

IMPROVING
ENFIELD



Community Infrastructure Levy Preliminary Draft Charging Schedule

May 2013



CONSULTATION

Enfield Council is consulting on the Community Infrastructure Levy (CIL) Preliminary Draft Charging Schedule together with a revised draft of the Infrastructure Delivery Plan for a period of six weeks commencing **7th June until 5pm 19th July 2013**.

The Preliminary Draft Charging Schedule proposes CIL rates for different planning uses and for residential uses, different geographical areas of the Borough. The Charging Schedule has been established following careful consideration of appropriate available evidence including:

- An economic viability study undertaken by Dixon Searle Partnership Housing & Development Consultants LLP – Community Infrastructure Levy and Proposed Development Management Document Viability Assessment, April 2013;
- Local Plan – Core Strategy (adopted 2010) and Submission Development Management Document (DMD), March 2013;
- Infrastructure Delivery Plan Review – Consultation Draft, May 2013.

Consultation on the CIL Preliminary Draft Charging Schedule will be undertaken in accordance with the procedures set out in the Planning Act 2008 and the Community Infrastructure Levy Regulations 2010 (as amended 2011, 2012 and 2013).

All comments must be received in writing by 5pm on 19th July 2013.

Representations received to the Preliminary Draft Charging Schedule will be fully considered in preparing a CIL Draft Charging Schedule in autumn 2013. This Draft Charging Schedule will then be subject to a further six weeks consultation before being submitted for consideration by an independent examiner at an examination in public likely to take place during spring 2014. It is anticipated that, once approved, CIL charging will commence in summer 2014.

Copies of the consultation documents are available to view:

- Online at: www.enfield.gov.uk/CIL
- At the main reception Enfield Civic Centre, Silver Street, Enfield EN1 3XA.
- In the Council's libraries.

Comments received during the six week consultation period in respect of the revised draft Infrastructure Delivery Plan will be considered in finalising this document. All representations received will be made public and should be sent to:

Strategic Planning and Design
Regeneration Leisure and Culture
Enfield Council
Civic Centre
Silver Street
Enfield EN1 3XA

Or, email: CIL@enfield.gov.uk

All those who comment will be informed when the CIL Draft Charging Schedule is published for further consultation.



**For help with this document, call 020 8379 3866 or
email cil@enfield.gov.uk**

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1. WHAT IS THE COMMUNITY INFRASTRUCTURE LEVY (CIL)?

Introduction

- 1.1 The Council is consulting on this Preliminary Draft Charging Schedule as the first step in working towards adoption of a CIL Charging Schedule that would apply to qualifying new development across the Borough.

This consultation document is split into four sections:

- What is the Community Infrastructure Levy?
 - Evidence to Support Proposed CIL Charges.
 - The Enfield Council CIL Preliminary Draft Charging Schedule.
 - Next Steps.
- 1.2 The Preliminary Draft Charging Schedule and the proposed CIL rates for different planning uses and covering different geographic areas of the Borough have been established through careful consideration of appropriate available evidence including:
- The adopted Core Strategy 2010.
 - The submission Development Management Document (DMD) – March 2013.
 - The consultation draft Infrastructure Delivery Plan Review - May 2013.
 - The CIL and Submission DMD Economic Viability Assessment – April 2013.
- 1.3 The Community Infrastructure Levy (CIL) was introduced in the Planning Act 2008 and came into force on 6th April 2010. CIL is a new system for securing developer contributions through the planning system which local authorities and the Mayor of London are empowered to charge on new development in their area.
- 1.4 The CIL is a charge which is applied to new development. Monies raised from the levy can be used to help fund essential infrastructure which is needed to support planned growth and development in an area such as schools, community facilities, flood defences and highway improvements. Once adopted CIL will largely replace the Council's current system of developer contributions for infrastructure arising from Section 106 agreements. CIL is not intended to replace mainstream service funding, or meet in full the cost of delivering necessary infrastructure, but is intended to help reduce/plug the infrastructure funding gap.
- 1.5 The Government considers that the introduction of CIL provides developers with greater certainty about the infrastructure contributions they will be expected to contribute to as part of the development process, as once approved, the CIL is a non – negotiable charge. CIL will apply to more developments than is currently required under the Section 106 obligation system and should be consistent with, and support the implementation of, an area's Local Development Plan.

How is CIL calculated and charged?

- 1.6 CIL in Enfield will be charged and collected by Enfield Council (the Charging Authority). Enfield Council already collects CIL on behalf of the Mayor of London

(Enfield is a Collecting Authority for the Mayor) for CIL liable developments within the Borough.

- 1.7 The levy is expressed in £ per square metre and is only chargeable on the net additional increase in floorspace of a development (measured by the gross internal area) where:
- There is an increase in floorspace of 100 square metres or more of gross internal floorspace; or
 - Development results in the creation of one or more dwellings (even where the uplift in floorspace is less than 100 square metres).
- 1.8 When calculating the CIL charge, the gross internal floorspace of any buildings on the site will be deducted from the CIL liability where the building has been in continuous lawful use for at least 6 months in the 12 months prior to development being permitted.
- 1.9 Buildings into which people do not normally go, or go into intermittently for the maintenance or inspection of plant or machinery, are not CIL liable.
- 1.10 CIL will be charged on development which requires planning consent and exceeds the size thresholds set out in paragraph 1.7 above, including those developments granted consent through the General Permitted Development Order, any Local Planning Order, or any Neighbourhood Development Order.
- 1.11 CIL charges become payable from the date of commencement of development. As soon as practicable after planning permission has been granted, the Council will issue a Liability Notice setting out the amount of CIL to be paid, the payment procedure and the consequences of not paying. The developer must then submit a Commencement Notice to the Council giving notice of the intended commencement date. The Council will then issue a Demand Notice setting out the required CIL payment and payment terms. Payment is normally due 60 days after commencement. The CIL charge will be registered as a Local Land Charge.
- 1.12 The responsibility for payment of CIL runs with the ownership of land. Regulations define ownership as a person with a 'material interest' in the land, i.e. owners of freeholds or owners of leaseholds than run for more than seven years from the date of permission. In many cases it will be the developer rather than the landowner who assumes liability to pay the CIL.

Enforcement

- 1.13 The CIL Regulations set out a range of measures that can be used by the Council to ensure the payment of CIL, including surcharges on late payments and stop notices. The ultimate sanction is to seek a court's consent to seize assets or committal to prison.

Relief from CIL and Exceptional Circumstances

- 1.14 The CIL Regulations give statutory relief from CIL for:

- Charities where the chargeable development is to be used wholly or mainly for charitable purposes; and
- Social housing developments.

- 1.15 Clawback procedures are set out requiring the repayment of relief if the development ceases to fall within the above categories within seven years of commencement.
- 1.16. The Regulations allow for relief from CIL in exceptional circumstances, but only where a Charging Authority has made such relief available in its area. The Council's approach to exceptional circumstances relief is set out in paragraph 3.8.

CIL and Section 106 Planning Obligations

- 1.17 CIL is intended to replace much of the planning obligations mechanism for the funding of infrastructure, set out in Section 106¹ of the Town and Country Planning Act 1990. Regulations prevent the double charging of CIL and Section 106 to fund the same piece of infrastructure. To reflect the changed approach, Section 106 planning obligations are to be scaled back to cover:
- Site specific mitigation, necessary to make a development acceptable in planning terms.
 - Affordable housing.
 - Contributions to revenue projects, including training and skills provision.
- 1.18 Regulations limit the pooling of planning obligations towards infrastructure that is capable of being funded through CIL. From 6th April 2014, or the adoption of a CIL (whichever is the sooner), the pooling of more than five separate planning obligations to fund a specific piece of infrastructure will not be permitted.

Infrastructure List

- 1.19. The Charging Authority is required to publish on its website a list of projects or types of infrastructure that it intends to fund wholly or partly through CIL – the Regulation 123 List. This list must be submitted as evidence to the CIL public examination, alongside proposals for the scaling back of existing Section 106 planning obligations. The Regulation 123 List can be updated as circumstances change without any requirement to update the CIL charge. Any changes to the List must be subject to public consultation. A draft Regulation 123 List will be published at the next stage alongside the Draft Charging Schedule. It will be informed by the Infrastructure Delivery Plan.

Mayoral CIL

- 1.20 Under the Planning Act 2008, the Mayor of London has the ability to set a Mayoral CIL in addition to the London Boroughs. The Mayor of London has set a London-

¹ Enfield Council's S106 planning obligations requirements are currently set out in the Planning Obligations Supplementary Planning Document (adopted November 2011) a revised version of this will be produced prior to the adoption of a CIL.

wide Mayoral CIL to raise £300 million as a contribution towards the funding of the Crossrail scheme. The London Boroughs are responsible for the collection of the Mayoral CIL which came into force in April 2012. In Enfield the Mayoral CIL is charged at a rate of £20 per square metre for qualifying floorspace in new developments.

2. THE CIL CHARGE SETTING PROCESS AND SUPPORTING EVIDENCE

CIL Rate Setting Process

- 2.1 The 2008 Act, amended by the Localism Act 2011, provides the legislative basis for CIL. Detailed procedural requirements for introducing, setting and charging a CIL are set out in the Community Infrastructure Levy Regulations 2010 (as amended in 2011 2012 and 2013) and statutory guidance issued by the Department for Communities and Local Government (DCLG) in April 2013. The CIL regulations and statutory guidance specify the process that Enfield, as a Charging Authority, must follow when setting a CIL.

Economic Viability Evidence

- 2.2 In setting a CIL rate authorities must have regard to the implications of the levy on the economic viability of development. Charging Authorities are required to set a rate which does not put at serious risk the overall development of their area. Charging Authorities should use evidence to strike an appropriate balance between the desirability of funding infrastructure through CIL and the potential effects, taken as a whole, of the levy on the economic viability of development across their area. This “balance” has to be considered alongside other policy considerations contained in the Local Plan, the Mayoral CIL and any scaled back Section 106 planning obligations. An economic viability study has been undertaken to justify the proposed CIL rates.

Evidence of Infrastructure Need

- 2.3 Charging Authorities are also required to identify the total infrastructure funding gap that the levy is intended to support, having taken account of other sources of available funding. They should use the infrastructure planning that underpinned their local development plan to identify the types of infrastructure that are likely to be funded through CIL and provide this evidence at the public examination held to consider their proposed CIL. The Council has updated its Infrastructure Delivery Plan to set out the infrastructure necessary to support planned development and the details of any funding gaps.

3. ENFIELD'S PROPOSED PRELIMINARY DRAFT CIL CHARGING SCHEDULE

3.1 Enfield Council is the Charging Authority for the Community Infrastructure Levy for the purposes of Part 11 of the Planning Act 2008 (as amended).

Schedule of Rates

3.2 Taking into account the economic viability study findings and the Government guidance on charge setting, Enfield Council proposes to charge CIL in respect of development across the Borough at the following rates, (expressed as pounds per square metre net additional floorspace, gross internal area):

Table 1: Proposed CIL Residential Charging Rates comprising all of the C3 Use Class and Care Homes (Use Class C2).

Zone*	Rate
Lower rate Eastern corridor (to include the following wards: Turkey Street, Enfield Lock, Enfield Highway, Southbury, Ponders End, Jubilee, Lower Edmonton, Upper Edmonton, Edmonton Green and Haselbury, and parts of the Bush Hill Park and Chase wards)	£40 per square metre
Intermediate rate Area south of the A406 and A110 Bowes Road, Bowes ward and part Southgate Green Enfield Town (with parts of adjacent Chase and Highlands wards)	£60 per square metre
Higher rate Remainder of the Borough	£120 per square metre

* The boundaries of the proposed charging zones are illustrated on the map below in Figure 1.

Table 2: Proposed CIL Non Residential and Commercial CIL Rates

Retail (A1), financial and professional services excluding betting shops (A2), restaurants and cafes (A3), drinking establishments (A4)	A borough-wide rate of £60 per square metre
Betting Shops (A2)	A borough-wide rate of £85 per square metre
Hot Food Takeaways (A5)	A borough-wide rate of £85 per square metre
All other uses (including offices, industrial, hotels, leisure facilities, community and other uses).	£0 per square metre

Mayoral CIL

- 3.3 In accordance with Regulation 10 of the Community Infrastructure Levy Regulations 2010 (as amended), Enfield Council is a collecting authority for the Mayoral CIL. This is currently set at a level of £20 per square metre (as adjusted for inflation) and will be levied in addition to the proposed Enfield Council CIL rates expressed above.

Calculation of the CIL Charge

- 3.4 The amount to be charged for each development will be calculated in accordance with Regulation 40 of the Community Infrastructure Levy Regulations 2010 (as amended). For the purposes of the formulae in paragraphs (5) and (6) of Regulation 40 (set out in Annex A), the relevant rate (R) is the rate for each charging zone shown in Table 1.

Inflation and Indexation

- 3.5 As set out in Part 5 of the Community Infrastructure Levy Regulations 2010 (as amended), the above CIL rates shall be tied to the Royal Institution of Chartered Surveyors "All In Tender Price Index"; the rate of CIL charged will therefore alter depending on the year planning permission for the chargeable development is first granted.

Scope of CIL

- 3.6 CIL will be chargeable on the net additional floorspace (gross internal area) of all new development apart from those exempt under Part 6 of the Community Infrastructure Levy Regulations 2010 (as amended). Those exempt from the charge are as follows:
- Developments where the gross internal area of new build on the relevant land will be less than 100 square metres (does not apply where development will comprise one or more dwellings);
 - Buildings into which people do not normally go, or go into only intermittently for the purpose of inspecting or maintaining fixed plant or machinery;
 - Buildings owned by charities and used wholly or mainly for a charitable purpose*;
 - Those parts of a development used for social housing*.

*Applications for charitable or social housing relief must be submitted to the Council in accordance with Part 6 of the Community Infrastructure Levy Regulations 2010 (as amended).

Payment Instalments

- 3.7 In accordance with Regulation 70 of the Community Infrastructure Levy Regulations 2010 (as amended), payment of the Enfield and Mayoral CIL should be made in full at the end of a period of 60 days from the intended date of commencement, or in accordance with any instalment policy which is applied by the Mayor.

Discretionary relief

- 3.8 Part 6 of the Community Infrastructure Levy Regulations 2010 (as amended) provides for discretionary relief from CIL for exceptional circumstances. The proposed CIL rates in this charging schedule have been informed by a detailed viability study, which has demonstrated that a combination of the CIL, Section 106 planning obligations and reasonable site specific mitigation should not have an adverse impact on the general viability of development across the Borough. The Council does not therefore propose to offer any other discretionary or exceptional relief from CIL. If there is a more general issue over viability then that will be addressed through monitoring and review of the CIL rates.

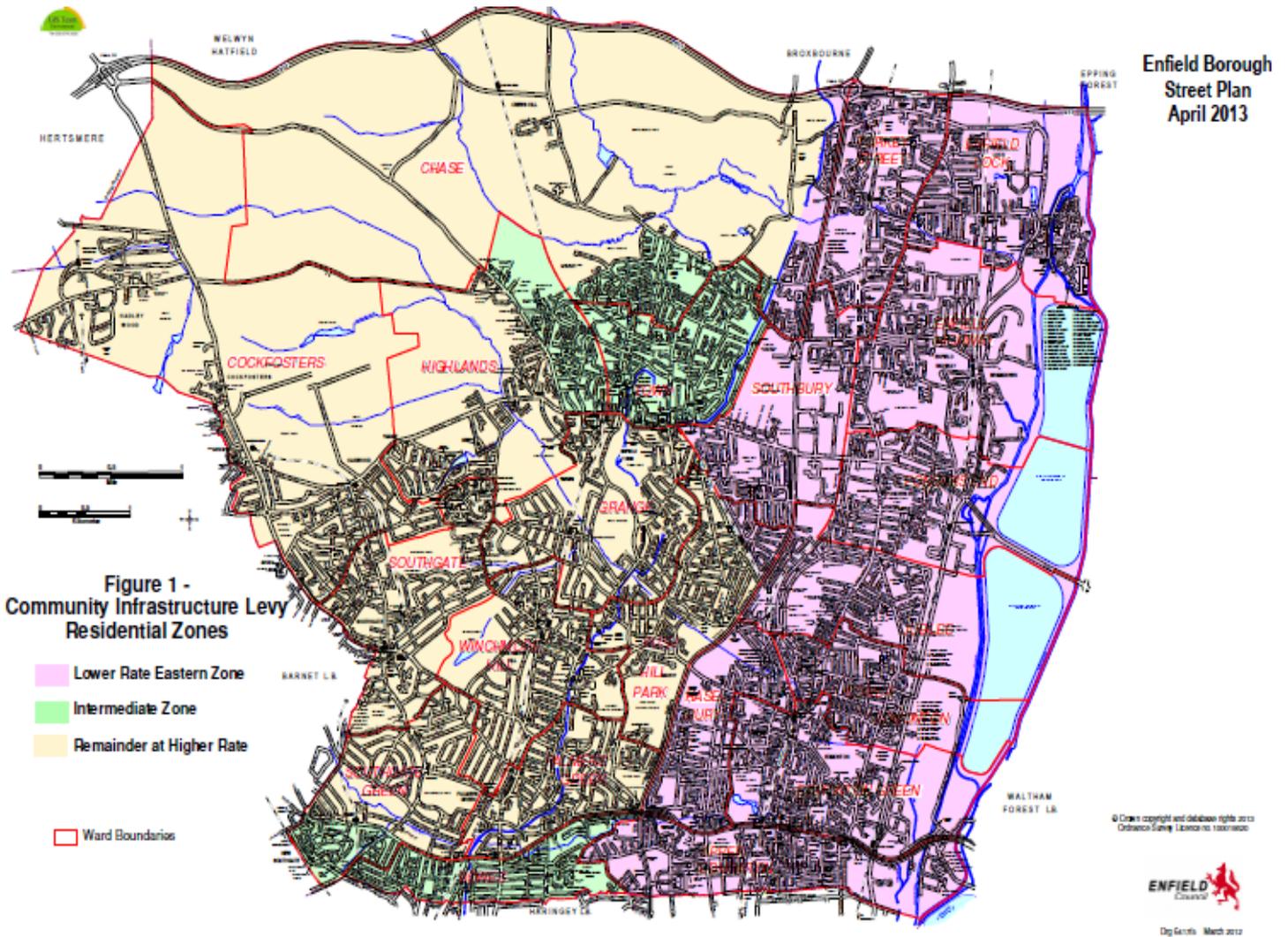
Statutory Compliance

- 3.9 This Charging Schedule has been issued, approved and published in accordance with the Community Infrastructure Levy Regulations 2010 (as amended) and Part 11 of the Planning Act 2008.

This Schedule was approved by Enfield Council at a meeting of the full Council held on2014

This Schedule takes effect on2014

Figure 1: Proposed CIL Residential Zones



Annex A

Extract from the Community Infrastructure Levy Regulations 2010 (as amended)

Calculation of chargeable amount

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 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;

IP = the index figure for the year in which planning permission was granted; and

IC = 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—

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

where—

G = the gross internal area of the chargeable development;

GR = the gross internal area of the part of the development chargeable at rate R;

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; and

KR = 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.

(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

4. NEXT STEPS

- 4.1 This Preliminary Draft Charging Schedule, together with the Council's revised Infrastructure Delivery Plan are the subject of consultation for six weeks from **7th June until 5pm on Friday 19th July 2013**. Following the consultation period the representations received to the Preliminary Draft Charging Schedule will be reviewed and if required alterations made to the proposed CIL rates or further testing undertaken.
- 4.2 The next stage is preparation of the Draft Charging Schedule which will be subject of a further six week consultation in autumn 2013, with a view to examination in spring 2014 and adoption in summer 2014.
- 4.3 Comments received to the revised draft Infrastructure Delivery Plan will be considered in finalising this document which will be made available as part of the evidence supporting the CIL Draft Charging Schedule.

Your Views

- 4.3 We would like to receive any comments you may have on the Preliminary Draft Charging Schedule and the revised draft Infrastructure Delivery Plan. Comments should be made in writing and sent to:

Strategic Planning and Design
Regeneration Leisure and Culture
Enfield Council
Civic Centre
Silver Street
Enfield EN1 3XA

Or,

Email: CIL@enfield.gov.uk

- 4.4 For further information: please contact the Planning Policy Team at cil@enfield.gov.uk or call us on 020 8379 3866