



## APPENDIX A

### AGENDA ITEM: **5(a)**

**EXECUTIVE OVERVIEW AND  
SCRUTINY:**  
4 July 2013

**PLANNING COMMITTEE:**  
25 July 2013

**CABINET: 17 September 2013**

---

**Report of:** Assistant Director Planning

**Relevant Managing Director:** Managing Director (Transformation )

**Relevant Portfolio Holder:** Councillor M Forshaw

**Contact for further information:** Gillian Whitfield (Extn. 5393)  
(E-mail: [gillian.whitfield@westlancs.gov.uk](mailto:gillian.whitfield@westlancs.gov.uk))

---

**SUBJECT: COMMUNITY INFRASTRUCTURE LEVY – DRAFT CHARGING  
SCHEDULE**

---

Wards affected: Borough wide

### **1.0 PURPOSE OF THE REPORT**

1.1 To inform Executive Overview and Scrutiny, Planning Committee and Cabinet of the proposed Community Infrastructure Levy (CIL) rates as set out within the Draft Charging Schedule (draft schedule) (Appendix 2) and to seek approval from Cabinet to begin a 6 week consultation period in September – October 2013 prior to submission of the document, in November 2013, to the Planning Inspectorate for Examination in Public.

### **2.0 RECOMMENDATIONS TO EXECUTIVE OVERVIEW AND SCRUTINY**

2.1 That the content of this report and the CIL rates within the draft schedule (Appendix 2) be considered and that agreed comments be referred to Cabinet for consideration.

### **3.0 RECOMMENDATIONS TO PLANNING COMMITTEE**

- 3.1 That the content of this report and the CIL rates within the draft schedule (Appendix 2) be considered and that agreed comments be referred to Cabinet for consideration.

#### **4.0 RECOMMENDATIONS TO CABINET**

- 4.1 That Cabinet, subject to consideration of the agreed comments received from Executive Overview and Scrutiny (Appendix 4) and Planning Committee (Appendix 5), approve the draft schedule at Appendix 2 to this report to be made available for public representation for 6 weeks in September-October 2013 (the consultation period).
- 4.2 That delegated authority is granted to the Assistant Director Planning, in consultation with the Portfolio Holder for Planning & Development, to make any amendments to the draft schedule before submitting it to the Planning Inspectorate for Examination in Public, together with all the representations received during the consultation period and a statement detailing any such modifications.
- 4.3 That Call In is not appropriate for this item as the report has been submitted to the Executive Overview & Scrutiny Committee on 4 July 2013.
- 

#### **5.0 COMMUNITY INFRASTRUCTURE LEVY BACKGROUND**

- 5.1 CIL is a new financial charge on development in England and Wales that Local Authorities can choose to charge on new developments in their area. The funds raised can be spent on providing infrastructure to support new development. CIL can operate alongside Section 106 obligations where they are required for site specific issues but is intended to provide up front transparency for developers in terms of financial contributions and to reduce the need for complex Section 106 obligations.
- 5.2 Whilst the introduction of CIL is not mandatory, the limitations to the use of Section 106 through placing the tests into regulation and limiting the ability to pool monies towards infrastructure suggests that many Local Authorities will be encouraged to introduce the CIL or face considerable reductions in financial obligations to support new development.
- 5.3 In the past ten years the Council has successfully secured in excess of £1million each for public open space and transport improvements. The expenditure of these funds is ongoing and will continue to be until the funds have been spent.
- 5.4 However, moving forward it will become increasingly difficult for the Council to secure sums of money and spend them in accordance with the current arrangements. For example, public open space contributions are sought based on a standard calculation and then spent reasonably flexibly in consultation with ward and parish councillors. The limitations to Section 106 mean that a standard tariff approach, as set out within the Council's Open Space / Recreation Provision in New Residential Development Supplementary Planning Document (2009) will only be acceptable through a CIL charge. It also means that Section

106 obligations will need to be much more specific in the initial stages regarding the details of the project, thus removing some of the flexibility we currently have. Officers are already being faced with challenges from the large house builders who require detailed justification up front regarding the financial obligations which are being asked of them.

### CIL Update

5.5 When the CIL was initially established, it was never intended that all Local Authorities would introduce the charge. Only those that could demonstrate viability would be likely to make the transition and it was predicted that this would be around 75% of all local authorities in England and Wales. CIL has been in operation for over three years now and to date:

- More than 100 local authorities across the country are working on CIL with a view to introducing a charge. This has doubled in the last 6-12 months suggesting that CIL is picking up momentum
- 13 local authorities have adopted a CIL charging schedule.
- Several more local authorities are either waiting to go to examination or are awaiting the results of their examination, including Central Lancashire (Preston, Chorley and South Ribble).

5.6 In terms of Local Authorities in the North West, Trafford and Bolton (Greater Manchester Authorities) have published preliminary draft charging schedules for consultation. Within the Lancashire sub-region, the Central Lancashire Authorities have recently gone through an examination of a Joint CIL Charging Schedule in April 2013 and are awaiting the results which will be provided verbally at the time of the Cabinet Meeting (17 September).

## **6.0 CURRENT POSITION**

6.1 In March 2012 the Council engaged consultants Keppie Massie and Quantity Surveyors Tweeds to assess the economic viability of development in the Borough. This work demonstrated the amount of 'surplus' value within each type of development that is expected to come forward within the Borough at different locations. It is from within this 'surplus' that a CIL charge can be derived.

6.2 The findings of the viability work were then cross-referenced with the Council's housing land supply and new Local Plan development allocations to ensure that any proposed charge does not unnecessarily risk the delivery of development within the Borough. These results then went into the Preliminary Draft Charging Schedule which was consulted upon in February – March of this year.

### **Consultation Findings**

6.3 A total of 49 respondents submitted comments to the Preliminary Draft charging Schedule from a mix of landowners, developers, house builders, infrastructure providers and local groups. The responses were made up of the following:

	Number
Support	14
Object to the principle of CIL	9
Object to rate / approach	13
No objections / no comments	9
Observations	4
Total	49

- 6.4 The majority of those objecting to CIL were opposed to the approach to the rate setting or the rates themselves rather than the principle and in many cases the respondent noted an overall support to the principle of CIL. The remaining objectors were those who objected to the principle of CIL. This was to some extent appeared to be as a result of a misunderstanding of CIL and the possible benefits of the system. However, some were just entirely opposed to any further costs to developers / landowners, irrespective of the need to consider infrastructure delivery.
- 6.5 Of those who submitted detailed comments questioning the methodology for assessing viability, the assumptions used and the level of the rate of CIL recommended, no respondent was able to substantiate their objections with evidence to support why the rate should be different. Even after several follow up attempts by the Council and our consultants, no further evidence was submitted and all objections were responded to in full within the consultation report (available separately as part of the CIL evidence base or on request).
- 6.6 The CIL regulations require a charging schedule to be based on appropriate and available evidence. The evidence used to establish the West Lancashire rate is based on the consultant's thorough understanding of the local market, numerous sources of data and discussions with local and national developers and house builders.

### **Recommendations and changes to the draft schedule**

- 6.7 A number of points were raised within the objections and through the consultant's annual refresh of the viability appraisals that have been given further consideration and resulted in amendments to the evidence of the draft schedule. These include:
- 1) Apartments – the evidence suggests that apartment development is marginal or unviable. As Policy RS2 of the emerging Local Plan (2012-2027) requires 20% of new residential development to be for elderly use (subject to viability), it is considered pertinent to reflect the possible contribution apartments could make to this market and therefore set them aside from residential with a nil rate.
  - 2) Retail – due to a further decline in comparison<sup>1</sup> goods retailing since the initial assessments, more detailed analysis has been undertaken with refreshed data. This shows that, in the town centres, comparison retail development is only likely to be marginal with little or no scope to introduce a charge. Whilst the

---

<sup>1</sup> Comparison Retail - Comparison goods are those typically clustered together in high streets, town centres or retail parks where similar goods may be compared by the consumer. Such good include electrical products, appliances, clothing and items bought less regularly.

assessments showed greater viability for such goods out of town centres, the Council does not expect to see any proposals for this type of development within its area over the life of the Local Plan. As such, a nil rate has been proposed for comparison retail. However, the viability assessments showed that convenience retail (generally supermarkets) remains viable and the charge of £160 which was previously consulted upon is still affordable across the Borough (excluding Skelmersdale).

3) Food and Drink – updated viability assessments show that a more modest charge of £90 per square metre would be affordable than the rate of £186 per square metre that was originally consulted upon. The adjusted charge of £90 would still allow for a 50% viability buffer i.e. £180 per square metre is the maximum affordable amount.

6.8 In addition to the above, further evidence has been provided to demonstrate that the Council does indeed have an infrastructure funding gap and therefore a CIL charge can be justified. Also, additional evidence has been provided to demonstrate that retail, food and drink development in Skelmersdale is likely to be marginal as part of a regeneration scheme.

### Proposed Draft Charging Schedule

Development Type	Proposed CIL Rate (£ per square metre)	
	Zone A	Zone B
Residential (dwelling house)	£85	£0
Apartments	£0	£0
Retail – Comparison	£0	£0
Retail – Convenience	£160	£0
Food and Drink (A3/A4)	£90	£0
All other uses	£0	£0

**Zone A** – The entire Borough outside of Zone B (Map 1)

**Zone B** – Skelmersdale and Up Holland inner areas (Map 1)

### 7.0 Next Steps

7.1 If Members are minded to grant approval to consult on the Draft Charging Schedule, a period of 6 weeks public consultation will be undertaken to allow respondents a final opportunity to submit comments and additional evidence. Whilst the results of this consultation cannot be predetermined, given the above amendments have been made in response to the initial consultation and given no objector was able to provide any evidence to substantiate further objections relating to the CIL rate and viability assumptions, it is unlikely that any significant evidence based objections would be submitted at this stage.

7.2 Notwithstanding this point, any comments that are submitted will be given full consideration before being summarised ready for submission to the Planning Inspector for Examination. If as a result of the consultation exercise it's considered that further amendments are required to the Draft Charging Schedule, then in order to expedite the progress of the document, recommendation 4.2 of this report, seeks delegated authority to the Assistant

Director Planning in consultation with the Portfolio Holder for Planning & Development, to make such amendments to the draft schedule before submitting it to the Planning Inspectorate for Examination in Public. The submission to the Planning Inspectorate will include all the representations received during the consultation period and a statement detailing any such modifications.

- 7.3 Furthermore, the Government is currently consulting on a number of possible amendments to the CIL regulations to make sure the levy is as flexible as possible. This includes regulations relating to exemptions, self builders and possible extension of the deadline for the restrictions to pooling Section 106 obligations from 2014 to 2015. Whilst the implications of the consultation are mainly related to operational issues rather than setting the levy, it is worth considering all of the findings which should be available in September and could be taken into account before submission for examination.
- 7.4 Once submitted to the Inspectorate, it is likely that an examination date would become available early 2014 when the document would be examined in public. Whilst the process is similar to that of the Local Plan, it is significantly scaled back. The timescales for this process, and in particular, the submission of the CIL Draft Charging Schedule for examination, are subject to the progress of the Local Plan as an up to date development plan is a prerequisite for a CIL charge. However, it is anticipated that the new Local Plan will be submitted to Full Council for adoption in October 2013.
- 7.5 In the event the examiner finds the CIL Draft Charging Schedule to be acceptable, adoption of the CIL would be subject to a vote taken by Full Council. This would also take place within the New Year following the examination of the CIL Charging Schedule.
- 7.6 In addition to the production of the charging schedule, future reports detailing proposed protocols for governance and administration of expenditure of CIL revenue will be brought to Cabinet for Members to consider alongside the implications for Section 106 funding and expenditure.
- 7.7 Finally, once in place, the CIL charge will apply until it is either withdrawn by the Council or updated and replaced. The Government, within The Community Infrastructure Levy Guidance (April, 2013), strongly encourages authorities to keep their charging schedules under review to ensure that the CIL charges remain appropriate over time. For instance, as market conditions change, and also so that they remain relevant to the gap in the funding for the infrastructure needed. In the event an update is required the process would be the same process as applied to the preparation, examination, approval and publication of the initial charging schedule.
- 7.8 It should be noted that at this time, the Planning Policy Team are working with Lancashire County Council to update the infrastructure evidence that we currently hold in order to determine some indicative costs for required infrastructure in the Borough, so that we may reasonably demonstrate a funding gap that justifies charging a CIL. Whilst the Council is aware that there is a funding deficit to support necessary infrastructure, until this information has been confirmed by LCC we have left these figures blank within the Draft charging

Schedule and will complete that in advance of the report going to Cabinet in September.

## **8.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY**

- 8.1 Securing revenue to deliver infrastructure in order to support development needs is fundamental in delivering sustainable development and is key to the delivery of the Community Strategy. Ensuring the revenue secured cannot be challenged, and potentially lost, is equally important to delivering the Community Strategy.

## **9.0 FINANCIAL AND RESOURCE IMPLICATIONS**

- 9.1 The costs of preparing a CIL charging schedule, and managing the ongoing implementation of it, are capable of being met by the levy itself through the regulations which permit up to 5% expenditure of the levy on administration costs. It is difficult to estimate with certainty how much this administration charge will deliver in income to the Council but a figure of £27,000 p.a. has been identified as part of the Council's MSR proposals. There will be a cost of approx £22,500 for the Public Examination of the charging schedule. This cost will be met by the budget agreed by Council in July to meet one off and transitional funding requirements that may be needed to implement MSR proposals.
- 9.2 In terms of revenue implications, it is difficult to predict how much development will come forward and when. However, using the Local Plan housing delivery targets as a baseline, multiplied by the proposed charge of £85 per square metre, a rough projection ranges from £425,000 per annum in the beginning of the Local Plan period (2015/16) to £1.1million per annum later in the period (2022/23) or as an average of approximately £800,000 per year. However this figure is subject to housing delivery rates.
- 9.3 Statutory regulations govern the way in which a CIL Charging Schedule will be prepared and these are in accordance with requirements set out within the Council's Charging Policy.

## **10.0 RISK ASSESSMENT**

- 10.1 The Community Infrastructure Levy Charging Schedule will ultimately be subject to an independent examination to ensure that all the correct procedures have been followed in preparing the document and will assess whether the document can be considered "reasonable" or not. In the event that the Council elects not to pursue a Community Infrastructure Levy for the Borough, there is a risk that the scaling back of Section 106 Obligations will limit the amount of infrastructure that may be funded through development and impact the delivery of the Local Plan and ultimately the Sustainable Community Strategy.

---

---

## **Background Documents**

The following background documents (as defined in Section 100D (5) of the Local Government Act 1972) have been relied on to a material extent in preparing this Report.

<u>Date</u>	<u>Document</u>
May 2013	Community Infrastructure Levy Economic Viability Report (Final)
May 2013	CIL Appropriate Balance Report
6 <sup>th</sup> April 2010	The Community Infrastructure Levy Regulations
February 2011	The Community Infrastructure Levy (Amendment) Regulations
April 2013	The Community Infrastructure Levy (Amendment) Regulations
April 2013	The Community Infrastructure Levy Guidance (CLG)

### **Equality Impact Assessment**

Although there will be a direct impact on members of the public, employees, elected members and / or stakeholders, it is likely that these impacts will be positive as the proposed new policy for Community Infrastructure Levy will ensure development delivers necessary infrastructure and services to support sustainable communities. An Equality Impact Assessment is attached as an Appendix to this report, the results of which have been taken into account in the recommendations contained within this report

### **Appendices**

Appendix 1 – Equality Impact Assessment

Appendix 2 — Draft Charging Schedule

Appendix 3 - Plan

Appendix 4 — Executive Overview and Scrutiny Committee Minute 4 July 2013 (Planning Committee and Cabinet only)

Appendix 5 – Planning Committee Minute 25 July 2013 (Cabinet only)



## Appendix 1 - Equality Impact Assessment - process for services, policies, projects and strategies

<p>1. Using information that you have gathered from service monitoring, surveys, consultation, and other sources such as anecdotal information fed back by members of staff, in your opinion, could your service/policy/strategy/decision (including decisions to cut or change a service or policy) disadvantage, or have a potentially disproportionately negative effect on, any of the following groups of people:          People of different ages – including young and older people          People with a disability;          People of different races/ethnicities/ nationalities;          Men; Women;          People of different religions/beliefs;          People of different sexual orientations;          People who are or have identified as transgender;          People who are married or in a civil partnership;          Women who are pregnant or on maternity leave or men whose partners are pregnant or on maternity leave;          People living in areas of deprivation or who are financially disadvantaged.</p>	<p>No</p>
<p>2. What sources of information have you used to come to this decision?</p>	<p>Existing draft Community Infrastructure Schedules from other Local Authorities. Feedback from the Preliminary Draft Charging Schedule Consultation carried out February – March 2013.</p>
<p>3. How have you tried to involve people/groups in developing your service/policy/strategy or in making your decision (including decisions to cut or change a service or policy)?</p>	<p>Through the Local Plan community consultation process, the issue of a developer tariff system, such as CIL, has been raised and views taken through discussion groups and in written format. The views of the public and any affected groups were also sought at a Stakeholder event in September 2012 and further consultation undertaken earlier this year for the Preliminary Draft Charging Schedule.</p>
<p>4. Could your service/policy/strategy or decision (including decisions to cut or change a service or policy) help or hamper our ability to meet our duties under the Equality Act 2010? Duties are to:-          Eliminate discrimination, harassment and victimisation;          Advance equality of opportunity (removing or minimising disadvantage, meeting the needs of people);          Foster good relations between people who share a protected characteristic and those who do not share it.</p>	<p>The CIL could assist in delivering the Councils duty to “advance equality of opportunity” by meeting the needs of people through infrastructure and service provision.</p>
<p>5. What actions will you take to address any issues raised in your answers above</p>	<p>No negative issues were raised</p>



# West Lancashire Borough Council

## Community Infrastructure Levy Draft Charging Schedule Consultation Document

September 2013

**John Harrison, DipEnvP, MRTPI**  
Assistant Director Planning  
West Lancashire Borough Council

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

WEST LANCASHIRE



LOCAL PLAN

## 1. Introduction and Background

- 1.1 The Community Infrastructure Levy (commonly called CIL) was introduced in April 2010 and is a charge that developers pay on new development. It allows local authorities in England and Wales to raise funds from developers who are undertaking new building projects in their area. The money can be used to pay for a wide range of infrastructure that is needed as a result of development and can include, for example, transport schemes, green spaces and the maintenance of new infrastructure.
- 1.2 This document is the Draft Charging Schedule (DCS) for West Lancashire Borough Council's Community Infrastructure Levy (CIL) and it was approved for publication at a meeting of the Council's Cabinet on 17 September 2013. This consultation follows the Preliminary Draft Charging Schedule consultation carried out earlier this year. Any representations submitted in relation to the DCS will be summarised and submitted in full to the examiner along with the DCS for independent examination.
- 1.3 The DCS is published in accordance with Part 11 of the Planning Act 2008 (as amended by Part 6 of the Localism Act 2011), and Community Infrastructure Levy Regulations 2010 (as amended by the Community Infrastructure Levy (Amendment) Regulations 2013).

## 2. How to Comment

- 2.1 The DCS is published for a six week consultation period from Thursday 19 September 2013 to the deadline at 5pm on Friday 1 November 2013. Comments are welcomed from everyone and we would encourage you to complete the consultation response form available on the website and in libraries and at Council offices.

All supporting documents, and the consultation response forms, are available on the web at [www.westlancs.gov.uk/CIL](http://www.westlancs.gov.uk/CIL)

Comments can be returned via the following methods:

- Email: [localplan@westlancs.gov.uk](mailto:localplan@westlancs.gov.uk)
- in writing to: John Harrison DipEnvP  
Borough Planner  
West Lancashire Borough Council  
52 Derby Street  
Ormskirk  
L39 2DF

If you wish to discuss any aspect of this document or require further information please contact the Planning Policy Team on **01695 585393**

More information on CIL can be found on the Government's website at:

<http://www.communities.gov.uk/planningandbuilding/planningsystem/communityinfrastructurelevy>

### **3. Background Evidence**

- 3.1 In setting the CIL rate for West Lancashire, the Council must have regard for the CIL Regulations and strike an appropriate balance between the desire for funding from CIL to support infrastructure and potential effects of the imposition of CIL on the economic viability of development. To ensure an appropriate balance is achieved appropriate evidence has been used and is available separately on the Council's website.

#### **Local Plan**

- 3.2 A requirement for introducing a CIL charge is that the charging authority (the Council) must have an up to date Development Plan. The Council has been working on a new Local Plan to replace the existing Local Plan that was adopted in 2006. Once the new Local Plan has been examined and found sound by an independent planning inspector, the Council will adopt it as the up to date development plan for its area.
- 3.3 It is hoped that the new Local Plan will be adopted in October 2013. However, the information within the Plan has helped to guide the evidence base for the CIL and, in particular, to demonstrate an infrastructure funding gap and identify the development type and location likely to be subject to any forthcoming CIL charge.

#### **Infrastructure Funding Gap**

- 3.4 Planning for infrastructure requirements to support growth is a fundamental part of the Local Plan process. Therefore, the Infrastructure Delivery Plan (IDP) was first published in January 2012 and has subsequently been updated. The IDP sets out the baseline provision for infrastructure in the Borough and also identifies any existing deficits and where a deficit may be created as a result of proposed development within the Local Plan.
- 3.5 The Infrastructure Delivery Schedule (IDS) sits alongside the IDP and sets out a list of known infrastructure requirements. The IDS includes details relating to the infrastructure scheme, including location, when it should be delivered, who will lead the delivery, the cost and the likely funding mechanisms to deliver the scheme. This information is then used to demonstrate the total funding gap and is the justification for introducing a CIL charge in the Borough.
- 3.6 The IDS was refreshed in May 2013 and includes many schemes that at this time don't have known costs that can be included in demonstrating the funding gap. However, of those schemes that are more advanced or have greater certainty the cost or estimated cost has been considered in establishing the current funding gap for infrastructure which amounts **TBC**. The IDS is available separately within the CIL evidence base documents but, briefly, this figure includes the following information set out in table 3.1 below:

SCHEME	COST (£)
Electrification of Ormskirk to Burscough line	10 – 40 million
Railway connection to Skelmersdale from the Kirby – Wigan line	50 -100 million
Extension and refurbishment of Mere Sands Woods visitor centre	500,000
New Skelmersdale sports centre	12 million
Haskayne Cutting nature Reserve – Installation of an access boardwalk	8,000
Health Centre Improvements Skelmersdale	TBC
Health Centre Improvements Burscough	TBC
Extension to primary school Burscough	TBC
Improvements to or replacement library Burscough	TBC
Cycle	TBC
Cycle	TBC
<b>Total</b>	TBC

Table 3.1

### Economic Viability Assessment

- 3.7 In order to demonstrate that a CIL charge is affordable within the Borough an economic assessment of the viability of development has been carried out. The Community Infrastructure Levy Economic Viability Assessment (EVA) is available separately on the Council's website and it is the findings of this document that underpins this charging schedule.
- 3.8 As a starting point, the EVA had regard to the West Lancashire's Affordable Housing Viability Study (November, 2010). It also took account of existing and emerging planning policy and property market evidence. This information was used to formulate development scenarios that would be tested for viability. The full method and assumptions are set out within the EVA as are the findings which demonstrated the development surplus likely to be available to accommodate a CIL charge in relation to each development scenario.
- 3.9 Through the process of the EVA, a stakeholder workshop was held in order to gain some informal feedback at the earliest stage possible from developers and parties likely to be affected by a CIL charge. Consultation was also undertaken through the Preliminary Draft Charging Schedule and the findings of this consultation helped to update and refresh the EVA assumptions so that they are as current and relative to the market as possible.
- 3.10 An additional background paper has also been produced which compares the findings of the EVA with the actual housing land supply and other expected development types in order to fully understand the consequences of introducing a CIL charge within the

Borough. The Appropriate Balance Report (June 2013) is also available separately on the Council website and sets out recommendations for a CIL charge in West Lancashire, having regard to the required amount of infrastructure funding. The recommended rates have been tested within the EVA to ensure they can be reasonably accommodated.

#### 4. Draft Charging Schedule

4.1 In line with the CIL regulations, the following development types will be liable for CIL:

- Development comprising 100m<sup>2</sup> or more of new build floor space;
- Development of less than 100m<sup>2</sup> of new build floor space that results in the creation of one or more dwellings;
- The conversion of a building that is no longer in lawful use.

For development that is liable for the CIL charge the below table sets out the proposed CIL rates for West Lancashire.

Development Type	Proposed CIL Rate (£ per square metre)	
	Zone A	Zone B
Residential dwelling house	£85	Nil
Apartments	Nil	Nil
Retail – Comparison	Nil	Nil
Retail – Convenience	£160	Nil
Food and Drink (A3/A4)	£90	Nil
All other uses	Nil	Nil

**Zone A** – The entire Borough outside of Zone B (Map 1)

**Zone B** – Existing Skelmersdale and Up Holland settlement area (Map 1)

#### Calculating the CIL Charge

4.2 The Council will calculate the amount of CIL chargeable on qualifying development in accordance with Part 5 of The Community Infrastructure Levy Regulations (2010) (as amended). In summary the amount of CIL chargeable is calculated as follows:

$$\text{CIL Rate (£)} \times \text{net chargeable floor area (m}^2\text{)} \times \text{BCIS index figure (at date of planning permission)}$$

---

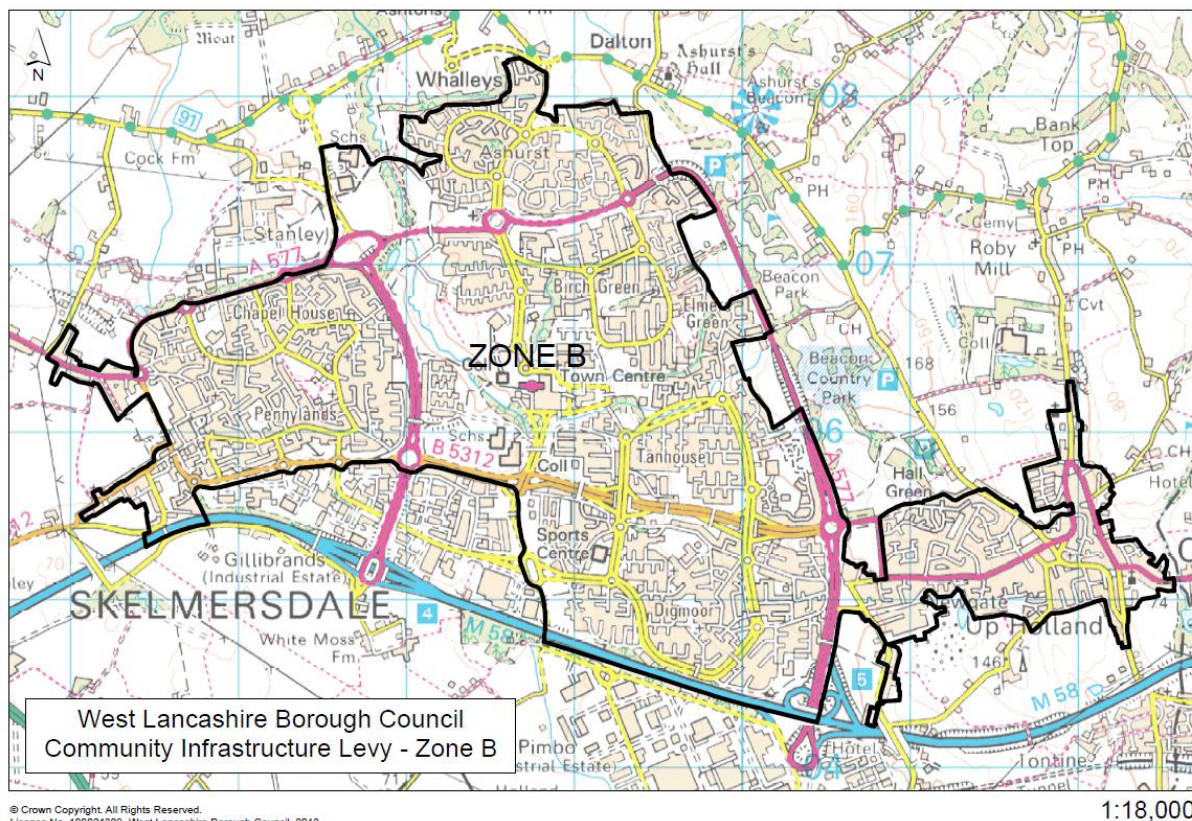
**BCIS Index figure (at date of implementation of the Charging Schedule)**

4.3 The above calculation multiplies the CIL rate e.g. £85, by the net new floor area and then adjusts the result accordingly to take account of inflation (BCIS index figure) at the time of planning permission. This ensures that any increase or decrease in inflation is reflected in the final chargeable amount.

4.4 The **CIL rate (£ per m<sup>2</sup>)** is the applicable rate from the above schedule.

The **net chargeable floor area (m<sup>2</sup>)** is the gross internal floorspace of the development minus the gross internal floorspace of any existing buildings that are to be retained or demolished, providing that they have been in continuous lawful use for at least six months in the past 12 months (Regulation 64). Where there is more than one use class on a development, the chargeable amount in each use class is calculated separately and then added together to provide the total chargeable amount. However, where the amount is less than £50 the chargeable amount is zero.

The **BCIS Index Figure (%)** is an annually updated measure of inflation published by the Building Cost Information Service (BCIS) of the Royal Institute of Chartered Surveyors (RICS). It ensures that the time between the grant of planning permission and commencement of development is taken into account.



## 5. Exemptions and Relief from CIL

5.1 The CIL regulations allow for certain types of development to be exempt from payment of CIL and also provide for two types of relief from CIL, mandatory and discretionary. The details of exemptions and relief circumstances are set out below:

### 5.2 Development exempt from CIL

- The conversion of any building previously used as a dwelling house to two or more dwellings;
- Development of less than 100m<sup>2</sup> of new build floorspace, provided that it does not result in the creation of a new dwelling; this includes residential extensions;
- The conversion of a building in lawful use, or the creation of additional floorspace within the existing structure of a building in lawful use;
- Development of buildings and structures into which people do not normally go (eg, pylons, wind turbines, electricity sub stations).

### 5.3 Development entitled to Mandatory Relief from CIL



- Development by registered charities for the delivery of their charitable purposes, as set out in Regulation 43 of the Community Infrastructure Levy Regulations 2010.
- Development of social housing, including rented and shared ownership dwellings that are let by a registered provider where the tenancy and shared ownership conditions are in accordance with Regulation 49 of the Community Infrastructure Levy Regulations 2010.

### **Exceptional Circumstances Relief from CIL**

- 5.4 Exceptional circumstances relief is not mandatory and the Council has the option whether or not to introduce such relief. To do so the Council must publish an exceptional circumstances policy on its website and will consider claims for relief on a case by case basis, provided the following three conditions are met:
- A section 106 agreement must exist on the planning permission permitting the chargeable development;
  - The charging authority must consider that the cost of complying with the section 106 agreement is greater than the levy's charge on the development and that paying the full charge would have an unacceptable impact on the development's economic viability. An assessment of this must be carried out by an independent person with appropriate qualifications and experience. The person must be appointed by the claimant and agreed with the charging authority;
  - Any relief the charging authority chooses to give must not constitute a notifiable state aid.
- 5.5 Such a policy is not part of the charging schedule and can be published at any time. The Government is currently consulting further on the above tests of qualification for exceptional circumstances relief and until this has been finalised, the Council is yet to make a decision regarding the introduction of such a policy.

### **6. Instalments Policy**

- 6.1 The majority of consultees who submitted representations to the Preliminary Draft Charging Schedule supported a policy which would allow payment by instalment. Consequently the Council is likely to introduce a CIL Instalment Policy in accordance with part 69B of the Community Infrastructure Levy (Amendment) Regulations 2011.

### **7. Consultation**

- 7.1 During the viability assessment process, a group of stakeholders were engaged in order to feed into the process. The stakeholders consisted of a cross section of representatives including house builders, retailers, land agents, housing associations, local authority representatives and County Council representatives.
- 7.2 During the first formal stage of consultation for the Preliminary Draft Charging Schedule, the Council engaged with the widest group of stakeholder's available and sought feedback on the key issues relating to the proposed CIL.
- 7.3 The Council took on board the comments received from the 49 respondents and detailed summaries of the submissions plus the Council's response and recommendations to the submissions are available in the Consultation Report on the Council's website at [www.westlincs.gov.uk/CIL](http://www.westlincs.gov.uk/CIL)

7.4 This final stage of consultation sets out what the Council considers to be the appropriate charge for the Borough and what will be submitted for independent examination.

## 8. Other Background Documents

8.1 Section three of this charging schedule sets out the key background evidence that supports the proposed charges and includes demonstrating there is an infrastructure funding gap and that development can reasonably afford to pay the CIL. Below is a full list of the documents which support CIL and are available on the CIL evidence page of the website ([www.westlancs.gov.uk/CIL](http://www.westlancs.gov.uk/CIL)):

- **West Lancashire Economic Viability Assessment** (May 2013) – Sets out development viability in the Borough
- **West Lancashire Infrastructure Delivery Plan** (September 2012) – Sets out the existing and likely required infrastructure needed to support the Local Plan 2012 - 2027
- **West Lancashire Infrastructure Delivery Schedule** (June 2013) – Detailed list which is updated annually to reflect the delivery and progress of infrastructure schemes in the Borough
- **Appropriate Balance Report** (May 2013) – Sets out the justification for selecting the relevant charges, having regard to the economic viability evidence and the required infrastructure funding gap.
- **Approach to CIL and Section 106 Statement** (June 2013) – Sets out how the Council will manage both the CIL and Section 106 processes together.
- **Draft regulation 123 List** (June 2013) – Establishes what infrastructure types and projects will benefit from CIL funding and by omission, what could still be secured through Section 106 agreements in specific circumstances.
- **Draft Instalment Policy** (TBC) – This will establish an appropriate payment regime to assist with the development finance of larger schemes.
- **Draft Exceptional Circumstances Policy** (TBC) – Subject to the Government's consultation, this will set out the Council's policy regarding possible exceptional circumstances
- **West Lancashire Section 106 Performance Report** (June 2013) – Evidences the amount of funds secured through Section 106 obligations in the preceding 10 years.

## 9. Next Steps

9.1 Following consultation of this DCS, the Council will consider comments submitted and then provide these, along with any proposed modifications (set out in a Statement of Modifications) to the DCS to the inspector for full consideration through the examination process.