



COMMUNITY INFRASTRUCTURE LEVY

DRAFT CHARGING SCHEDULE

MARCH 2014

Community Infrastructure Levy (CIL)

Draft Charging Schedule

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HOW TO COMMENT ON THIS CONSULTATION

Dudley Council previously consulted on the Preliminary Draft Charging Schedule in January 2013. Comments were received from 18 respondents, the consultation statement which can be found at the below link sets out a summary of each comment and the Council's response and action taken where considered appropriate.

<http://www.dudley.gov.uk/resident/planning/planning-policy/local-development-framework/cil/>

Following on from this preliminary consultation this consultation is therefore the second stage in preparing a CIL Charging Schedule. All responses will be fully considered before a Draft Charging Schedule is submitted to the Planning Inspectorate for independent examination.

An electronic copy of this document, along with the relevant supporting background evidence, are available on the Council's website at:

<http://www.dudley.gov.uk/environment-planning/planning/planning-policy/local-development-framework/community-infrastructure-levy>

Comments on the Draft CIL Charging Schedule should be addressed to:

Email:

ldf@dudley.gov.uk

Postal:

Planning Policy, 4 Ednam Road, Dudley, West Midlands, DY1 1HL

The consultation period runs for 6 weeks from Friday 14th March to Friday 25th April 2014.

Please note that comments received can't be treated as confidential as all comments must be made publicly available in accordance with government regulations.

GENERAL INFORMATION

This and other Local Development Documents are or will be made available on request in large copy print, audio version, Braille or languages other than English. If you require the document in one of these formats please contact:

Planning Policy Team, Directorate of the Urban Environment, 4 Ednam Road, Dudley, DY1 1HL or telephone 01384 814136 or email Ldf@dudley.gov.uk

Arabic

هذه مع بقية الوثائق لتنظيم العمل للتصميم المحلية متوفرة عند الطلب بطبقات مكبرة ، وعلى الكاسيت ، بريل ، أو بلغات غير اللغة الانكليزية. فلذا كنت بحاجة الوثيقة بعد من الاشكال التي ذكرت ، رجاء ا اتصل بفرق التخطيط لطريقة العمل (Policy) ،
مديرية البيئة المحلية = t أدنم رود ، ددلي دي واي 1 1 أيج أبل.
التلفون: 01384 814136 = أيه ميل ldf@dudley.gov.uk

Bengali

এই দলিল বা ডকুমেন্ট এবং অন্যান্য স্থানীয় উন্নয়ন বিবরণ কাঠামো সম্পর্কিত দলিলসমূহ অনুরোধে বড় অক্ষরের লেখা বা দার্ক প্রিন্টে, অডিও কেসেটে, ব্রেইলে কিংবা অন্যান্য ভাষায় পাওয়া যাবে। আপনি যদি এই দলিলটি উপরোক্ত যে কোন মাধ্যম বা ফরমেটে পেতে চান, তাহলে দয়া করে যোগাযোগ করুন: planning Policy Team, Directorate of the Urban Environment, Dudley Metropolitan Borough Council, 4 Ednam Road, Dudley, DY1 1HL.
টেলিফোন: 01384 814136, ইমেইল: ldf@dudley.gov.uk.

Chinese

這及其它地區發展架構的文件可因應需要而製成大字版, 語音版, 盲人點字或英文以外的語文. 如你需要文件轉為以上其中一個版本, 請聯絡政策計劃小組(Planning Policy Team), 城市環境保護署(Directorate of the Urban Environment), 得利市政府, 4 Ednam Road, Dudley, DY1 1HL. 電話: 01384 814136 或電郵: ldf@dudley.gov.uk

Gujarati

"આ અને અન્ય સ્થાનિક વિકાસ ફેમવર્ક દસ્તાવેજો મોટા નકલ પ્રિન્ટ, ઓડિયો આવૃત્તિ, બ્રેઇલ અથવા અંગ્રેજી સિવાય બીજી કોઈપણ ભાષામાં ઉપલબ્ધ છે અથવા કરવામાં આવશે. જો તમને આમાંથી કોઈપણ સ્વરૂપમાં દસ્તાવેજ જોઈતું હોય તો કૃપા કરી આમને સંપર્ક કરો

Planning Policy Team,

Directorate of the Urban Environment,

4 Ednam Road, Dudley,

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Punjabi

ਅਨੁਰੋਧ ਕਰਨ ਤੇ, ਇਹ ਦਸਤਾਵੇਜ਼ (ਹਿੱਸਬਤ ਜਾਣਕਾਰੀ) ਅਤੇ ਸੇਕਲ ਡਾਕੂਮੈਂਟ ਫਾਇਲਿੰਗ (ਸਿਧਾਨਕ ਵਿਕਾਸ) ਸੰਬੰਧੀ ਹੋਰ ਦਸਤਾਵੇਜ਼ ਵੱਲੋਂ ਅੱਖਰਾਂ ਵਿੱਚ ਅੰਗਰੇਜ਼ੀ ਭਾਸ਼ਿਤ ਤੇ ਕੰਪਿਊਟਰ ਕੀਤੇ ਹੋਏ, ਖਰੋਲ ਡਾਕੂਮੈਂਟ ਅਤੇ ਅੰਗਰੇਜ਼ੀ ਭਾਸ਼ਾ ਤੋਂ ਇਲਾਵਾ ਹੋਰ ਭਾਸ਼ਾਵਾਂ ਵਿੱਚ ਵੀ ਮਿਲ ਸਕਦੇ ਹਨ। ਜੇਕਰ ਤੁਸੀਂ ਕੋਈ ਦਸਤਾਵੇਜ਼ ਚਿੱਠੀ ਵਿੱਚੋਂ ਕਿਸੇ ਵੀ ਡਾਕੂਮੈਂਟ (ਦਸਤਾਵੇਜ਼) ਵਿੱਚ ਸੋਧਾ ਚਾਹੁੰਦੇ ਹੋ ਤਾਂ ਇਹਾ ਕਰਕੇ ਹੋਰ ਲਿਖਿ ਪੜੇ ਤੇ ਸੰਪਰਕ ਕਰੋ। Planning Policy Team, Directorate of Urban Environment, Dudley Metropolitan Borough Council, 4 Ednam Road, Dudley, DY1 1HL ਟੈਲੀਫੋਨ: 01384 - 814136 ਈ-ਮੇਲ ਖਤਾ: ldf@dudley.gov.uk

Urdu

پلاننگ پالیسی ٹیم سے درخواست کیے بغیر، اس دستاویز (معلوماتی) اور سیکل ڈاکومنٹ فائلنگ (سیڈانک ویکاس) سببندی ہور دستاویزوں کی طرف سے انگریزی میں لکھی گئی ہیں۔ اگر آپ کو اس دستاویز کی کاپی یا اس کے بارے میں مزید معلومات چاہیں تو، براہ کرم اس دستاویز کے ساتھ فراہم کردہ رابطہ معلومات سے رابطہ کریں۔ اس دستاویز کے بارے میں مزید معلومات کے لیے، براہ کرم اس دستاویز کے ساتھ فراہم کردہ رابطہ معلومات سے رابطہ کریں۔ Planning Policy Team, Directorate of Urban Environment, Dudley Metropolitan Borough Council, 4 Ednam Road, Dudley, DY1 1HL ٹیلی فون: 01384 814136 ای میل: ldf@dudley.gov.uk

INTRODUCTION

What is the Community Infrastructure Levy?

The Community Infrastructure Levy (CIL) is a new levy that Local Authorities can choose to charge on new developments. The money can be used to support development by funding infrastructure that the Council, local community and neighbourhoods want.

CIL is intended to supplement rather than replace other infrastructure delivery funding, and to provide infrastructure alongside new development within Dudley Borough, assisting in the delivery of sustainable development.

Reasons for implementing a CIL in Dudley

Almost all development has some impact on the need for infrastructure, services and amenities so it is only fair that such development pays a share of the cost. It is also right that those that benefit financially when planning permission is granted should share some of that gain with the community to help fund the infrastructure that is needed.

Implementing a CIL in Dudley will have a number of benefits including:

- Providing the Council with additional funding to carry out a wide range of infrastructure projects to support growth;
- Providing Developers with more certainty 'up front' as to how much they will be expected to contribute;
- Providing Local Communities with greater transparency, involvement and understanding of how new development is contributing to their community

Purpose of this document

This Draft Charging Schedule is published for consultation under Regulation 16 of the CIL Regulations (as amended). It provides the background to the proposed CIL Rates and is the second opportunity to comment on the proposed charges.

The Council will consider all representations received and, as a result, may recommend amendments to the Schedule prior to the independent examination of the Charging Schedule during 2014.

RELEVANT EVIDENCE

The CIL Regulations state that, in setting rates, the Council must aim to 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.

The Council has used a range of documents to inform the Preliminary Draft CIL rates which aim to strike such an appropriate balance. The three key documents are:

- **Black Country Core Strategy (February 2011)**

The Black Country Core Strategy sets out the vision, objectives and strategy for future development in the Black Country up to 2026. This Strategy sets out how much and what type of development will take place in Dudley Borough to 2026 and the broad locations of that development. Policy DEL1 'Infrastructure Provision' provides the policy basis for the collection of developer contributions and sets out the variety of infrastructure that can be funded through obligations and/or CIL.

- **Dudley Infrastructure Delivery Plan (updated August 2013)**

This document provides information on what funding is required and committed to delivering the infrastructure identified as necessary to accommodate growth in Dudley Borough.

In addition to the adoption of the Black Country Core Strategy, Dudley Council has also adopted the Brierley Hill Area Action Plan (August 2011) and is in the process of producing Area Action Plans for Stourbridge and Halesowen, all of which further consider infrastructure needs. These Plans have been used to inform the assessment of infrastructure needs; as infrastructure requirements change over time and therefore this evidence has been reviewed and tested, and where appropriate further information has been gathered on the most up-to-date infrastructure needs and their costs.

The Infrastructure Plan identifies a snapshot list of the strategic infrastructure requirements need to support growth; it is important to note that this does not comprise a fully inclusive list, rather a highlight of needs that can be identified and costed at this point in time; the Infrastructure Delivery Plan is a living document and the projects will be updated and added to as further information becomes available. The evidence identifies that there is a **total Funding Gap of £178 million** and focuses on the key areas of infrastructure as set out in the table overleaf:

Infrastructure	Cost	Funding Available	Funding Gap
Transport	£54,201,000	£38,406,000	£15,795,000
Air Quality	£1,232,200	£120,000	£1,112,200
Nature Conservation	£4,310,000	£0	£4,310,000
Canals and Rivers	£1,178,140	£0	£1,178,140
Libraries	£9,055,720	£5,253,000	£3,802,720
Public Realm	£58,524,810	£4,548,000	£53,976,810
Public Realm Maintenance	£50,709,971	£0	£50,709,971
Public Art	£370,000	£45,500	£324,500
Flood Management & Sustainable Drainage	£8,504,000	£3,684,000	£4,820,000
NHS	£19,250,000	£0	£19,250,000
15% Community Proportion	£23,291,901	£0	£23,291,901
Total	£230,627,742	£52,056,500	£178,571,242

Q1 – Do you agree that the Infrastructure Requirements are appropriately evidenced based and up-to-date and that a sound funding gap has been identified?

• Dudley CIL Viability Assessment (Updated January 2014)

This report provides an evidence base to identify and test variances in economic viability between defined geographical locations within the area and then to evaluate and analyse the potential impact of applying a range of levels of CIL on the viability of residential and non-residential development within Dudley Borough.

The report considers all development uses that have the potential to come forward in the Borough during the medium to long term. This not only takes into account expectations of market driven demand, but also the requirements for focused investment that are central to the delivery of the Black Country Core Strategy's vision for the Borough.

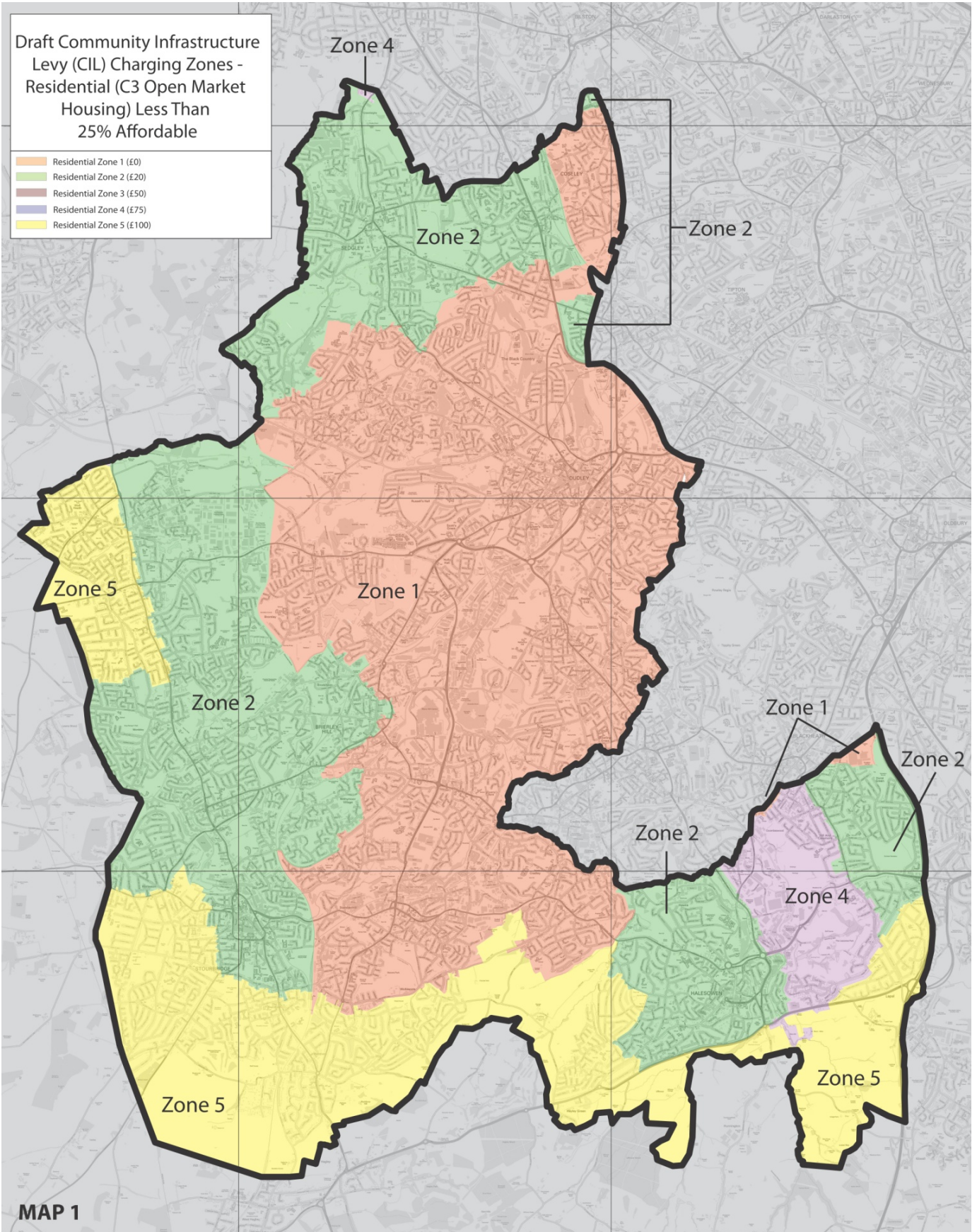
DRAFT CHARGING SCHEDULE RATES:

RESIDENTIAL (SEE MAPS 1 - 4)

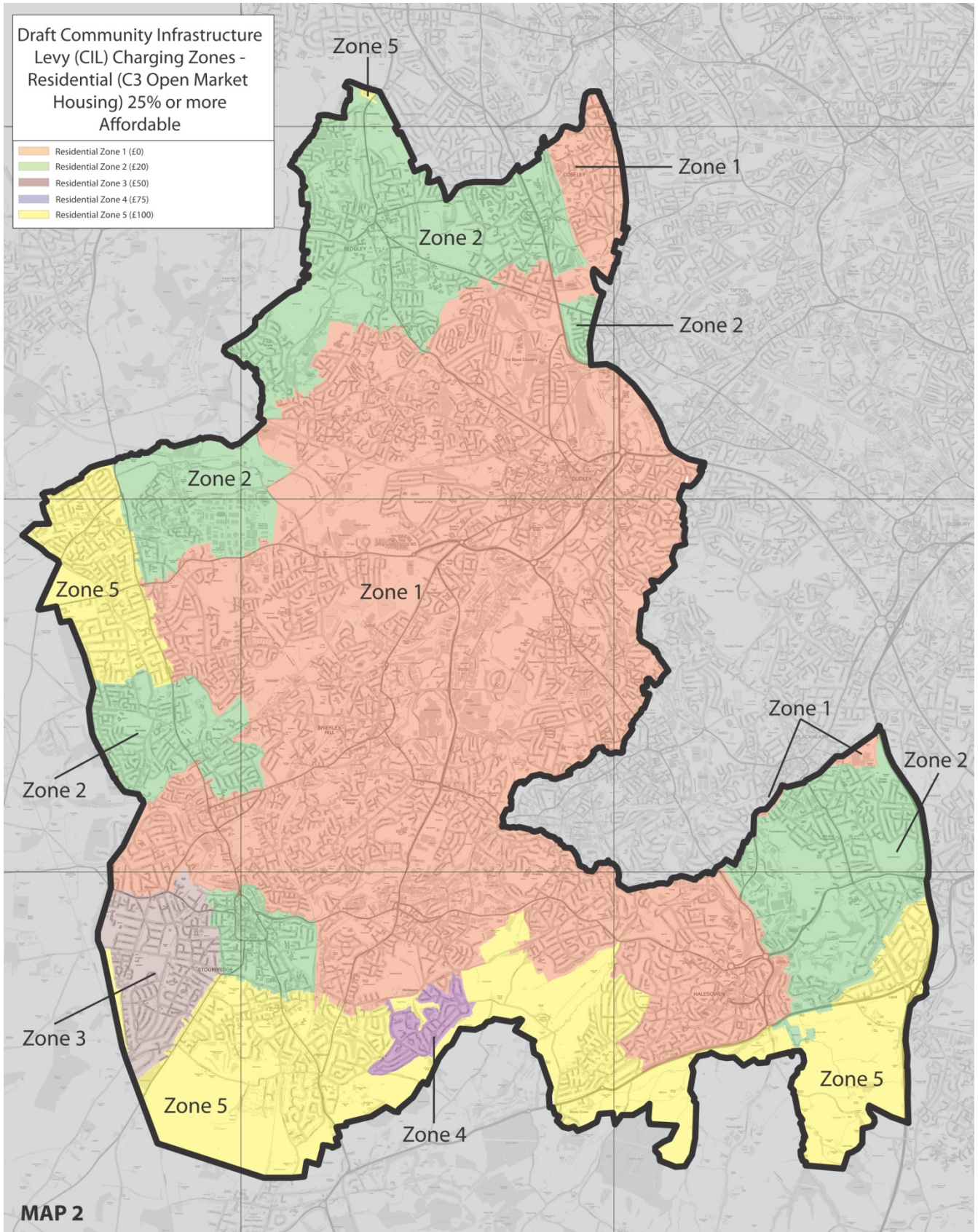
Residential CIL rate per m2	Less than 25% Affordable Housing provision (on sites of less than 15 dwellings or where provision has been reduced on viability grounds alone)	<i>Indicative CIL Charge per dwelling (based on average new floorspace per dwelling of 88sq. m)</i>
ZONE 1	£0	£0
ZONE 2	£20	£1,760
ZONE 3	£50	£4,400
ZONE 4	£75	£6,600
ZONE 5	£100	£8,800

Includes 5% CIL Administration Costs

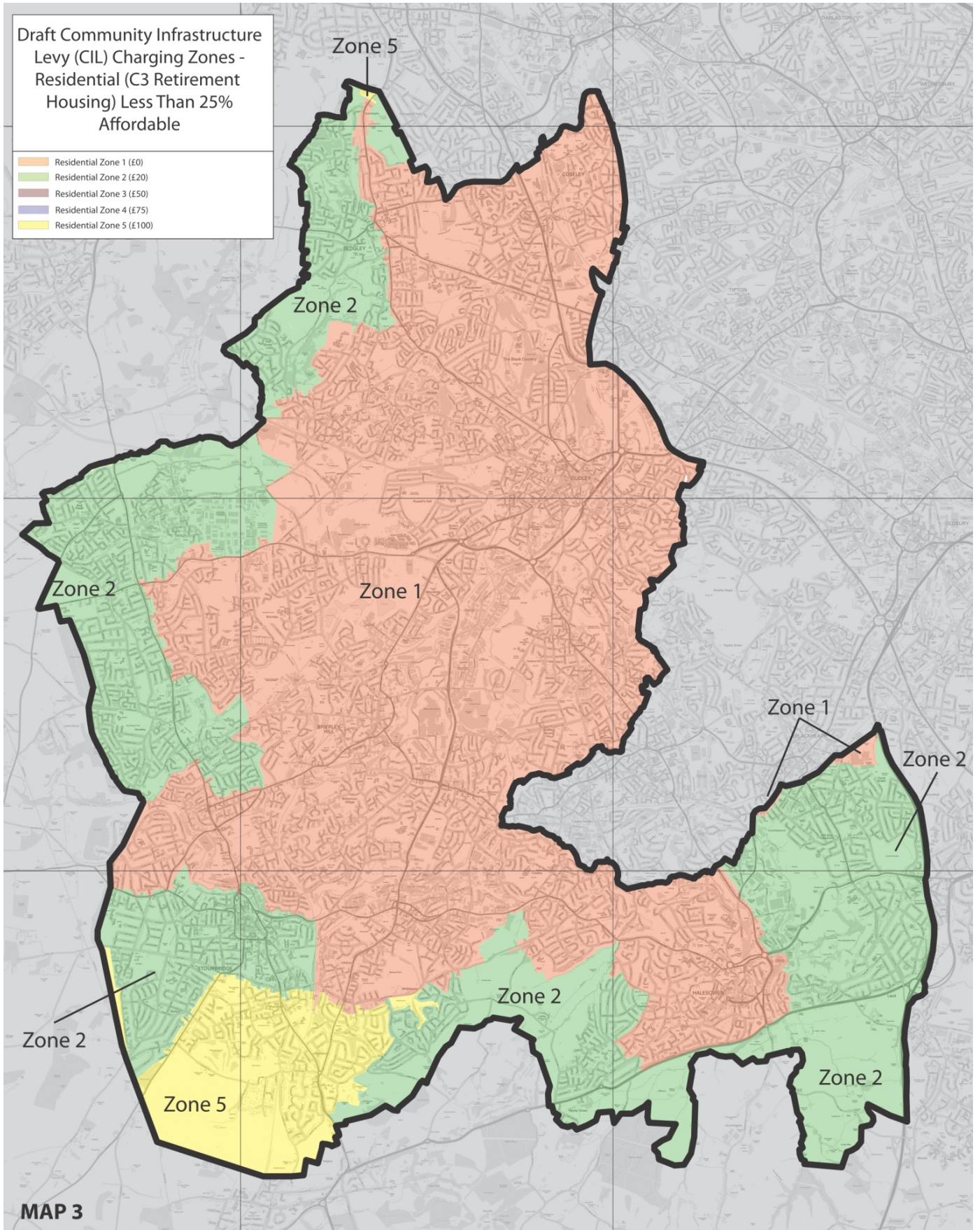
RESIDENTIAL (C3 OPEN MARKET HOUSING) CHARGING ZONES SITES WITH LESS THAN 25% AFFORDABLE HOUSING PROVISION



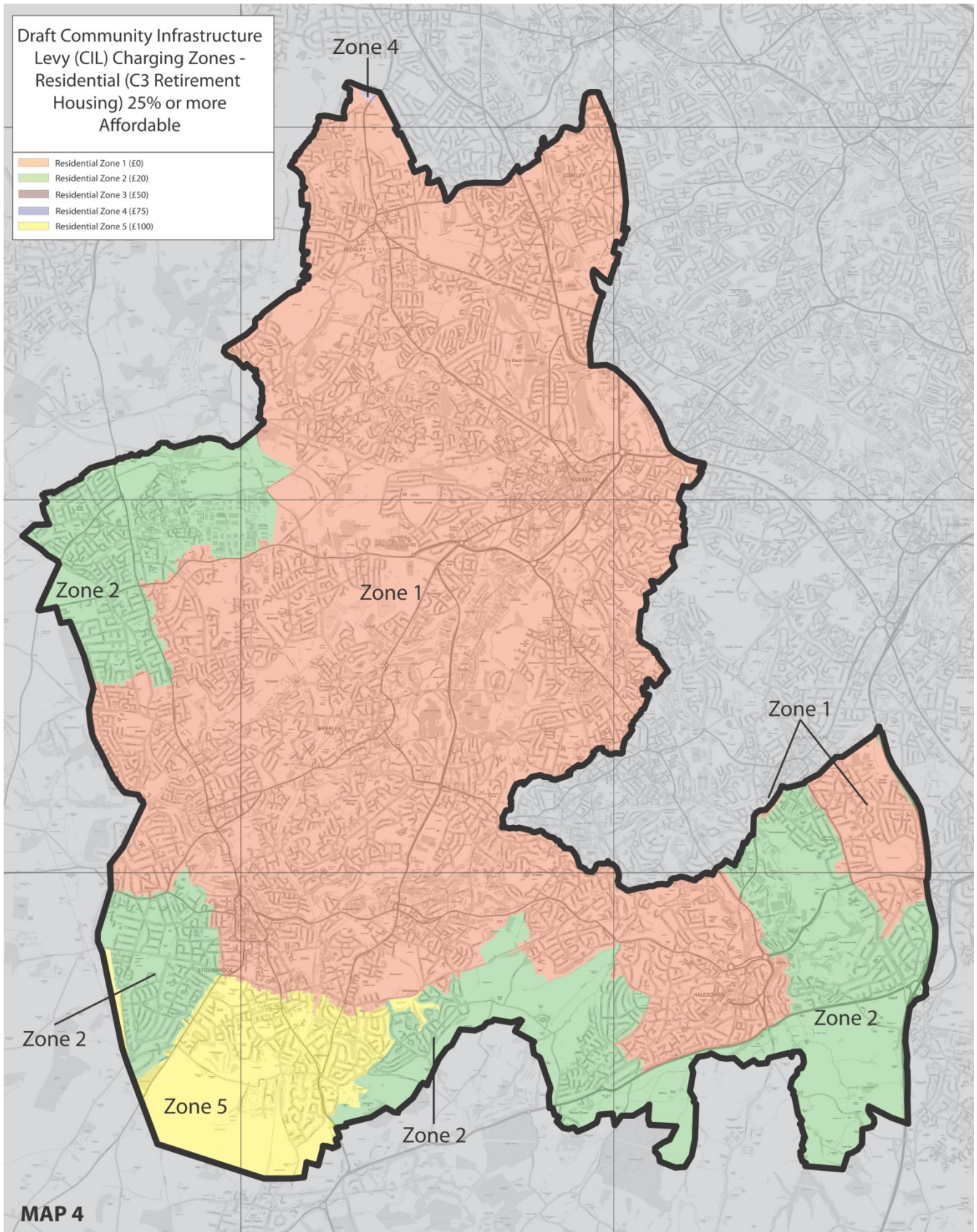
RESIDENTIAL (C3 OPEN MARKET HOUSING) CHARGING ZONES SITES WITH 25% OR MORE AFFORDABLE HOUSING PROVISION



RESIDENTIAL (C3 RETIREMENT HOUSING) CHARGING ZONES SITES WITH LESS THAN 25% AFFORDABLE HOUSING PROVISION



RESIDENTIAL (C3 RETIREMENT HOUSING) CHARGING ZONES SITES WITH 25% OR MORE AFFORDABLE HOUSING PROVISION



Q2 – Do you agree with separate charging zones and the CIL rates for residential developments based on these zones?

DRAFT CHARGING RATES – RETAIL (SEE MAP 5)

Retail CIL rate per m2	Merry Hill & Waterfront <i>(as part of mixed-use development that would trigger Core Strategy Policy CEN3 infrastructure)*</i>	Merry Hill & Waterfront <i>(Standalone development that would not trigger Core Strategy Policy CEN3 infrastructure)</i>	Remaining Areas
Comparison A1 Retail over 100sq. m	£0*	£100	£100
Convenience A1 Retail over 100sq. m	£0*	£100	£100
A3-A5 Retail (Public House, Restaurant, Hot Food) over 100sq. m	£0*	£95	£95

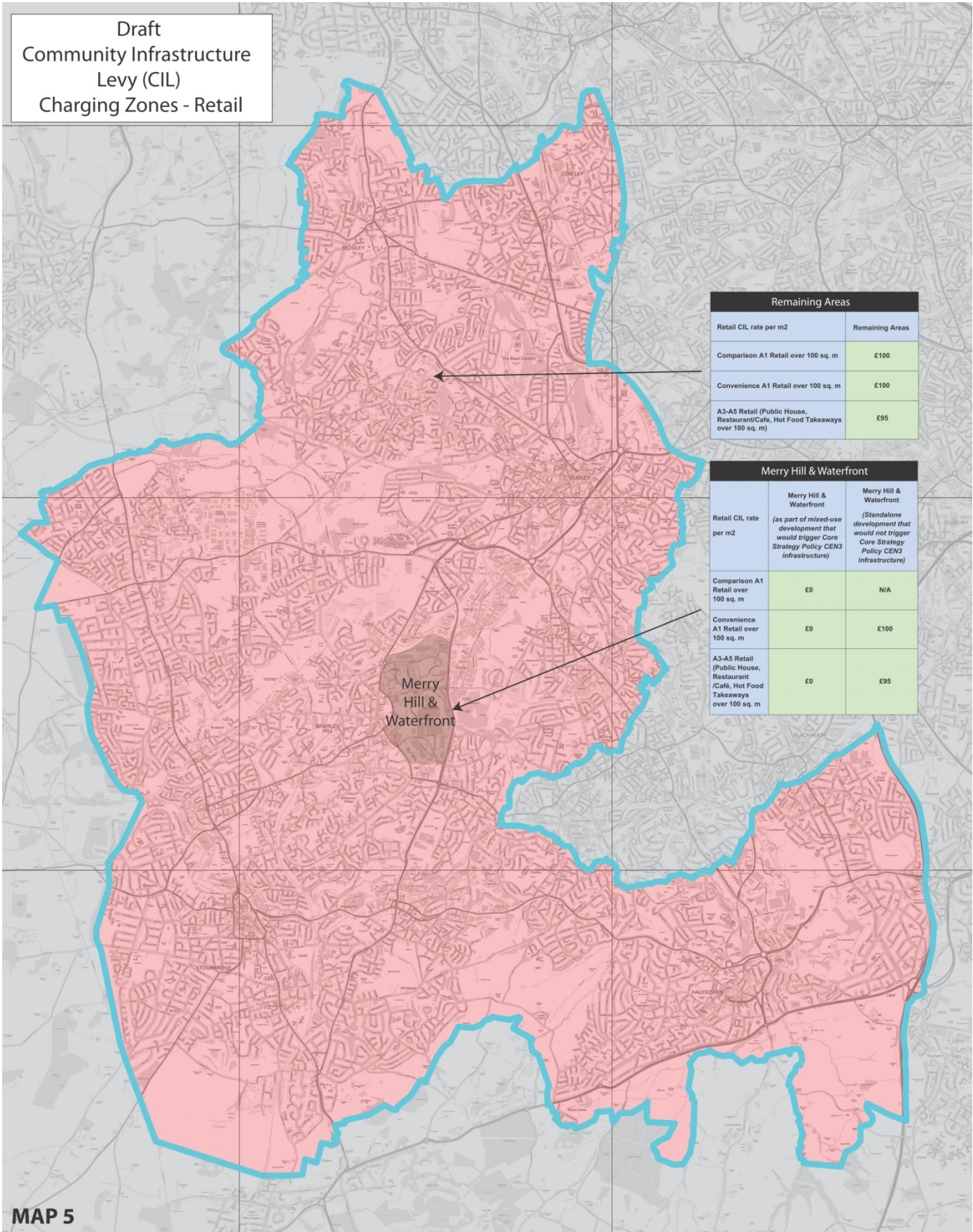
Includes 5% CIL Administration Costs

* Infrastructure at Merry Hill and Waterfront as required by Core Strategy Policy CEN3 to be delivered through the use of Legal Agreements and not through CIL – See Draft Reg. 123 List (Appendix 1)

Indicative CIL Charges on Typical Retail Developments

200 sq. m standalone Convenience and/ or Comparison on site with no existing use	Anywhere within Dudley Borough	£20,000
200 sq. m Convenience and/or Comparison on site with other existing use (no new floorspace)	Anywhere within Dudley Borough	£0
A2 Use (eg Banks, Building Societies, estate and employment agencies, betting shops)	Anywhere within Dudley Borough	£0
150 sq. m A5 Hot Food Takeaway new build with no existing use	Anywhere within Dudley Borough, (except where part of a mixed use development at Merry Hill which triggers CS Policy CEN3 infrastructure)	£14,250
150 sq. m A3 Restaurant new build with no existing use	As part of mixed use development at Merry Hill which triggers CS Policy CEN3 infrastructure	£0

RETAIL CHARGING ZONES



Q3 – Do you agree that the proposed differential rates for retail use based on different types of retail and scale are appropriate?

DRAFT CHARGING RATES – OTHER USES

Proposed CIL rate per m2	All Areas
All other uses	£0

Q4 – Do you agree that there should be a nil rate for Office, Industrial and other types of development?

Calculation of the CIL Rates

Charging authorities are advised not to adopt CIL rates at or near the margin of viability. This is to allow for future fluctuations in market conditions and means that the Charging Schedule will not need to be reviewed with every minor change in conditions.

Taking into account the above information the rates set out above are considered to strike the most appropriate balance between the desirability of funding infrastructure in the area and the potential effects on the economic viability of development in the Borough. They include an allowance of up to 5% to cover administration costs, as permitted by the CIL Regulations for this purpose.

Q5 – Do you agree that the proposed CIL rates will not put at serious risk the overall development of the Borough?

PAYMENT OF CIL

Who will pay CIL?

CIL is charged in pounds per square metre on the net additional floorspace of a development. Any new build or extension is only liable to pay CIL if it has 100 sq. m or more of gross internal floor space, or involves the creation of additional dwellings, even when that is below 100 sq. m.

The gross floorspace of any existing buildings on the site to be demolished will be deducted from the CIL charge. Any floorspace resulting from the development to the interior of an existing building will similarly be deducted. Floorspace subject to demolition or resulting from change of use will be disregarded where it has been in continuous lawful use for at least 6 of the 12 months prior to the development being permitted.

How will CIL be collected?

The CIL Charges will, in most cases, be due from the date that a liable development is commenced. When planning permission is granted, alongside the 'Decision Notice' the Council will issue a 'Liability Notice' setting out the amount of CIL that will be due for payment when the development is commenced, the payment procedure and the possible consequences of not following the procedure.

Instalments Policy

The CIL Regulations sets a default for full payment of CIL within 60 days of commencement of development. However the Regulations also allow Councils to set an Instalments Policy to allow payments to be spread over longer periods. To assist developers with the payment of their CIL charge, the following Instalments Policy is proposed:

Total CIL Liability	Maximum Number of Payments	Payment Period
Up to £20,000	1	No instalments - full amount within 60 days of commencement
Between £20,000 and £50,000	2	40% within 60 days of commencement, 60% within 12 calendar months of commencement
Between £50,000 and £100,000	2	25% within 60 days of commencement, 75% within 12 calendar months of commencement
Over £100,000	4	20% within 60 days of commencement date 20% within 6 calendar months of commencement 30% within 12 calendar months of commencement 30% within 18 calendar months of commencement

Q6 – Do you agree with the Council’s Draft Instalment Policy?

Charitable Relief:

Mandatory:

The CIL Regulations give relief from CIL if the following 3 criteria are met:

1. The chargeable development will be used wholly or mainly for charitable purposes; and
2. That part of the chargeable development to be used for charitable purposes will be occupied by, or under the control of, a charitable institution; and
3. The exemption must not constitute state aid.

Discretionary Charitable Relief:

The Council also intends to offer relief from CIL where the following criteria are met:

1. The whole or greater part of the chargeable development will be held by the claimant, or by the claimant and other charitable institutions, as an investment from which the profits will be applied for charitable purposes; and
2. That portion of the chargeable development to be held as an investment and will not be occupied by the claimant for ineligible trading activities (any trading activity ineligible except than to sell donated goods to use the proceeds for its charitable purposes); and
3. Relief must not constitute a notifiable state aid

Clawback of the CIL monies can be required by the Council if the development no longer qualifies for relief within a 7 year period from commencement of the development, on one of the following 3 grounds:

1. Change of purpose to non-eligible use;
2. Change of ownership to non-eligible owner
3. Change of leasehold to non-eligible lessee

Q7 – Do you agree that the Council should offer discretionary relief to charity landowners where the majority of the development will be held as an investment, where the profits are applied for charitable purposes?

Exceptional Circumstances

The Council intends to offer a process for giving relief from CIL in exceptional circumstances where a specific scheme cannot afford to pay. This will avoid rendering sites with specific and exceptional cost burdens unviable should exceptional circumstances arise. The Council will consider claims for relief from landowners on a case by case basis provided the following conditions are met:

- A S106 Agreement must exist on the planning permission permitting the chargeable development;
- The Council must consider that the cost of complying with the S106 Agreement is greater than the CIL charge and that paying the full CIL would have an unacceptable impact on the development's economic viability; and
- Relief from CIL must not constitute a notifiable State Aid

Q8 – Do you agree that the Council adopts an Exceptional Circumstances Policy as set out above?

Payments In-Kind

There may be circumstances where it will be more desirable for the Council to receive land instead of monies. The CIL Regulations allow the Council to accept land transfers as a payment in kind for the whole or part of the levy. This will be considered on a site by site basis in line with the requirements set out within the regulations.

SPEND OF CIL

Draft Regulation 123 List

The definition of Infrastructure is set out within the CIL Regulations. The Infrastructure Delivery Plan (August 2013) sets out the infrastructure required for the Borough up to 2026.

Based on these identified infrastructure requirements the Council has prepared a Draft Regulation 123 List for consultation. The List sets out specific projects that the Council has identified as candidates to be funded by CIL monies in whole or in part, split into Strategic, Major and Minor categories based on cost. The Council proposes to allocate 75% of monies to Strategic and Major projects, 10% to Minor projects, with 15% to local communities for Neighbourhood Funding (see below).

The List also sets out any infrastructure which is excluded from CIL funding as it is being provided through Planning Obligations (S106 Agreements).

The Draft Regulation 123 List is appended to the Draft CIL Charging Schedule as Appendix 1

Q9 – Do you have any comments to make on the Draft Regulation 123 List , and the proposed allocation of monies between Strategic, Major and Minor Projects

Prioritisation and Allocation of CIL Monies

Allocation of CIL monies to infrastructure projects on the Regulation 123 List (85% - 75% Strategic and Major & 10% Minor) will be made by the Council based on a standard set of criteria in order to fairly and transparently enable prioritisation of projects. The Council has prepared two Draft Prioritisation Matrices for consultation, one for Strategic and Major Projects and one for Minor Projects. These Matrices are appended to this document as Appendix 2.

Q10 – Do you have any comments to make on the Draft Prioritisation Matrices for the spend of CIL monies?

Proportion of CIL monies to be used for Neighbourhood Funding

The CIL Regulations set out the requirement for 15% of CIL monies (or 25% where there is an adopted Neighbourhood Development Plan) to be subject to engagement by the Council with the communities where development has taken place and agree with them how best to spend the monies. These monies can be spent on a wider range of projects that the general CIL monies can be as follows:

- Provision, improvement, replacement, operation or maintenance of infrastructure; or
- Anything else that is concerned with addressing the demands that development places on an area.

Government guidance encourages Councils to use existing community consultation and engagement processes where possible in the allocation and spend of the 15% neighbourhood funding. The Council is currently considering the most effective, clear and transparent approach to engaging local communities.

Q11 – How do you think that the Council can best engage with Local Communities over the allocation and spend of the 15% Neighbourhood CIL funding?