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