

**Local Plan for the Bradford District**

# **Bradford District Community Infrastructure Levy (CIL)**

## **Preliminary Draft Charging Schedule**

**July 2015**



**City of Bradford MDC**

[www.bradford.gov.uk](http://www.bradford.gov.uk)

## **How to comment on the Preliminary Draft Charging Schedule**

The Preliminary Draft Charging Schedule is open for consultation from Friday 31 July 2015 to Friday 11 September 2015. This is accompanied by a map of Residential Charging Zones, and a draft Instalments Policy. A Background Report has also been prepared by way of further explanation. The consultation is focussed on the proposed charge rates in the Preliminary Draft Charging Schedule.

The Preliminary Draft Charging Schedule is available on-line at: [www.bradford.gov.uk/planningpolicy](http://www.bradford.gov.uk/planningpolicy) and can also be viewed at the Council Planning Offices and main libraries.

The following supporting evidence base documents are also being made available for inspection:

- Bradford CIL - Economic Viability Evidence
- Bradford Infrastructure Delivery Plan Evidence

The Council is keen to promote the submission of consultation responses electronically via an E-mail attachment to reduce waste. People with the appropriate facilities are encouraged to make their responses in this way. However if you are unable to do this there are other ways to send your comments to us.

Completed Forms should be sent to the Development Plans Group by:

Email to:

[planning.policy@bradford.gov.uk](mailto:planning.policy@bradford.gov.uk)

Post to:

Development Plans  
City of Bradford Metropolitan District Council  
2nd Floor (South)  
Jacobs Well,  
Nelson Street,  
Bradford, BD1 5RW

Representations should be received within the 6 week consultation period which will run from Friday 31 July 2015 until 5pm on Friday 4 September 2015.

## **What happens next?**

Once the Council has considered all the representations received, it will produce a Draft Charging Schedule, which will be subject to a further round of consultation before being submitted for Examination. The Council anticipates adopting the CIL charging rates during 2016.

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## **i. Statement of Statutory Compliance**

The Preliminary Draft Charging Schedule (PDCS) for the Bradford District has been prepared in accordance with the Planning Act 2008 and the Community Infrastructure Levy Regulations 2010 (as amended 2011, 2012, 2013, 2014 and 2015).

In setting the CIL rates, the Council considers that it has struck 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

A full Statement of Statutory Compliance will be included within the Draft Charging Schedule submitted for Examination.

## **1. Introduction**

- 1.1 The Community Infrastructure Levy (CIL) is a tool for local authorities to help deliver infrastructure to support the development of the area. The levy came into force in April 2010 and local authorities wishing to utilise CIL to raise funds for infrastructure are required to develop a charging schedule.
- 1.2 The Preliminary Draft Charging Schedule (PDCS) is a document which sets out the charging authority's initial proposals for the levy, for public consultation.
- 1.3 The City of Bradford Metropolitan District Council (the Council) is a charging authority under the CIL Legislation. This document will be used as the basis for formal consultation on the Preliminary Draft Charging Schedule.

## **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 CIL is a mechanism for securing funding for local infrastructure projects. It is a 'charge' or 'levy' on new buildings and extensions based on net additional development. The CIL allows local authorities to raise funds from development to help pay for the infrastructure needs arising from development in their areas.
- 2.3 CIL will be charged on new development. It is charged per square metre on net additional floor-space of development. In this way money is raised from developments to help the Council pay for infrastructure such as

schools, transport, greenspace, and other community facilities to ensure sustainable growth.

- 2.4 The CIL Regulations state that in developing the CIL charging schedule, the Council should strike an appropriate balance between the desirability of funding infrastructure and the viability of development and that CIL should not put at risk the development within their areas. The CIL should not be set at such a level that it risks the delivery of the development plan, and should be based on viability evidence. Once approved, it becomes a mandatory charge.

### **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). As such, CIL will not fully replace planning obligations.
- 3.2 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.
- 3.3 The existing Section 106 (S106) system will remain in place, but has been scaled back to ensure that CIL is the key mechanism for infrastructure funding. Section S106s will continue to be used for affordable housing and for site specific measures to make a development acceptable in planning terms. In addition, Section 278 agreements will remain in place and will allow local authorities to continue to pool contributions for highway projects.
- 3.4 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 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 infrastructure list (Regulation 123 list).

- 3.5 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.
- 3.6 Local Authorities need to ensure that the combined impact of a S106, CIL charge and planning conditions attached to a planning application do not threaten the viability of sites and the scale of development identified in the development plan.

#### **4. Preliminary Draft Regulation 123 List**

- 4.1 Regulation 123 of the CIL Regulations 2010 (as amended) provides for charging authorities to set out a list of those projects or types of infrastructure that it intends to fund through the levy.
- 4.2 The Preliminary Draft Charging Schedule is primarily concerned with the rates the CIL is to be set at, rather than the specific infrastructure items it will contribute towards or how CIL revenue will be distributed. In terms of distributing the spending of the CIL, the Council will need to work closely with its key partners, local communities and infrastructure providers to determine local infrastructure priorities, and balance local infrastructure needs against strategic infrastructure needs.
- 4.3 The Council's Local Infrastructure Plan sets out the infrastructure requirements in relation to delivering growth in the District. This has helped inform the Preliminary Draft Regulation 123 List.

4.4 A Preliminary Draft Regulation 123 List is provided in Appendix C as part of the consultation on the Preliminary Draft Charging Schedule. The Council will publish an updated Draft Regulation 123 list alongside the CIL Draft Charging Schedule.

## **5. Development Liable for CIL**

- 5.1 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.
- 5.2 Landowners are ultimately liable to pay the Levy although anyone can take responsibility for paying the levy such as a developer or planning applicant. 'Charging authorities' are district and metropolitan district councils who are responsible for determining the charging levels and collecting the levy.
- 5.3 Liability for payment is generally triggered by the grant of planning permission (although some forms of development not requiring planning permission such as Permitted Development or Local Development Orders are also required to pay the levy). Payment is due at the point of commencement of development although charging authorities are able to establish policies for payment by instalments and also where planning applications are phased each phase can be treated as a separate chargeable development.

## **6. Calculating the CIL Charging Rates**

6.1 A charging authority must set out its proposed levy rate(s) in a charging schedule.



- 6.2 CIL should be set based on a 'Relevant Plan' and with regard to the infrastructure requirements of the growth proposed within that Plan. Further, Charging Authorities are required to demonstrate that there is a funding gap (between the total anticipated costs of infrastructure and funding sources available) that necessitates CIL.
- 6.3 The CIL Regulations state that rates should be at a level which does not threaten the ability to develop viably the sites and scale of development identified in their Local Plan and should strike an appropriate 'balance' between the desirability of funding infrastructure from the levy and the potential impact on viability.
- 6.4 In order to set CIL rates in the PDCS the Council has considered evidence on the infrastructure requirements and viability of development across the District.
- 6.5 The key evidence base documents include:
- Bradford Community Infrastructure Levy Viability Evidence (2015)
  - Local Infrastructure Plan (2013 Updated)
- 6.6 The PDCS has been informed by the Local Infrastructure Plan (LIP) and EVA. These supporting background documents comprise the evidence base for introducing a CIL charge for the District.
- 6.7 This evidence has been used to strike an appropriate balance between the need for additional investment to support development and the potential effect on the viability of development. The proposed CIL rates in the PDCS are considered justified taking into account all the appropriate available evidence.

## 7. Proposed CIL Charging Rates

7.1 The Council's proposed charging rates are set out in the table below:

Table 1. Preliminary Draft Charging Schedule: Proposed CIL Charging Rates

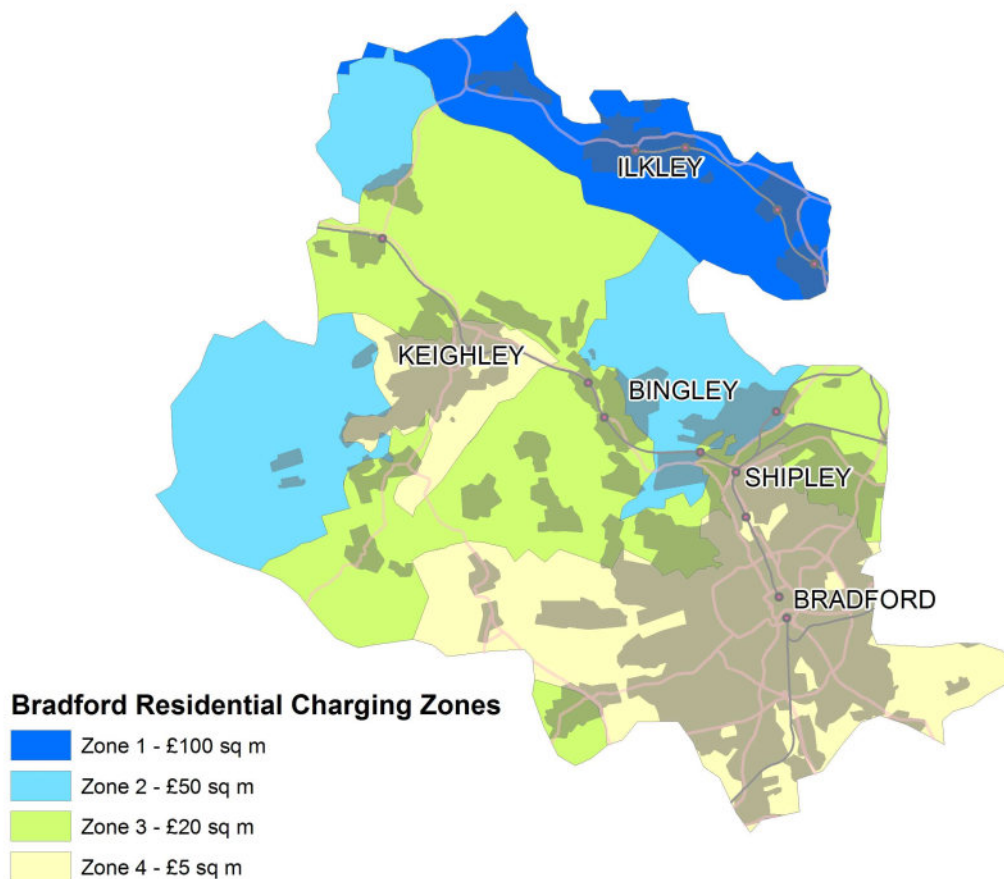
<b>Type of Development</b>	<b>Preliminary Draft Charging Schedule</b> <b>Proposed CIL Charging Rates (per sq. m)</b>
Residential- Zone 1 (C3)	£100
Residential - Zone 2 (C3)	£50
Residential - Zone 3 (C3)	£20
Residential - Zone 4 (C3)	£5
Retail warehousing (open A1 consent)	£100
Large Supermarket (>2000 sq m)	£50
All other uses not cited above	£0

7.2 The residential charging zones are shown on the residential charging zone map below.

### Map 1: Proposed CIL Residential Charging Zone map

Note: This map is based on the CIL Viability Evidence (2015) residential charging zones for the Bradford District mapped against postcode areas

## CIL Residential Charging Zone Map



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## **8. Exemptions, Relief and Payment Terms**

8.1 The CIL Regulations (as amended) 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 which local authorities have decided should be subject to a ‘zero’ rate and specified as such in their charging schedules.

### **Discretionary Relief and Exceptional Circumstances Relief**

8.2 The CIL Regulations allow for the Council to provide further discretionary relief from CIL. This includes social housing, charity and exceptional

circumstances relief. The Council do not have to offer this relief, but if they chose to do so, it must adopt a discretionary relief policy. This is not part of the charging schedule at this stage and may be published at a different time.

### **Phased Payments of CIL**

8.3 The CIL Regulations allow for the Council to make provisions for phased payments of CIL. This means that each phase would be a separate chargeable development and therefore liable for payment in line with any instalment policy that may be in force. This is expected to be especially useful for large scale development, which are likely to be brought forward in a number of phases.

### **Instalments Policy**

8.4 The Council is considering adopting an instalments policy which allows developers to pay tier CIL charge in phased stages. 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). A Draft Instalments Policy is set out in the Appendix C of the PDCS.

### **Payments in Kind**

8.5 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. The value of both land and infrastructure payments must be equal to the value of the land / infrastructure required.

8.6 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 at this stage and may be published at a different time.

## Appendix A. Calculating the CIL Charge (Regulation 40)

Extract from the Community Infrastructure Levy Regulations 2010 (as amended by the Amendment Regulations 2011 and 2012 and 2014).

### Regulation 40

(1) The collecting authority must calculate the amount of CIL payable (“chargeable amount”) in respect of a chargeable development in accordance with this regulation.

(2) The chargeable amount is an amount equal to the aggregate of the amounts of CIL chargeable at each of the relevant rates.

(3) But where that amount is less than £50 the chargeable amount is deemed to be zero.

(4) The relevant rates are the rates, taken from the relevant charging schedules, at which CIL is chargeable in respect of the chargeable development.

(5) 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.

(6) In this regulation the index figure for a given year is—

- (a) the figure for 1st November for the preceding year in 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; or
- (b) if the All-in Tender Price Index ceases to be published, the figure for 1<sup>st</sup> November for the preceding year in the retail prices index.

(7) The value of A must be calculated by applying the following formula—

$$G_R - K_R - \frac{(G_R \times E)}{G}$$

where—

- $G$  = the gross internal area of the chargeable development;
- $G_R$  = the gross internal area of the part of the chargeable development chargeable at rate R;

- $K_R$  = 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  $E_x$  (as determined under paragraph (8)), unless  $E_x$  is negative,

provided that no part of any building may be taken into account under both of paragraphs (i) and (ii) above.

(8) The value  $E_x$  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
- $K_{PR}$  = the total of the values of  $K_R$  for the previously commenced phase of the planning permission.

(9) 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.

(10) 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 (7); or
- (b) 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.

(11) 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 six months within the period of three 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.”

## Appendix B. Draft CIL Instalments Policy

Regulation 70 (as amended) provides for payment by instalment where an instalment policy is in place. Where no instalment policy is in place, payment is due in full at the end of 60 days after development commenced.

The instalment policy calculates payment time from commencement of development on site. The Commencement date will be taken to be the date advised by the developer in the commencement notice under CIL Regulation 67. The Instalments Policy would take effect on adoption of the CIL.

The draft CIL instalments policy for the Council is set out as follows:

Instalment Provisions					
Less than £100,000			More than £100,000		
Instalment	Amount Due	Due Date	Instalment	Amount Due	Due Date
1	50%	6 months*	1	25%	6 months*
2	50%	12 months*	2	25%	12 months*
			3	25%	18 months*
			4	25%	24 months*

\* Payable on the anniversary of the commencement of development

## Appendix C. Preliminary Draft Regulation 123 List

The Draft Regulation 123 List is provided as part of the consultation on the CIL Preliminary Draft Charging Schedule.

CIL Regulation 123 provides for the Council 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.

In order to ensure that individual developments are not charged for the same infrastructure items through both Section 106 Agreements and the CIL, a S106 contribution or a S278 agreement cannot then be made towards an infrastructure item already on the List.

The Draft Regulation 123 List is set out below:

Primary education (except for large scale residential development, which will be expected to provide primary schools either as an integral part of the development or as the result of no more than 5 separate planning obligations)
Secondary education, except for improvements or provision of new facilities which are directly related to a development.
Sustainable transport improvement schemes
Green infrastructure and public greenspace (e.g. improvements to open space), except for on-site provision required by Core Strategy policies
Community sports and recreation facilities (e.g. children's and young people's play areas, playing pitches), except improvements which are directly related to a development.
Cultural facilities (e.g. libraries, built community space), except improvements which are directly related to a development.
Public realm improvements, except for on-site provision or where this is required as a direct result of an adjacent development
Environmental improvements (e.g. recycling, local flood risk alleviation, pollution abatement), except improvements which are directly related to a development.
Cemeteries
District heating networks
Public health facilities

(The above list is based on the infrastructure requirements set out in the Local Plan and the Council's infrastructure planning evidence).

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.

The Council will review this list at least once a year, as part of monitoring of CIL collection and spend, and any changes will be justified and subject to appropriate local consultation.

The Council will work with local communities and parish/town councils to agree local priorities for spend. The 'meaningful proportion' held by local communities can be spent on the Regulation 123 List, but it does not have to be.

Produced by the  
City of Bradford Metropolitan  
District Council



The wording in this publication can be made available in other formats such as large print. Please call 01274 433679.