

WINCHESTER CITY COUNCIL

COMMUNITY INFRASTRUCTURE LEVY

DRAFT CHARGING SCHEDULE

Submission Version: June 2013



Winchester City Council Community Infrastructure Levy (CIL)

Draft Charging Schedule

Note: Approved Charging Schedule to include:

- Confirmation of Winchester City Council as charging authority
- Date approved by Full Council
- Date Charging Schedule takes effect
- Explanation that CIL will be charged in pounds sterling (£) per square metre at differential rates according to the type of development and by location
- BCIS Tender Price Index
- How to access further information

Charging Rates

Type of Development	Charge per square metre		
	Zone 1	Zone 2	Zone 3
Residential	£0	£120	£80
Hotel	£0	£70	£70
Retail ➤ all categories within the town centre	n/a	£120	n/a
Retail ➤ convenience stores, supermarkets and retail warehouses	£0	£120	£120
Retail ➤ all other categories	£0	£0	£0
All Other Uses	£0	£0	£0

Definitions

The following definitions of terms used in the above table are for the purpose of interpreting the Charging Schedule and indicating where a CIL charge will apply.

Residential

Defined as all development within the each of the three categories of Use Class C3: Dwelling Houses (Use Classes Order 2010), including where residential care is provided within a development defined by the Local Planning Authority as within Class C3, subject to the statutory exemptions with regard to social housing and charitable purposes.

The definition does not include residential use in other categories of development (as defined by the Use Classes Order), including C1 (Hotels), C2 (Residential Institutions), C2A (Secure Residential Institutions), or C4 (Houses in Multiple Occupation).

Town Centre

Winchester Town Centre as defined by the town centre boundary shown on Inset Map 31 of the Winchester District Local Plan (2006) – Policy SF1.

Hotel

Defined as those developments within the uses set out in Class C1 of the Use Classes Order 2010; that is 'hotels, boarding and guest houses where no significant element of care is provided'.

Retail

Defined as those developments within the uses set out in Class A1 of the Use Classes Order 2010, that is 'shops, hairdressers, undertakers, travel and ticket agencies, post offices, pet shops, sandwich bars, showrooms, domestic hire shops, drycleaners, funeral directors, internet cafes' with the term 'shops' including *convenient stores, supermarkets and retail warehouses* as defined below:

Convenience Stores

Defined as stores that:

1. have a gross internal floorspace of 278 sq. m (3,000 sq. ft);
2. are not subject to restricted opening hours under the Sunday Trading Act; and
3. stock at least seven of the following categories of goods;

- | | |
|-------------------------------|--------------------------|
| • Alcohol | • Household |
| • Bakery | • National lottery |
| • Canned & packaged groceries | • Milk |
| • Chilled food | • Newspapers & Magazines |
| • Confectionery | • Non-food |
| • Frozen food | • Sandwiches |
| • Fruit & Vegetables | • Savoury snacks |
| • Health & beauty | • Soft drinks |
| • Hot food-to-go | • Tobacco |

Supermarket

Defined as a food based retail store greater than 278 sq. m.

Retail warehouse

Defined as a non-food store that has all of the following characteristics:

- typically (but not necessarily) within a purpose-built single-occupancy building with a large floorspace sub-divided into display & sale, storage and delivery areas, and with the display & sale area usually (but not necessarily) undivided and on one level;

- displays and retails goods, mostly (but not necessarily all) of a bulky nature requiring collection or delivery by motorised vehicle; and
- displays and retails goods within a limited number of specialist sectors such as carpets, furniture, home furnishings, electrical goods, DIY or gardening.

Other Uses

Defined as all other categories of development not falling within the definitions set out above, and including all *sui generis* uses as defined by the Use Classes Order 2010.

Charging Zones

The proposed charging zones are shown. They are defined geographically on the attached Plan 1 and are described as follows:

Zone 1: Strategic Allocations and South Hampshire Urban Areas

The boundaries are as shown on the Core Strategy Proposals Map (shown in more detail in Plan 2).

Zone 2: Winchester Town

The boundary reflects the settlement boundary of Winchester Town as shown on the Core Strategy Proposals Map (shown in more detail in Plan 3).

Zone 3: Market Towns and Rural Areas

The rest of the District, outside of Zones 1 and 2 and the South Downs National Park, lies within Zone 3.

Calculation of Charge

CIL is charged on the net additional gross internal floor area of a development. Where buildings are demolished, the total of the demolished floorspace will be off-set against the floorspace of the new buildings, providing the buildings were in lawful use prior to demolition.

In this context, a building is considered to be in lawful use if a part of that building has been in use for a continuous period of at least six months within the period of 12 months ending on the day planning permission first permits the chargeable development.

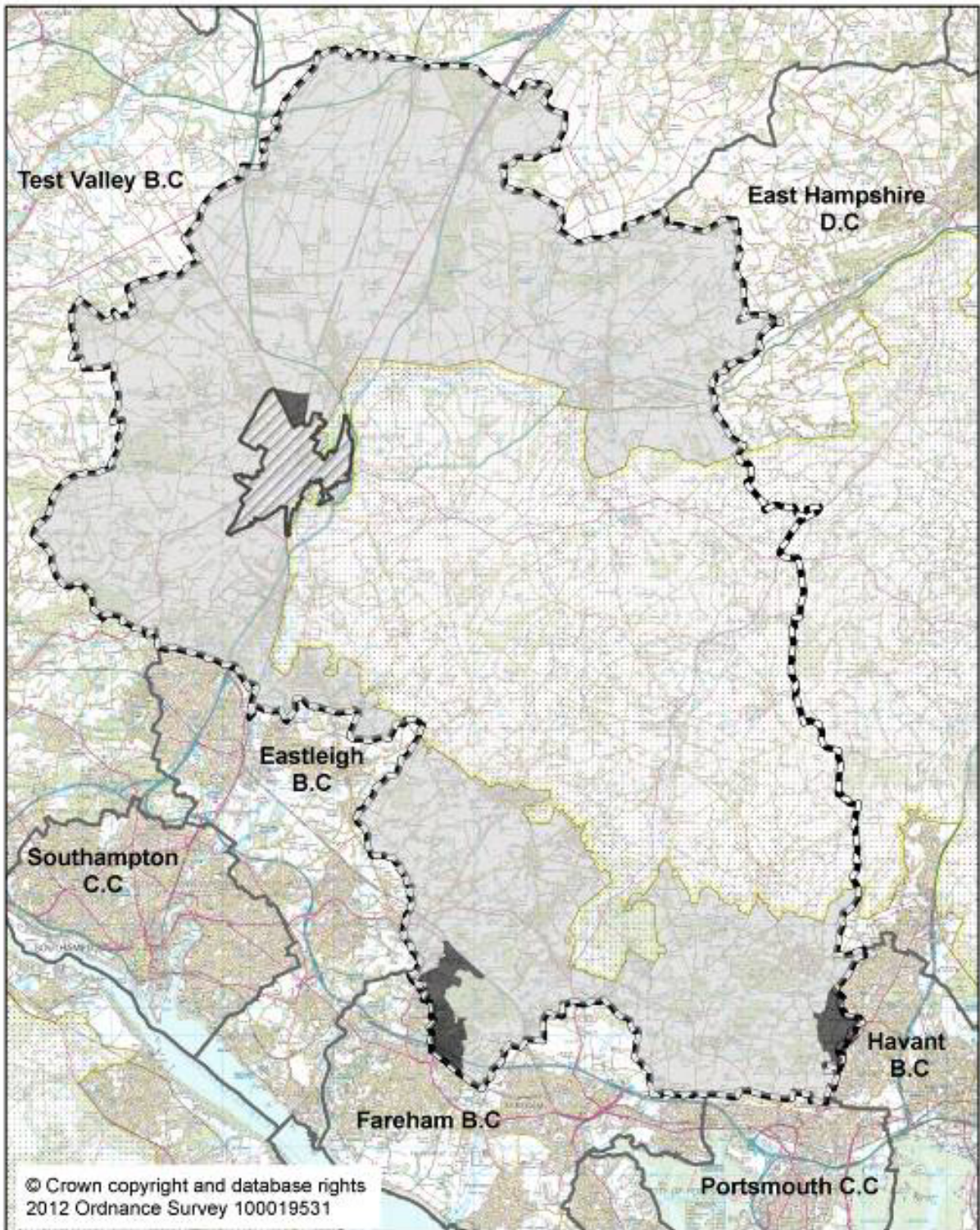
The calculation of the chargeable amount of CIL to be paid for a development proposal is set out in Regulation 40 of the CIL Regulations (as amended). This states that:

- The chargeable amount is the aggregate amounts of all chargeable developments at each of the relevant rates.
- Where the chargeable amount is less than £50 it is deemed to be zero.
- The relevant rates are those set out in the Charging Schedule which are in effect at the time planning permission is granted.

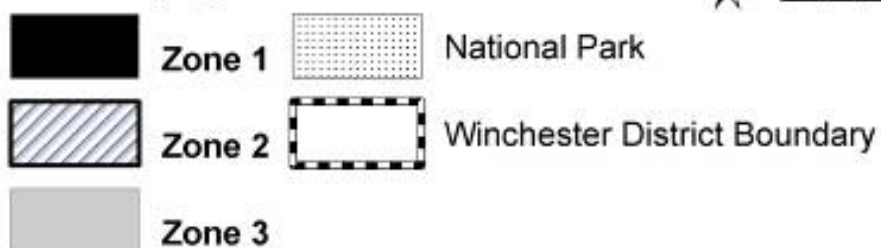
- The amount of CIL chargeable at a given rate and the means to determine the net chargeable area must be calculated using the formulae set out in Regulation 40. These provide the relevant indexing information and the mechanism to off-set existing floorspace proposed for demolition.

For details of the charge calculation, please refer to Regulation 40 of the CIL Regulations 2010 and the Amendment Regulations 2011, 2012 and 2013.

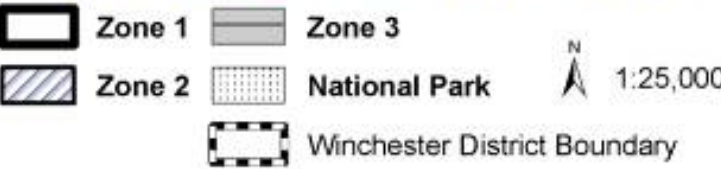
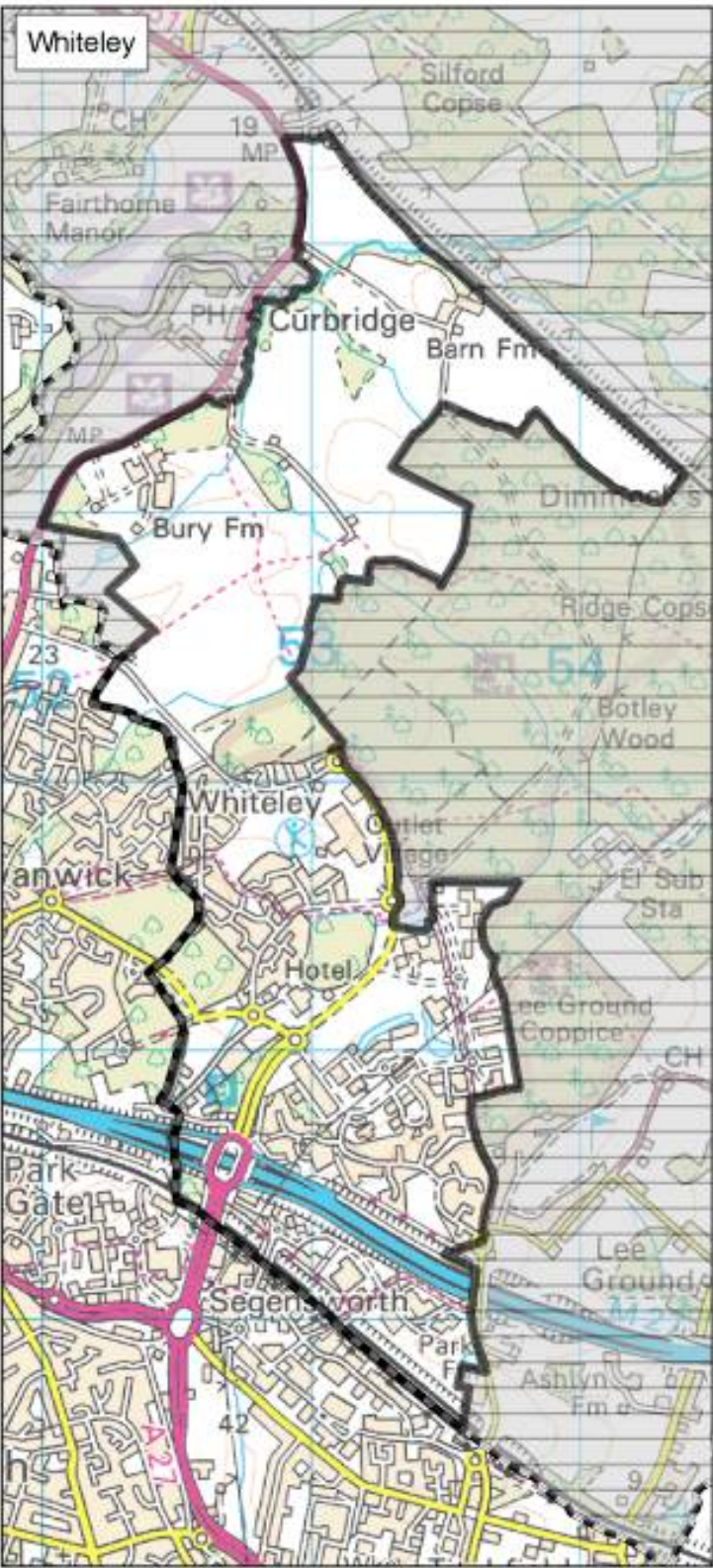
Plan 1: Winchester CIL Proposed Charging Zones



CIL Charging Zone

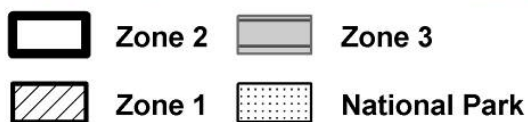
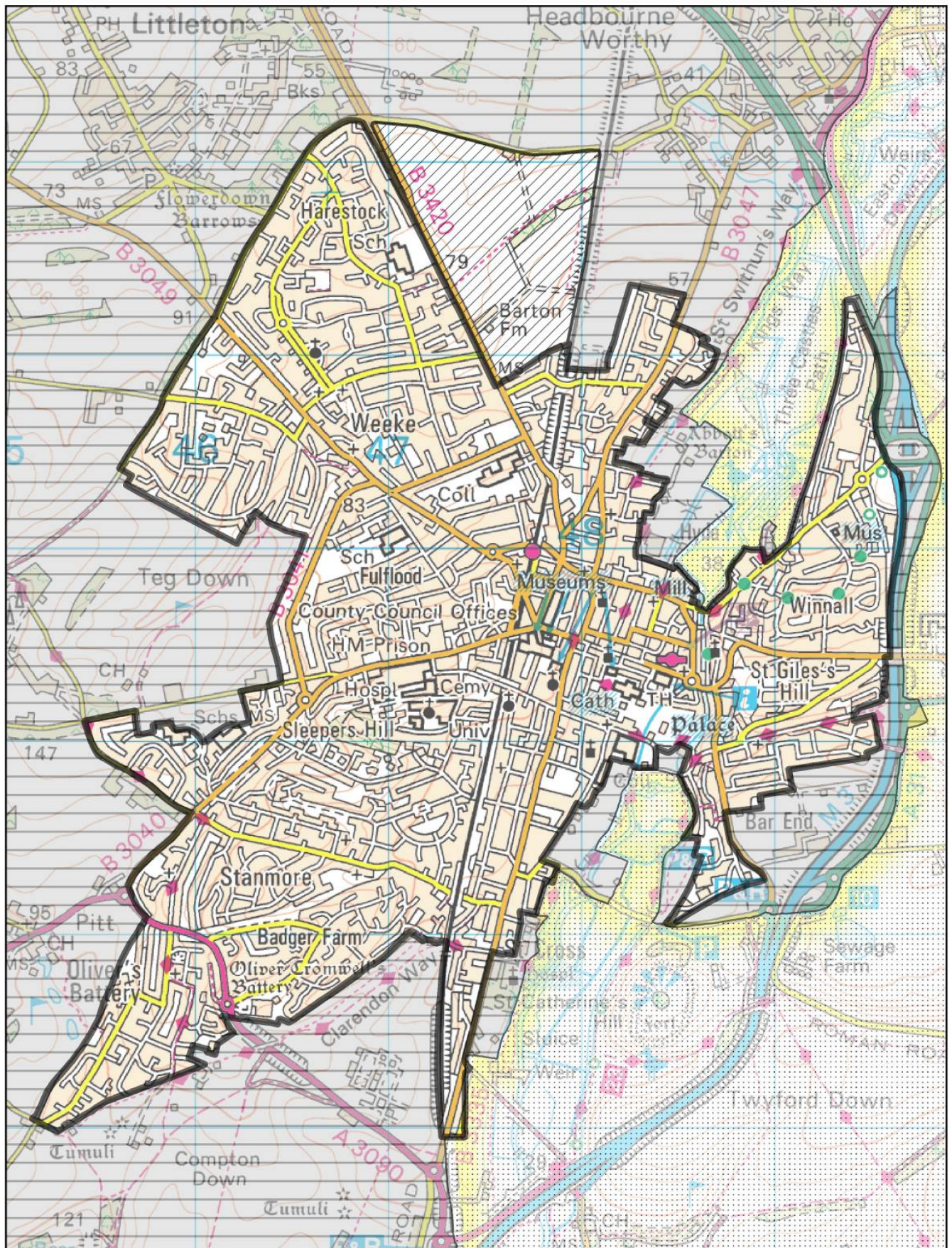


Plan 2: Zone 1



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Plan 3: Zone 2



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1:25,000

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Statutory Exemptions

The CIL Regulations provide exemptions for paying CIL as follows:

- 100% relief from CIL on those parts of a chargeable development which are to be used as social housing.
- Charity landowners receive 100% relief from their portion of the liability where chargeable development will be used wholly, or mainly, for charitable purposes.

To ensure that relief from the levy is not used to avoid proper liability for the levy, the regulations require that any relief must be repaid, a process known as 'clawback', if the development no longer qualifies for the relief granted within a period of seven years from commencement of the chargeable development.

Discretionary Exemptions

The CIL Regulations provide that charging authorities have the option to offer a process for giving relief from the levy in specific exceptional circumstances where a developer of a specific scheme cannot afford to pay the levy. Winchester City Council does not wish to offer such relief.

Payment of CIL

The CIL Regulations (as amended) allow Charging Authorities to adopt an instalment policy, as an alternative to requiring a full payment of CIL within 60 days of the commencement of the chargeable development. The City Council is minded to adopt an instalments policy, and although this is not a matter for scrutiny at CIL independent examination, the Council will publish details of the proposed instalment policy on submission of the Draft Charging Schedule.

Additional Information

How does the levy relate to planning permission?

The levy will be charged on new builds permitted through some form of planning permission. Usually this will be planning permission granted by Winchester City Council as the local planning authority, and the levy will also apply to 'permitted development' new builds under the General Permitted Development Order 1995 (as amended).

The planning permission will identify the buildings that will be liable for a Community Infrastructure Levy charge: the 'chargeable development'. The planning permission also defines the land on which the chargeable buildings will stand, the 'relevant land'.

Who is liable to pay the levy?

The responsibility to pay the levy runs with the ownership of land on which the liable development will be situated. This is in keeping with the principle that those who benefit financially when planning permission is given should share some of that gain with the community. That benefit is transferred when the land is sold with planning permission, which also runs with the land. The regulations define landowner as a person who owns a 'material interest' in the relevant land. 'Material interests' are owners of freeholds and leaseholds that run for more than seven years after the day on which the planning permission first permits development.

Although ultimate liability rests with the landowner, the regulations recognise that others involved in a development may wish to pay. To allow this, anyone can come forward and assume liability for the development. In order to benefit from payment windows and instalments (see below), someone must assume liability in this way. Where no one has assumed liability to pay the levy, the liability will automatically default to the landowners of the relevant land and payment becomes due immediately upon commencement of development. Liability to pay the levy can also default to the landowners where the collecting authority, despite making all reasonable efforts, has been unable to recover the levy from the party that assumed liability for the levy.

How is the levy collected?

The levy's charges will become due from the date that a chargeable development is commenced in accordance with the terms of the relevant planning permission. The definition of commencement of development for the levy's purposes is the same as that used in planning legislation, unless planning permission has been granted after commencement.

When planning permission is granted, the collecting authority will issue a liability notice setting out the amount of the levy that will be due for payment when the development is commenced, the payment procedure and the possible consequences of not following this procedure.

The levy's payment procedures encourage someone to assume liability to pay the levy before development commences. Where liability has been assumed, and the

collecting authority has been notified of commencement, parties liable to pay the levy will always benefit from a 60 day payment window on any instalments policy a local authority may have in place. However, payments are always due upon commencement if no party assumes liability and/or no commencement notice is submitted before commencement.

Is there an alternative to making financial payments?

The CIL Regulations provide for charging authorities to accept transfers of land as a payment 'in kind' for the whole or a part of a the levy, but only if this is done with the intention of using the land to provide, or facilitate the provision of, infrastructure to support the development of the charging authority's area.

An agreement to make an in-kind payment must be entered into before commencement of development. Land that is to be paid 'in kind' may contain existing buildings and structures and must be valued by an independent valuer who will ascertain its 'open market value', which will determine how much liability the 'in-kind' payment will off-set. Payments in kind must be provided to the same timescales as cash payments.

Will the Levy charging rates be updated on an annual basis?

Winchester City Council will be required to apply an annually updated index of inflation to keep the levy responsive to market conditions. The index will be the national All-In Tender Price Index of construction costs published by the Building Cost Information Service of The Royal Institution of Chartered Surveyors.