

# Preliminary Draft Community Infrastructure Levy

## September 2011

### Introduction

The Community Infrastructure Levy (CIL) is a new system of securing developer contributions from planning permissions which local authorities are empowered, but not required, to charge on new development in their area. The levy can be used to support growth and sustainable development

CIL is a charge on new development, expressed as a cost per squared metre, set at the time planning permission is granted and paid on commencement of the development, or in accordance with an installment policy adopted by the Local Authority. In London CIL can be set by the local authority and by the Mayor of London. CIL is applied to all development resulting in a net increase of 100 sqm of floorspace, however affordable housing and developments by charities for charitable purposes are exempt from CIL. The Community Infrastructure Levy Regulations were brought into force on the 6 April 2010.

Developers and the Council will be given far clearer guidance on the levels of infrastructure contributions that are required from the outset, enabling developers to better consider this in any development appraisals. The Council will be able to use anticipated CIL receipts to better plan and deliver capital infrastructure improvements.

A 'meaningful' proportion of CIL will be passed down from the Council to local communities to spend as a way to make sure communities benefit from development in their area and support their involvement in the ways their area grows.

Regulations state that after a transition period leading up to 2014, all existing S106 tariff arrangements must cease operating, and S106 can only be used for site specific matters. Consequently, CIL will be the only way for local authorities to obtain general monetary contributions from developers towards the cost of providing large-scale community infrastructure.

Under Regulation 12 of the Community Infrastructure Levy Regulations 2010, there is no set format for a CIL Charging Schedule, but it must include:

- The name of the charging authority
- The rates (set in pounds per square metre) at which the CIL is to be charged
- Where a charging authority sets different rates for particular parts of its area or types of development, a map identifying the location and boundaries of the different charging zones reproduced from, or based upon, an Ordnance Survey map showing National Grid lines and reference numbers and including an explanation of any symbol or notation which it uses
- An explanation of how the amount to be charged for each development will be calculated.

# London Borough of Brent's Preliminary Draft Community Infrastructure Levy (CIL) Charging Schedule

## CHARGING SCHEDULE

The London Borough of Brent is a charging authority for the purposes of Part 11 of the Planning Act 2008. Brent is proposing to charge the Community Infrastructure Levy in respect of development across all of the London Borough of Brent at the following rates relative to the proposed land use (expressed as pounds per square metre).

The amount to be charged for each development will be calculated in accordance with regulation 40 of the Community Infrastructure Levy Regulations 2010. For the purposes of the formulae in paragraph 5 of regulation 40 (set out in Annex 1), the relevant rate (R) is the Rate for each charging zone shown below for each specific use.

This Schedule has been issued, approved and published in accordance with Part 11 of the Planning Act 2008 and the Community Infrastructure Regulations 2010.

### **Proposed Community Infrastructure Levy**

Hotel (Use Class C1), Residential (Use Classes C3 & C4), Residential Institutions except hospitals (Use Class C2) and all Sui Generis uses except Student Accommodation = £200.00 per square metre;

Student Accommodation Sui Generis use = £300.00 per square metre

Office (Use Class B1a) = £40.00 per square metre;

Retail (Use Class A1), Financial & Professional Services (Use Class A2), Restaurants & Cafes (Use Class A3), Drinking Establishments (Use Class A4), Hot Food Takeaways (Use Class A5) = £80.00 per square metre

Assembly and Leisure, excluding public swimming pools, (Use Class D2) = £5.00 per square metre;

Light Industry and Research & Development (Use Class B1b&c), General Industrial (Use Class B2), Storage & Distribution (Use Class B8), Health, Education, public libraries, museums, public halls and places of worship (Use Class D1a-h)), Hospitals, public swimming pools and public transport stations. = Zero charge.

The above charge will apply across all of Brent, in addition to any Mayoral CIL

CIL applies to the gross internal area of the net increase in development (Regulation 14).

***Extract from the Community Infrastructure Levy Regulations 2010, as amended***

**CHARGEABLE AMOUNT - Regulation 40**

Calculation of chargeable amount

- (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 at which CIL is chargeable in respect of the chargeable development taken from the charging schedules which are in effect—
  - (a) at the time planning permission first permits the chargeable development; and
  - (b) in the area in which the chargeable development will be situated.
- (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;

I<sub>p</sub> = 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) The value of A in paragraph (5) must be calculated by applying the following formula—

$$\frac{C_R \times (C - E)}{C}$$

where—

$C_R$  = the gross internal area of the part of the chargeable development chargeable at rate R, less an amount equal to the aggregate of the gross internal area of all buildings (excluding any new build) on completion of the chargeable development which —

(a) on the day planning permission first permits the chargeable development, are situated on the relevant land and in lawful use;

(b) will be part of the chargeable development upon completion; and

(c) will be chargeable at rate R.

C = the gross internal area of the chargeable development; and

E = an amount equal to the aggregate of the gross internal areas of all buildings which—

(a) on the day planning permission first permits the chargeable development, are situated on the relevant land and in lawful use; and

(b) are to be demolished before completion of the chargeable development.

- (7) The index referred to in paragraph (5) is 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; and the figure for a given year is the figure for 1st November of the preceding year.

- (8) But in the event that the All-in Tender Price Index ceases to be published, the index referred to in paragraph (5) is the retail prices index; and the figure for a given year is the figure for November of the preceding year.

- (9) Where the collecting authority does not have sufficient information, or information of sufficient quality, to enable it to establish—

(a) the gross internal area of a building situated on the relevant land; or

- (b) whether a building situated on the relevant land is in lawful use, the collecting authority may deem the gross internal area of the building to be zero.
- (10) For the purposes of this regulation a building is in 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.
- (11) In this regulation “building” does not include—
  - (a) a building into which people do not normally go;
  - (b) a building into which people go only intermittently for the purpose of maintaining or inspecting machinery; or
  - (c) a building for which planning permission was granted for a limited period.
- (12) In this regulation “new build” means that part of the chargeable development which will comprise new buildings and enlargements to existing buildings.