Community Infrastructure Levy
Draft Charging Schedule

LOCAL DEVELOPMENT FRAMEWORK
ROYAL BOROUGH OF KINGSTON UPON THAMES

Track Changes | June 2015
1 Introduction

1.1 The Draft Charging Schedule submission version has been approved for publication by the Council’s Infrastructure, Projects and Contracts Committee. It is published in accordance with Part 11 of the Planning Act 2008 (as amended), and the Community Infrastructure Levy Regulations 2010 (as amended).

What is CIL?

1.2 The Planning Act 2008 (as amended) and CIL Regulations 2010 (as amended) allow local authorities in England and Wales to raise funding for infrastructure from new building projects in their area. The Government considers that almost all development has some impact on the need for infrastructure, services and amenities - or benefits from it – so development should pay a share of the cost.

1.3 The Government considers that this tariff-based approach provides the best framework to fund new infrastructure to unlock land for growth and will be fairer, faster and more transparent than the system of securing infrastructure contributions through planning obligations in Section 106 agreements.

1.4 The rates within the schedule were informed by an economic viability assessment and consultation with both the general public and the development industry. The Schedule will also be subject to examination by an independent inspector from the Planning Inspectorate.

Statement of Statutory Compliance

1.5 For the purpose of Part 11 of the Planning Act 2008, the Royal Borough of Kingston upon Thames Council is both a Charging Authority and Collecting Authority for its administrative area.

1.6 In setting the levy rates the Council has struck an appropriate balance between;

   a. The desirability of funding from CIL in whole or in part the estimated 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.

1.7 This Charging Schedule was approved by the Council on (date to be inserted following examination)

1.8 This Charging Schedule will come into effect on (date to be inserted following examination)
2 Scope of CIL Charges

2.1 The following development types will be liable to pay CIL:

- Development comprising of 100sqm or more of new build floorspace;
- Development of less than 100sqm of new build floorspace that results in the creation of one or more dwellings;
- The conversion of a building that is no longer in lawful use or has been unoccupied.

2.2 Where planning permission is granted for development that involves the extension or demolition of a building in lawful use, the level of CIL payable will be calculated based on the net increase in floor space only, provided that lawful use can be established at the time CIL liability is to be calculated. Only in such circumstance would the existing floorspace be deducted from the total floor space. Deductions in respect of the demolition or the change of use of existing buildings will only apply where the existing building had been in continuous lawful use for at least six months in the three years prior to the development being permitted.

Exemptions and Relief from CIL

2.3 Part 6 of the CIL Regulations 2010 (as amended) makes provision for certain types of development to be mandatory exempt and details development entitled to claim mandatory, or discretionary relief from CIL, as set out below:

2.4 Mandatory exemptions from CIL:

- Minor development, with a gross internal area of less than 100 square metres (other than where the development will comprise one or more dwelling);
- A building into which people do not normally go;
- A building into which people go only intermittently for the purpose of maintaining or inspecting fixed plant or machinery;
- Structures that are not buildings such as pylons and wind turbines;
- Vacant buildings brought back into the same use;
- A building for which planning permission was granted for a limited period;
- Where the levy liability is calculated to be less than £50, the chargeable amount is deemed to be zero;

2.5 Development entitled to claim Mandatory Relief from CIL:

- Development by charities of their own land to be used wholly or mainly for charitable purposes;
- Social Housing as defined by Regulation 49 of the CIL Regulations 2010 (as amended);
- Self-build housing, residential annexes and extensions as defined by Regulation 45 of the CIL Regulations 2010 (as amended);

2.6 Development entitled to claim Discretionary Relief from CIL:

- Development by charities where the whole or greater part of that institution’s share of the chargeable development will be held as a charitable investment;
- Social Housing as defined by Regulation 49A of the CIL Regulations 2010 (as amended);
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. The ‘clawback’ period for self-build housing is within three years from commencement of the chargeable development.
3 CIL Rates

3.1 A Borough-wide Viability Study, undertaken by BNP Paribas, informs the CIL rates proposed by the Council. CIL will be levied in £s per sqm on gross internal net additional increase in floorspace for qualifying development in accordance with the provisions of the Community Infrastructure Levy Regulations 2010 (as amended).

3.2 The proposed CIL charge rates are set out in the following table.

<table>
<thead>
<tr>
<th>Development Type</th>
<th>Zone 1</th>
<th>Zone 2</th>
<th>Zone 3</th>
<th>Zone 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>£210</td>
<td>£130</td>
<td>£85</td>
<td>£50</td>
</tr>
<tr>
<td>Care Homes &amp; Retirement housing</td>
<td></td>
<td></td>
<td>£50</td>
<td>£20</td>
</tr>
<tr>
<td>Extra Care housing</td>
<td></td>
<td></td>
<td></td>
<td>£20</td>
</tr>
<tr>
<td>Student Housing</td>
<td></td>
<td></td>
<td></td>
<td>£220</td>
</tr>
<tr>
<td>Retail-Convenience based supermarkets and superstores(1) and retail warehousing (net retail space &gt;280sqm)(2)</td>
<td></td>
<td></td>
<td></td>
<td>£200</td>
</tr>
<tr>
<td>Kingston Town Centre - Primary Shopping Area</td>
<td></td>
<td></td>
<td>£200</td>
<td></td>
</tr>
<tr>
<td>All other Retail (A1-5)</td>
<td></td>
<td></td>
<td></td>
<td>£200</td>
</tr>
<tr>
<td>All other Uses (with the exception of those identified below)</td>
<td></td>
<td></td>
<td>£20</td>
<td></td>
</tr>
<tr>
<td>Public Services and Community Facilities(3)</td>
<td></td>
<td></td>
<td></td>
<td>Nil</td>
</tr>
</tbody>
</table>

1 Superstores/supermarkets are shopping destinations in their own right where weekly food shopping needs are met and which can also include non-food floorspace as part of the overall mix of the unit.
2 Retail warehouses are large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items and other ranges of goods, catering for mainly car-borne customers.
3 Public Service and Community Facilities: Public service includes development by the emergency services for operational purposes; development used wholly or mainly for the provision of education as a school or college under the Education Acts or as an institution of higher education; and development used wholly or mainly for the provision of any medical or health services, community halls, community arts centres, theatres, museums and libraries where development is for the purposes of delivering a public service or community facility.
4 Calculation of the CIL charge

4.1 CIL charges will be calculated in accordance with Regulation 40 of the Community Infrastructure Levy Regulations 2010 (as amended).

4.2 All CIL Liability will be index linked to the Building Cost Information Service (BCIS) All in Tender Price Index.

4.3 CIL will be calculated as set out in the Community Infrastructure Levy Regulations 2010 (as amended). This means that CIL will be calculated on the total net additional floor space created (measured as gross internal area). The CIL rates will be tied to the Royal Institute of Chartered Surveyors (RICS) Building Costs Information Service (BCIS) All-in Tender Price Index and the rate of CIL charged will therefore alter depending on the year planning permission for the chargeable development commences.

The Mayoral CIL

4.4 Development in Kingston is also required to pay the Mayor of London’s CIL to contribute towards the cost of Crossrail. Mayoral CIL is payable on all developments that receive planning consent after 1 April 2012. Kingston falls within Zone 2, where a CIL of £35/sqm will be levied on all eligible development.

CIL Instalment Policy

4.5 CIL liability becomes payable in full on commencement of development unless an instalment Policy is adopted in a Charging Authority area. Section 69B of the Community Infrastructure Levy Amendment 2010 (as amended) sets out the procedures by which an instalment policy can be adopted. The Council will introduce an Instalment Policy which reflects payments made by instalment over time calculated from commencement of development.
5 The Relationship between CIL and Section 106 Agreements

5.1 The purpose of CIL is to provide funding towards all or part of the infrastructure required to support the delivery of the growth envisaged by the Local Plan for an area. The Government has specified that there may still be a requirement for Planning Obligations to address site specific impact mitigation requirements, without which a development should not be granted planning permission, and which it may be appropriate to address through a Section 106 (S106) agreement. S106 agreements will also continue to be used for affordable housing and to address other policy requirements which cannot be dealt with through CIL.

5.2 From the 6th of April 2015 or the date when Kingston’s Charging Schedule takes effect, the use of Section 106 will be largely scaled back. The Council is developing a new Planning Obligations Supplementary Planning Document which will define where S106 will be sought and where CIL will be sought in relation to the delivery of infrastructure.

5.3 Various restrictions relate to the use of planning obligations as set out in Regulation 122 of the CIL Regulations 2010 (as amended) as follows:

1. Planning obligations are required to be:
   (a) Necessary to make the development acceptable in planning terms;
   (b) Directly related to the development; and;
   (c) Fairly and reasonably related in scale and kind to the development

2. On the local adoption of the levy, the regulations restrict the local use of planning obligations to ensure that individual developments are not charged for the same items through both planning obligations and the levy. This means that if the charging authority proposes to fund an item of infrastructure via the levy then it cannot also seek a S106 planning obligation contribution towards the same item of infrastructure.

3. From the 6th of April, pooled contributions may be sought from a maximum of five separate planning obligations for an item of infrastructure that is not intended to be funded by the levy. For uses that are not able to be funded by the levy, such as affordable housing, this restriction does not apply.
Appendix A Kingston Residential Charging Zones Map

Figure 1 Kingston’s Residential Charging Zones
Figure 2 Primary Shopping Frontages
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