

Community Infrastructure Levy (CIL)

Preliminary Draft Charging Schedule

Cherwell District Council

POSITION STATEMENT ON CIL AND PLANNING OBLIGATIONS

February 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 review 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 on the Regulation 123' list.
- 1.4. The '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 will be published at the next consultation stage.
- 1.5. The proposed CIL Preliminary Draft Charging Schedule and Infrastructure Funding Gap paper are available on the Council's website at www.cherwell.gov.uk/policypublicconsultation

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 intends to publish for consultation a new Developer Contributions SPD at the next CIL consultation stage for the Draft Charging Schedule. However, early views are welcome as part of this first CIL consultation to help inform the SPD review process.

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 more than 500 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.

2.12. Appendix 1 contains a draft infrastructure table which identifies the potential funding mechanisms for securing different types of infrastructure (within the context of national guidance and regulations). The draft table provides a starting point for reviewing the current Interim Planning Obligations SPD, 2011 and as part of this consultation the Council is seeking views on the most suitable funding mechanisms that might be used.

3. Planning obligations and CIL comparison

3.1. A comparison has been undertaken between developer contributions agreed as part of planning permissions granted for residential development in Cherwell under the Interim Planning Obligations SPD, 2011 and the potential levy under the proposed Preliminary Draft CIL Charging Schedule. The Council's viability study illustrates that residential development is the primary form of development that is likely to be able to sustain a CIL charge.

Table 1: CIL against past S106 comparison with total figures

Application Ref.	Location	Units	Total S106	Total CIL	CIL +S106s*	CIL vsS106s
14/01133/OUT	Banbury	9	£277,734	£0	£277,734	n/a
13/00186/F	Launton	11	£183,543	£198,748	£209,748	£26,205
13/01796/OUT	Weston on the Green	20	£245,071	£387,145	£407,145	£162,074
13/01682/F	Bodicote	21	£277,645	£402,978	£423,978	£146,334
13/00996/F	Adderbury	26	£248,043	£468,570	£494,570	£246,527
10/00967/OUT	Milcombe	29	£320,233	£530,812	£559,812	£239,579
13/00621/OUT	Bicester	45	£950,362	£789,820	£834,820	£-115,542
10/00807/OUT	Arncott	48	£619,360	£798,247	£846,247	£226,887
14/00844/OUT	Hook Norton	54	£358,342	£993,977	£1,047,977	£689,635
13/00004/OUT	Bletchington	58	£68,115	£1,000,873	£1,058,873	£990,758
13/00496/OUT	Bloxham	60	£740,406	£990,725	£1,050,725	£310,319
09/01811/F	Bloxham	61	£607,538	£898,366	£959,366	£351,828
12/00926/OUT	Bloxham	75	£491,660	£1,382,387	£1,457,387	£965,728
14/01017/OUT	Bloxham	85	£1,091,199	£1,545,324	£1,630,324	£539,125
13/00301/OUT	Deddington	85	£713,269	£1,444,441	£1,529,441	£816,172
13/00344/HYBRID	Ambrosden	90	£1,175,173	£1,646,800	£1,736,800	£561,627
12/01789/OUT	Banbury	118	£2,276,556	£2,358,958	£2,476,958	£200,403
09/01592/OUT 13/01226/REM	Bicester	140	£1,846,040	£2,254,000	£2,394,000	£547,960
14/00066/OUT	Banbury	160	£1,721,200	£2,943,660	£3,103,660	£1,382,459
13/00656/OUT	Banbury	300	£3,467,391	£3,987,809	£4,287,809	£820,418
13/00159/OUT	Banbury	412	£3,844,797	£0	£3,844,797	n/a

* CIL charge plus assumption of 'on-site' S106s (£1,000 for sites of 500 or less homes and £10,000 for larger sites)

3.2. Table 1 is shown for illustrative purposes to compare the level of S106s achieved on a sample of residential planning permissions against a potential CIL scenario as proposed in the Preliminary Draft CIL Charging Schedule. For these developments, the table shows that CIL charges would be higher than past S106s in most cases.

3.3. Planning permissions 14/01133/OUT and 13/00159/OUT in Table 1 are shown to have a zero CIL charge because they relate to a larger strategic site (Southam Road) for over 500 homes.

3.4. Table 2 shows the same set of data as above but provides a comparison on a per square metre basis illustrating more clearly the relationship between the CIL charge

as proposed in the different charging areas (refer to map in Appendix 2). The different charging areas are explained in the viability report.

Table 2: CIL against past S106 comparison per square metre

Application Ref.	Location	Units	S106/m ²	S106s/m ² excluding Affordable housing	CIL/m ²
14/01133/OUT	Banbury	9	£269	£269	n/a
13/00186/F	Launton	11	£153	£212	Area 2: £230
13/01796/OUT	Weston on the Green	20	£114	£146	Area 2: £230
13/01682/F	Bodicote	21	£121	£158	Area 2: £230
13/00996/F	Adderbury	26	£91	£122	Area 2: £230
10/00967/OUT	Milcombe	29	£104	£139	Area 2: £230
13/00621/OUT	Bicester	45	£200	£277	Area 2: £230
10/00807/OUT	Arncoth	48	£122	£178	Area 2: £230
14/00844/OUT	Hook Norton	54	£60	£83	Area 2: £230
13/00004/OUT	Bletchington	58	£12	£16	Area 2: £230
13/00496/OUT	Bloxham	60	£125	£172	Area 2: £230
09/01811/F	Bloxham	61	£98	£156	Area 2: £230
12/00926/OUT	Bloxham	75	£62	£82	Area 2: £230
14/01017/OUT	Bloxham	85	£120	£162	Area 2: £230
13/00301/OUT	Deddington	85	£84	£114	Area 2: £230
13/00344/HYBRID	Ambrosden	90	£119	£164	Area 2: £230
12/01789/OUT	Banbury	118	£185	£222	Area 2: £230
09/01592/OUT	Bicester	140	£132	£188	Area 2: £230
13/01226/REM					
14/00066/OUT	Banbury	160	£103	£134	Area 2: £230
13/00656/OUT	Banbury	300	£116	£157	Part Area 1: £100 Part Area 2: £230
13/00159/OUT	Banbury	412	£92	£123	Area 1: n/a

* Excluding affordable housing

- 3.5. More information on the approach to S106s for CIL viability modelling purposes is set out in the Draft CIL Viability Study and available on the Council's website at www.cherwell.gov.uk/policypublicconsultation

4. Next Steps

- 4.1. In addition to comments on the proposed approach, the Council is seeking further information from the public, infrastructure providers and site promoters on which infrastructure needs are most likely to be provided for on site and which strategic sites are likely to come forward ahead of CIL adoption in April 2017.
- 4.2. Comments on this paper and the Infrastructure Funding Gap published alongside the Preliminary Draft Charging Schedule will inform the review of the Interim Planning Obligations SPD. The key stages of SPD preparation will comprise:
- Consultation on Draft SPD (Regulation 12) – August 2016
 - Preparation of Final SPD October 2016 – February 2017
 - Adoption (Regulation 14) - April 2017

APPENDIX 1

Potential sources of Infrastructure funding

Infrastructure type	S106	S278	CIL	Other sources of potential funding
	To secure on site/localised requirements or control that cannot be secured by condition to make otherwise unacceptable development acceptable	To facilitate or service proposed development and any off site work to mitigate the impact of the development on the existing road network	Pooling contributions from new developments towards the development of the district - District wide infrastructure	
Affordable Housing	Provision of units on-site or contributions towards off-site provision	-	-	New Homes Bonus
Transport & movement (highways)	Local site-related road/transport requirements	Local site-related road/transport mitigation	Other road and transport infrastructure projects	Local Transport Board Local Growth Fund Local Sustainable Transport Fund
Public transport	Local site-related public transport requirements	-	Other public transport infrastructure projects	Bicester Garden Town Bids for Government funding Providers' capital programmes (Highways England, OCC, bus and rail operations, East West Rail)
Education – on site specific infrastructure	Local site-related education requirements	-	-	DfE funding
Education – off site infrastructure	Potential tariff based approach subject to compliance with Reg 122 and not pooling more than 5 S106s – to be explored through SPD	-	School and educational places/facilities– to be explored through CIL progression	Bicester Garden Town Bids for Government funding Providers' capital programmes (OCC)
Utilities/Energy	Decentralised energy supply on site – to be explored through SPD	-	- Not aware of any strategic infrastructure which would not be covered by the industry regulators.	Most utility works will be funded by industry regulations (Business plans, customer charges, developer requisitions)

Flood risk	Site-related flood defence infrastructure	-	- No district wide infrastructure identified at the moment for future delivery – this may change through the identification of infrastructure to deliver emerging Local Plan Part 2 and Local Plan Part 1 Review	Environment Agency funding
Emergency and rescue services	Local site-related requirements Potential limited pooling (not more than 5) subject to compliance with Reg 122 and identification of specific projects – to be explored through Planning Obligations SPD	-	Improvements to emergency and rescue provision district wide – to be explored through CIL progression	Providers' capital programmes (OCC, TVP)
Health	Site specific new health facilities within large sites Potential limited pooling (not more than 5) subject to compliance with Reg 122 and identification of specific projects – to be explored through Planning Obligations SPD	-	Other healthcare provision	Providers' capital programmes (NHS)
Community facilities	Development of specific new community facilities within strategic locations Potential limited pooling of S106s (not more than 5) subject to compliance with Reg 122 and identification of specific projects – to be explored through Planning Obligations SPD	-	Improvement of existing community facilities not within strategic locations	Providers' capital programmes (CDC, OCC)
Open Space, Recreation and Biodiversity -Specific infrastructure	Site-related tree planting and landscaping Provision of on-site or site related informal open space, land, play facilities and recreational equipment on large housing sites	-	Improvement of informal open space, land, play facilities and recreational equipment not on large strategic sites or related to a large strategic site Improvements to strategic green infrastructure	Providers' capital programmes (CDC)

	<p>Development specific formal sports land facilities on large housing sites</p> <p>Local site-related habitat/nature requirements</p>		<p>Formal sports land and facilities not on large strategic sites or related to a large strategic site</p> <p>Other environmental provisions and infrastructure</p>	
<p>Open Space, Recreation and Biodiversity – Spatial/Strategic/District wide infrastructure</p>	<p>Potential limited pooling of S106s (not more than 5) subject to compliance with Reg 122 and identification of specific projects – to be explored through Planning Obligations SPD</p>	-		<p>Sport England Funds Providers' capital programmes (CDC)</p>

CIL Charging Areas

