

# **Newport City Council**

## **Community Infrastructure Levy**



### **Draft Charging Schedule**

**April 2016**



## 1. Introduction

- 1.1 The Community Infrastructure Levy (CIL) is a planning charge on new development in Newport which will help fund supporting infrastructure necessary to deliver growth.
- 1.2 This Draft Charging Schedule sets out the rates that the Council is proposing to charge and what types of new development will be expected to pay. The Charging Schedule has been prepared in accordance with the requirements of the Community Infrastructure Levy Regulations 2010 (as amended).

## 2. Consultation

- 2.1 The Draft Charging Schedule has undergone two rounds of public consultation. A Preliminary Draft Charging Schedule consultation took place between 26 June 2015 and 7 August 2015 and a Draft Charging Schedule consultation occurred between 29 January 2016 and 11 March 2016. Representations received have all been considered accordingly.

## 3. Draft CIL Rates

- 3.1 Newport City Council will be the charging authority for the purpose of charging the Newport City Council CIL.
- 3.2 Newport City Council intends to charge CIL as set out in the tables below. The rates are expressed as pounds per square metre.

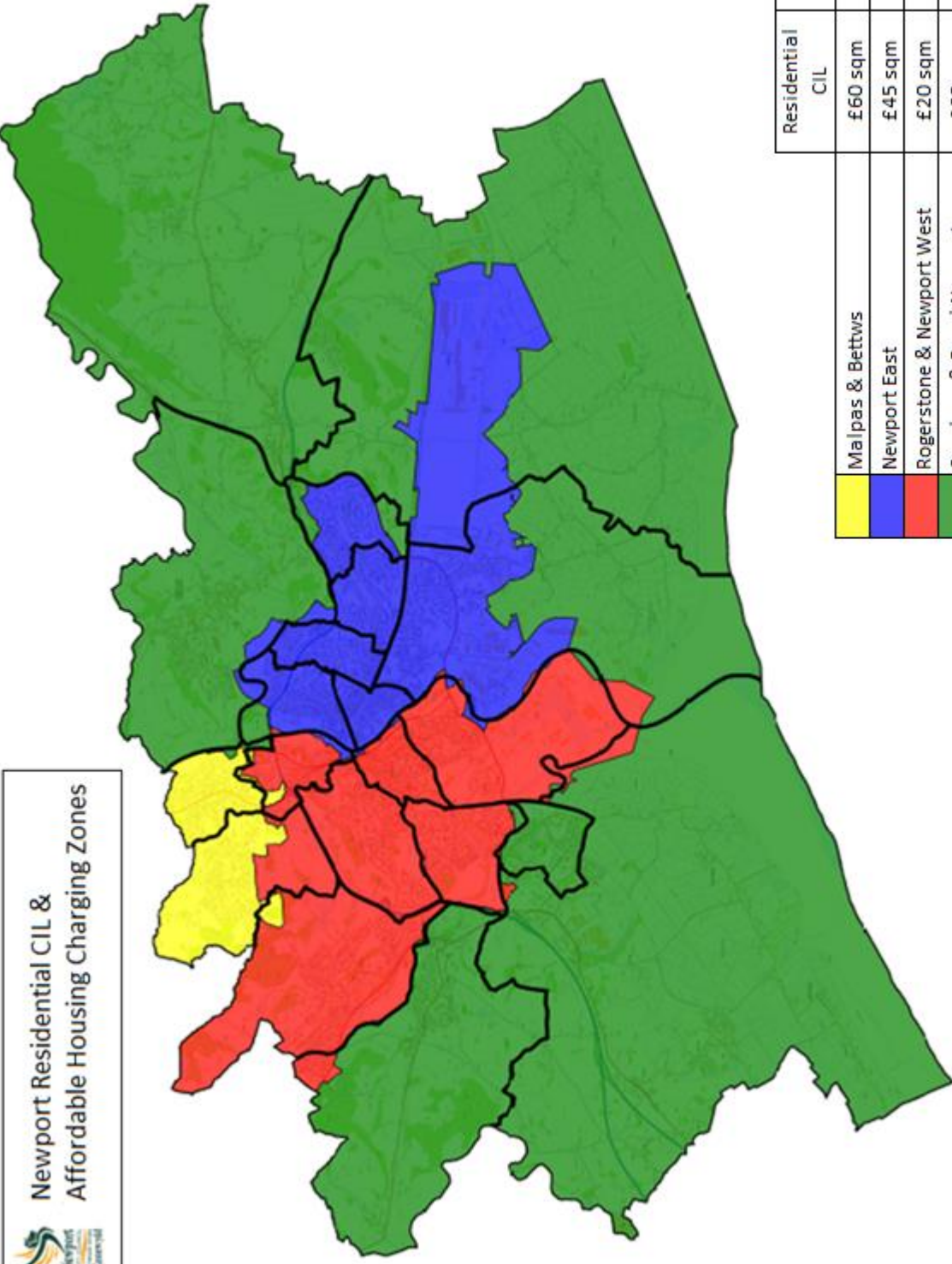
Table 1: Residential CIL Rates

<b>Apartments</b>	<b>£0</b>
<b>Malpas &amp; Bettws</b>	<b>£60 sqm</b>
<b>Newport East</b>	<b>£45 sqm</b>
<b>Rogerstone/Newport West</b>	<b>£20 sqm</b>
<b>Caerleon/Rural Newport</b>	<b>£60 sqm</b>

A map illustrating the location and boundaries of the areas in which the differential rates are charged appears overleaf. The CIL zones are based on the same areas as defined by the Affordable Housing Target Areas in the Local Development Plan 2011-2026.

Table 2: Other CIL Rates

<b>All Retail A1-A3 (Excluding Food Supermarkets)</b>	<b>£50 sqm</b>
<b>Food Supermarket A1 (less than 3000 sqm)</b>	<b>£100 sqm</b>
<b>Food Supermarket A1 (3000 sqm or more)</b>	<b>£150 sqm</b>
<b>All Other Non-Residential Uses excluding retail</b>	<b>£0 sqm</b>



Newport Residential CIL & Affordable Housing Charging Zones



	Residential CIL	Affordable Housing
Malpas & Bettws	£60 sqm	10%
Newport East	£45 sqm	20%
Rogerstone & Newport West	£20 sqm	30%
Caerleon & Rural Newport	£60 sqm	40%

Newport City Council 100024210 (2015) Not to Scale

#### **4. Calculating CIL**

- 4.1 The chargeable amount will be calculated at the time planning permission is first granted.
- 4.2 The calculation for CIL will be set out in accordance with the formula set out in the CIL Regulations:

$$(R \times A \times Ip) \div Ic$$

R = the CIL Rate set out in Tables 1 and 2 above

A = the deemed net area chargeable at rate R

Ip = the index<sup>1</sup> figure for the period in which planning permission was granted

Ic = the index figure for the period in which the charging schedule took effect

- 4.3 CIL will be charged on the net additional gross internal floor area of a development. Where buildings are demolished, the total of the demolished floor space will be off-set against the floor space of the new buildings, providing the buildings were in lawful use prior to demolition. Where a chargeable amount is calculated to be less than £50, the charge is waived.
- 4.4 Where there is more than one use class in a development, the chargeable development in each use class is calculated separately and then added together to establish the total sum.
- 4.5 In the case of an outline planning permission which permits development to be implemented in phases, each phase of the development is deemed to be a separate chargeable development. In the case of outline planning applications where the floorspaces of the development have not yet been determined, the amount will be calculated at the submission of reserved matters applications and the liability notice will follow the approval of reserved matters.

#### **5. CIL Instalment Policy**

- 5.1 The Council recognises that it might not be financially possible for developers to pay the total CIL charge for their development in one payment. Therefore the Council intends to introduce an instalments policy in accordance with Table 3 below:

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<sup>1</sup> The Council will use the Building Cost Information Service All-in Tender Price Index published by RICS.

Table 3: Proposed CIL Instalments

Total CIL Charge	No. of Instalments	Payment Period
Any amount less than £10,000	1	<ul style="list-style-type: none"> <li>• 100% within 90 days of the commencement date.</li> </ul>
£10,000 to £40,000	2	<ul style="list-style-type: none"> <li>• 40% within 90 days of the commencement date;</li> <li>• 60% within 180 days of the commencement date.</li> </ul>
£40,001 to £100,000	3	<ul style="list-style-type: none"> <li>• 30% within 90 days of the commencement date;</li> <li>• 30% within 180 days of the commencement date;</li> <li>• 40% within 270 days of the commencement date.</li> </ul>
£100,001 to £200,000	4	<ul style="list-style-type: none"> <li>• 20% on the commencement date;</li> <li>• 25% within 180 days of the commencement date;</li> <li>• 25% within 270 days of the commencement date;</li> <li>• 30% within 360 days of the commencement date.</li> </ul>
£200,001 to £1,000,000	4	<ul style="list-style-type: none"> <li>• 20% on the commencement date;</li> <li>• 25% within 180 days of the commencement date;</li> <li>• 25% within 360 days of the commencement date;</li> <li>• 30% within 540 days of the commencement date;</li> </ul>
£1,000,001 to £2,000,000	5	<ul style="list-style-type: none"> <li>• 15% on the commencement date;</li> <li>• 15% within 180 days of the commencement date;</li> <li>• 20% within 360 days of the commencement date;</li> <li>• 20% within 540 days of the commencement date;</li> <li>• 30% within 720 days of the commencement date.</li> </ul>
Instalments for CIL charges in excess of £2,000,000 will be negotiated directly with the developer.		

5.2 The definition of development commencement is the same as used in planning legislation, unless planning permission has been granted after commencement.

- 5.3 On occasions where planning permission is granted retrospectively because the development has already been carried out, the commencement date for the purposes of CIL will be the day on which permission is granted.

## **6. CIL Exemptions**

- 6.1 CIL chargeable development does not include works to buildings into which people do not normally go or which people only go intermittently to inspect or maintain plant or machinery.
- 6.2 CIL is not chargeable on minor developments where the gross internal area of the new building or extension will be less than 100sqm unless the development will comprise one or more dwellings.
- 6.3 CIL is not chargeable on developments where the owner of the land is a charitable institution and the development will be used wholly or mainly for charitable purposes.
- 6.4 Social Housing (also known as Affordable Housing) and self-build housing is eligible for relief from CIL. Regulations 49-54 of the CIL Regulations 2010 (as amended) set out the conditions and procedures under which this exemption applies for social housing.
- 6.5 There is also discretionary relief for exceptional circumstances if there is a Section 106 planning obligation attached to a development, and the cost of that exceeds the CIL amount levied, whereby CIL would have an unacceptable impact on the economic viability of a development. In such exceptional circumstances, the onus will be placed on the developer to demonstrate that the development is unviable.

## **7. How will CIL be collected?**

- 7.1 When planning permission is granted, the Council will issue a liability notice setting out the amount that will be due for payment when the development commences. It will set out the payment procedure and the possible consequence of failure to comply with the payments.
- 7.2 The responsibility to pay CIL lies with the ownership of the land to which the development relates. If the land is sold, the CIL liability is transferred to the new owner.
- 7.3 The liable party must submit a commencement notice to the Council prior to the commencement of the development. The Council, as charging authority, will then serve a demand notice on the liable party or parties to pay the CIL.

## **8. How will the CIL be spent?**

- 8.1 CIL Regulation 123 requires the Council to publish a list of infrastructure that CIL revenue can be used to fund. The Council has published its 'Draft Regulation 123 List of Infrastructure' which sets out the Council's view of what infrastructure should be CIL funded.

The Regulation 123 List is available for inspection and comment as part of the Draft Charging Schedule consultation.

## **9. Monitoring**

9.1 The Council will publish an Annual CIL Report for the financial year which will detail:

- How much CIL money has been received;
- How the CIL money has been spent;
- The amount of CIL money retained for future expenditure.