

DRAFT FOR EXECUTIVE (07.11.16)

Community Infrastructure Levy (CIL)

Draft Charging Schedule

Cherwell District Council

POSITION STATEMENT ON CIL AND PLANNING OBLIGATIONS (UPDATE)

November 2016

1. Introduction

- 1.1. This position statement supports Cherwell Local Plan Policy INF1 and has been prepared to explain how the Council would seek to operate CIL alongside requirements for Planning Obligations if the Council decides to introduce CIL. It describes how the Council intends to publish a consultation draft Developer Contributions SPD to replace its Interim Planning Obligations SPD and seeks views on the Council's approach to ensure that CIL and S106s (Planning Obligations) are not sought towards the same item of infrastructure.
- 1.2. Planning obligations should only be used where it is not possible to address the unacceptable impact of development through a planning condition (NPPF paragraph 203) and where the obligation meets the following three tests:
 - necessary to make the development acceptable in planning terms;
 - directly related to the development; and
 - fairly and reasonably related in scale and kind to the development
- 1.3. Since April 2015 and in accordance with CIL regulations 122 and 123, the Council can only pool up to five S106 contributions towards the provision of an infrastructure item. The Council is preparing a list of infrastructure items that it intends to fund (wholly or partly) through CIL, known as the 'Regulation 123 list'. S.106 developer contributions cannot be collected for infrastructure items included in the 'Regulation 123' list.
- 1.4. The Draft 'Regulation 123 list' is derived from the Council's Infrastructure Delivery Plan (IDP). An update of the IDP was published in January 2016 and a Draft Regulation 123 List has been published alongside the CIL Draft Charging Schedule and Draft Developer Contributions SPD for consultation.

2. CIL and Planning Obligations in Cherwell

Cherwell's Interim Planning Obligations SPD

- 2.1. The Council adopted the current Interim Planning Obligations SPD in May 2011 for Development Management purposes. It guides all those involved in planning applications as to when planning obligations will be required, sets thresholds and the priority given to different infrastructure types.
- 2.2. The Interim SPD seeks contributions towards:
 - i. On site related items, comprising:
 - Affordable housing
 - Local open space, play space and landscaping
 - Local community facilities and services such as education facilities and community halls
 - Sustainable urban drainage systems
 - Nature conservation and biodiversity

- Sustainable construction
 - Sustainable transport and travel plans, footpath /cycleway provision, public transport infrastructure and access improvements
- ii. General infrastructure related items or projects that at the time of drafting the SPD in 2011 were considered suitable for a tariff approach and will be considered as potential funding areas for CIL. These comprise (list is not exhaustive):
- Strategic open space, sport and recreation
 - Cemeteries
 - Indoor Sport
 - Strategic community facilities, including community development
 - Refuse and recycling
 - Public art
 - Public realm
 - General Transport and Access Impacts
 - Education
 - Children’s Centres and Nursery Provision
 - Integrated Youth Services
 - Libraries
 - Day Care Provision for the Elderly
 - Adult Learning
 - Museum Resource Centre
 - Public Rights of Way
 - Fire and Rescue
 - Health
 - Police
 - Air Quality
 - Strategic Flood Defence

2.3. The Council is now publishing a new Consultation Draft Developer Contributions SPD which will sit alongside the next CIL consultation stage for the Draft Charging Schedule.

Affordable Housing

2.4. The CIL Regulations allow for affordable housing to be secured through S.106s with unlimited pooling. In setting CIL charges the Council will have to consider the combined impact on development viability of CIL charges alongside affordable housing policy.

2.5. Policy BSC3 of the Cherwell Local Plan sets out the Council’s requirements for affordable housing. At Banbury and Bicester, all proposed development that includes 11 or more dwellings is expected to provide at least 30% new affordable homes on site. Elsewhere in the district the same site size threshold applies (11+) but the percentage of affordable homes is expected to be 35%. The Council will only consider financial contributions ‘in lieu’ of affordable housing on sites in exceptional circumstances.

2.6. Cherwell Annual Monitoring Report 2015 shows the following affordable housing completions for the years 2011/12 to 2014/15:

Year	Banbury	Bicester	Remaining Areas	Totals
2011/12 Net	88	4	112	204
2012/13 Net	69	34	10	113
2013/14 Net	44	35	61	140
2014/15 Net	78	61	52	191
Totals	279	134	235	648

2.7. The Council would expect to operate CIL and planning obligations as complementary funding mechanisms and would monitor the effect of CIL charges on affordable housing completions.

2.8. The CIL Viability Report takes into account Local Plan Part 1 Policy BSC3 on affordable housing and other Local Plan policies which have a development cost. It is the Council's view that the suggested CIL charges, set out in the accompanying preliminary draft charging schedule, would be set at a level which would allow proposals to comply with planning policy requirements while remaining viable development propositions.

Proposed approach to CIL and Planning Obligations

2.9. Upon the introduction of CIL, the Council would seek CIL payments in accordance with its CIL Charging Schedule, once in place; this charge is not negotiable. Although the scope for securing S.106 planning obligations has been reduced since April 2015 due to the pooling restrictions, it is expected that planning obligations would still be sought for:

- i. Affordable housing; and
- ii. Infrastructure which is required as a direct result of a development to mitigate its impact. Such infrastructure items will not be included in the Council's Regulation 123 list.

2.10. The Council's preliminary draft charging schedule proposes a nil CIL charge for sites in Cherwell Local Plan Part 1 comprising 500 or more homes. These are:

- Policy Banbury 1: Banbury Canalside
- Policy Banbury 2: Hardwick Farm, Southam Road (East and West)
- Policy Banbury 4: Bankside Phase 2
- Policy Banbury 17: South of Salt Way - East
- Policy Bicester 1: North West Bicester Eco-Town
- Policy Bicester 2: Graven Hill
- Policy Bicester 3: South West Bicester Phase 2
- Policy 12: South East Bicester
- Policy Villages 5: Former RAF Upper Heyford

2.11. These larger strategic sites are likely to generate the need for substantial infrastructure on site. Many of these sites have either outline planning permission or a resolution to approve and are likely to have gained outline planning permission ahead of CIL adoption. The infrastructure needs for these sites have been identified in the Local Plan and the Council envisages that infrastructure items

relating to the delivery of these sites will be excluded from CIL funding in the Regulation 123 list.

3. Summary of Monies raised By S106 Contributions for Cherwell District

3.1. Table 1 gives a summary of the total monies secured by S106 agreements from development in the District.

	1 April 2013- 31 March 2014	1 April 2014- 31 March 2015	1 April 2015- 31 March 2016	1 April 2016 to present
CDC	£2,488,579.00	£2,649,195.00	£1,118,641.00	£1,975.00
OCC	£15,506,108.00	£35,047,387.00	£12,123,043.00	N/A
Total	£17,994,687.00	£37,696,582.00	£13,241,684.00	£1,975.00

Table 1: Summary of Monies secured from S106 agreements.

4. Next Steps

- 4.1. The Council is now undertaking a second round of consultation on the Draft Charging Schedule. This will be for a period of six weeks from November 2016. This will be followed by an Examination Hearing in May 2017, with final approval by the Council anticipated in September 2017.
- 4.2. The Council will be consulting on its Draft Developer Contributions SPD alongside the CIL Draft Charging Schedule. On completion of this formal consultation process the Council will prepare a final SPD for adoption in September 2017.