

South Oxfordshire Community Infrastructure Levy (CIL) Charging Schedule



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1. BACKGROUND	2
2. INTRODUCTION	2
3. INFRASTRUCTURE	3
4. CIL AND S106 AGREEMENTS	4
5. VIABILITY AND RATE SETTING	4
RESIDENTIAL DEVELOPMENT	4
NON-RESIDENTIAL RATES	5
RATE SETTING	6
6. CIL RATES	6
TABLE 1: CIL CHARGES	7
FIGURE 1 – CIL CHARGING MAP	8
7. NEIGHBOURHOOD FUNDS	9
8. CALCULATING THE CHARGEABLE AMOUNT	9
9. EXEMPTIONS	10
10. SPENDING CIL AND REPORTING	11
APPENDICES	12
APPENDIX A - ZONE 2	
- BUILT UP AREA OF BERINSFIELD	13
APPENDIX B: ZONE 2	
- BUILT UP AREA OF DIDCOT	14

1. BACKGROUND

- 1.1 In 2010, Government introduced the Community Infrastructure Levy (CIL) as the preferred mechanism for securing developer contributions towards infrastructure to support growth in an area.
- 1.2 The Council's first CIL Charging Schedule came into effect in April 2016.
- 1.3 This revised Charging Schedule will be implemented from 3 January 2023 and includes a brief explanation of CIL and the rationale behind rate setting. New CIL rates for three separate zones across the District are set out in Table 1 on page 7.
- 1.4 Preparation of the Charging Schedule was supported by the following evidence documents, which can be found on the Council's website.
- The Infrastructure Delivery Plan (IDP), which sets out infrastructure requirements to support the delivery of planned development within the SODC Local Plan 2035 at the time it was compiled;
 - A CIL Viability Assessment, undertaken by consultants on behalf of the Council which was published in December 2021. An Addendum to this document has since been produced, which reflects further work undertaken in light of comments received during the public consultation.
 - An Infrastructure Funding Gap Statement, which compared the likely CIL income from anticipated new developments with the cost of infrastructure identified in the Infrastructure Delivery Plans.
- 1.5 Alongside the adoption of this CIL Charging Schedule, the Council will also adopt a revised Developer Contributions Supplementary Planning Document (SPD), with the same implementation date.

2. INTRODUCTION

- 2.1 The Community Infrastructure Levy (CIL) came into force in April 2010 and is a levy that local authorities can choose to charge on new development in their area. The money raised can be used to fund a wide range of infrastructure such as transport schemes, schools, community facilities, health and social care facilities, parks, green spaces and leisure facilities.

- 2.2 Amendments to the Community Infrastructure Levy Regulations 2010 were introduced in September 2019. Significant changes included: removal of pooling restrictions for S106 obligations (i.e. the requirement that no more than five S106 obligations can fund a single infrastructure project); removal of the requirement for a Regulation 123 list (i.e. a list of infrastructure projects that CIL might be spent on); and introduction of a new requirement to produce an annual Infrastructure Funding Statement.
- 2.3 South Oxfordshire District Council, as the local planning authority, is classed as a charging authority and may therefore charge CIL in respect of development that takes place in the District¹. The Council has been charging CIL since April 2016 and reviewed its CIL rates in 2022 to take account of new policies and allocations set out within the South Oxfordshire Local Plan 2035, as well as amendments to the Government's CIL Regulations.
- 2.4 CIL is not charged on affordable housing, buildings used for charitable purposes or self-build housing, provided the relevant exemptions are applied for and agreed. CIL applies to all 'chargeable development' which is defined as:
- All new buildings, but excluding those into which people do not usually, or only occasionally, go (e.g. only to inspect machinery or structures such as electricity pylons or substations)
 - Developments of 100m² or more of additional gross internal floorspace
 - The creation of one additional dwelling, even if the gross internal floorspace is less than 100m²
 - Some developments not requiring planning permission (permitted development) will also be liable for CIL if they do not meet the exemption criteria.

3. INFRASTRUCTURE

- 3.1 The infrastructure requirements to support the growth set out in the adopted South Oxfordshire Local Plan 2035 are set out in the Infrastructure Delivery Plan (April 2020 update), which provides the details of the infrastructure required to support growth in the District. The funding of this infrastructure comes from different sources (including Section 106 agreements, CIL, and Government funding such as the Housing Infrastructure Fund. The CIL regulations require that, in order to justify charging CIL, the Council must demonstrate that there

¹ Under the terms of Part 11 of the Planning Act 2008.

is a 'gap' between the infrastructure needs of the District and the funding that is available, including anticipated CIL income. An Infrastructure Funding Gap Statement was prepared to demonstrate this need.

4. CIL AND S106 AGREEMENTS

- 4.1 Section 106 agreements and Section 278 Highways Agreements will continue to be used to secure mitigation and affordable housing following the CIL review. The amended CIL regulations no longer contain a restriction on the pooling of monies from more than five S106 obligations to fund a single infrastructure project and both CIL and S106 funding can be secured towards the same piece of infrastructure without the limitation of pooling.
- 4.2 The Council has adopted a revised Developer Contributions Supplementary Planning Document (SPD), which identifies how the Council will ensure new development contributes towards the provision of infrastructure such as roads, schools, community facilities, leisure facilities, green and open spaces.

5. VIABILITY AND RATE SETTING

- 5.1 In order to establish levy rates for development, a charging authority should carry out a broad test of viability across its district, together with specific viability testing for strategic sites.
- 5.2 The Council commissioned consultants Aspinall Verdi to carry out a review of viability across the District, examining the cumulative impact of the policies in the Local Plan 2035 and CIL. This review was undertaken to assess the effect that any revised CIL rates would have on development viability. The outputs from this review are set out in the CIL Viability Assessment (Dec 2021) and Addendum (June 2022) .

RESIDENTIAL DEVELOPMENT

- 5.3 The viability assessment has shown that residential development including elderly persons' accommodation across the District is viable. To account for differences in land values across the District, three residential zones are identified. These are the Southern Parishes, the built up areas of Berinsfield and Didcot, and the Rest of District (including land beyond the built up area in Berinsfield and Didcot parishes).

- 5.4 The strategic allocations within the adopted Local Plan have also been tested against CIL as part of the Local Plan 2035 viability assessments. The infrastructure requirements to bring forward these strategic sites are considerable and these sites will deliver their infrastructure requirements fully through S106/S278 agreements. These sites are shown in Figure 1 and are referred to below.
- Land at Berinsfield Garden Village (STRAT 10i)
 - Land at Chalgrove Airfield (STRAT7)
 - Land adjacent to Culham Science Centre (STRAT 9)
 - Land south of Grenoble Road (STRAT 11)
 - Land at Northfield (STRAT12)
 - Land north of Bayswater Brook (STRAT13)
- 5.5 The strategic site at Wheatley (Policy STRAT14: Land at Wheatley Campus, Oxford Brookes University) was granted planning permission 23 April 2020. The development is CIL liable and is supported by a S106 agreement. The site is therefore not CIL exempt under the Charging Schedule.
- 5.6 In addition, there are strategic allocations which were exempt from paying CIL in the previous Charging Schedule. Whilst some of these sites have planning permission, for completeness the exemption on these sites is carried forward into this Charging Schedule. These sites are:
- Didcot North-East
 - Ladygrove East
 - Wallingford Site B
- 5.7 The CIL Viability Report found that minor development (fewer than 10 dwellings) could support a higher CIL rate than major development, as it does not have to provide affordable housing.

NON-RESIDENTIAL RATES

- 5.8 The viability of non-residential development in the District has also been assessed. Business uses (including offices and industrial developments) have been found unable to support a CIL charge. The viability assessment has shown that supermarkets and retail warehousing can support a CIL rate.

RATE SETTING

- 5.9 In arriving at our CIL rates, we must strike an appropriate balance between the need to fund the infrastructure required to support development and the potential effects that imposing CIL rates may have on the economic viability of development across our area. It is therefore important not to set rates at the margin of viability and we have made a reasoned judgment, providing a significant buffer to protect against unforeseen circumstances, such as an increase in build costs. Overall, we have taken account of the viability evidence in setting the charging zones as set out below in Table 1.

6. CIL RATES

- 6.1 The CIL Regulations allow us to set differential rates (including zero rates) for different geographical areas or for different land uses across our charging area. The CIL Regulations also provide us with the ability to set differential rates in relation to scales of development.
- 6.2 The CIL rates, shown below in Table 1, are based on the recommendations from the CIL Viability Assessment. The strategic sites are zero rated and not subject to CIL charges. They will contribute towards infrastructure solely through S106 agreements. Figure 1 is a map of the CIL charging zones for the District.

Table 1: CIL Charges

Development Type	CIL RATE (£ per square metre)		
Residential Development (including HMOs, elderly persons' accommodation ²)	Zone 1: Southern Parishes ³	Zone 2: Built up areas of Didcot and Berinsfield ⁴	Zone 3: Rest of District
Major Schemes (10 dwellings and more net)*	£325	£200	£225
Minor Schemes (9 dwellings and fewer net)**	£360	£215	£260
<p>* Schemes of between 6 and 9 dwellings in the Area of Outstanding Natural Beauty are charged as major development, where affordable housing contributions are provided</p> <p>** Other chargeable residential development (e.g. residential extensions over 100 sq m and annexes) will be charged at the relevant zone rate</p>			

Development Type	CIL RATE (£ per square metre)
Student accommodation	£150
Flats/apartments of 3 storeys and above in Zone 2, excluding elderly persons' accommodation ⁴	£103
All elderly persons' accommodation in Zone 2	£0
Build to Rent ⁵	£150
Residential development on Strategic Sites ⁶	£0
Supermarkets ⁷	£200
Retail Warehousing ⁸	£85

² Elderly persons' accommodation includes extra care, sheltered housing, assisted living and age restricted housing. Institutional homes where there is no element of independent living, e.g. care homes and nursing homes are not liable for CIL.

³ The Southern Parishes are: Binfield Heath, Bix and Assendon, Checkendon, Eye and Dunsden, Goring Heath, Goring on Thames, Harpsden, Henley on Thames, Highmoor, Ipsden, Kidmore End, Mapledurham, Nettlebed, Nuffield Rotherfield Greys, Rotherfield Peppard, Shiplake, Sonning Common, Stoke Row, South Stoke, Whitchurch on Thames, Woodcote.

⁴ Where both houses and flats/apartments are proposed in a development scheme, the development needs to be phased into separate parcels so that differential rates can be levied. If a parcel has a mix of houses and flats, CIL will be charged at the higher rate.

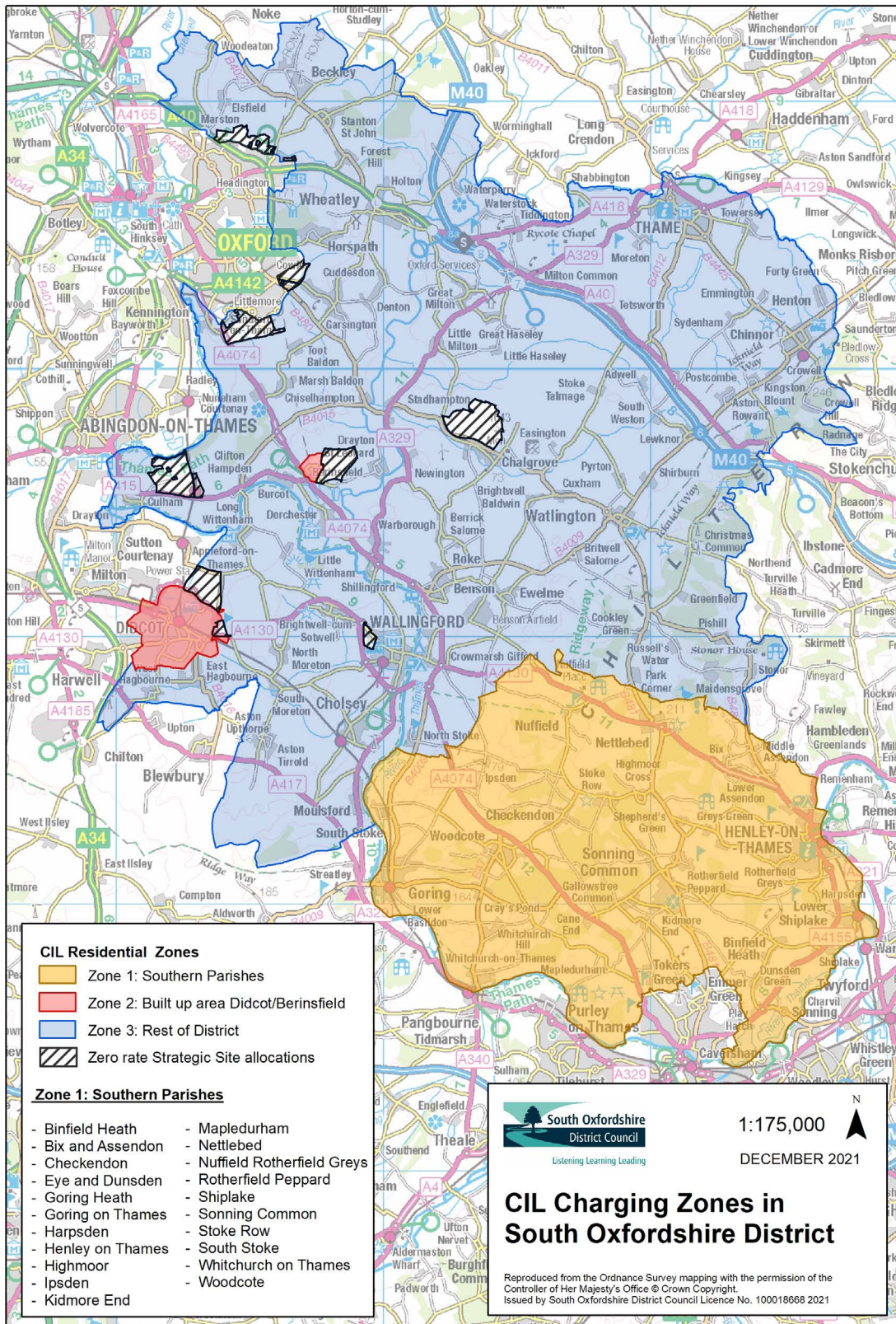
⁵ Build to Rent housing will be secured in a s106 agreement and is defined in the NPPF and is purpose built housing that is typically 100% rented out. It can form part of a wider multi-tenure development comprising either flats or houses, but should be on the same site and/or contiguous with the main development. Schemes will usually offer longer tenancy agreements of three years or more, and will typically be professionally managed stock in single ownership and management control.

⁶ Strategic sites: SOLP allocations: Berinsfield, Chalgrove Airfield, Land Adjacent to Culham Science Centre, South of Grenoble Road, Land North of Bayswater Brook, Northfield and Core Strategy strategic sites: Ladygrove East, Didcot North East and Wallingford Site B.

⁷ Supermarkets and Superstores are shopping destinations in their own right, selling mainly food or non-food goods, which normally have a dedicated car park. Supermarkets can be defined as retail stores that exceed 280 sqm and are classified as larger stores under the Sunday Trading Act 1994.

⁸ Retail warehousing are retail stores that exceed 280 sqm and are classified as larger stores under the Sunday Trading Act 1994.

Figure 1 – CIL Charging Map



7. NEIGHBOURHOOD FUNDS

- 7.1 The Regulations require the Council to pass on a proportion of the revenues from CIL receipts to the towns and parishes within which the chargeable development took place. Parishes with a Neighbourhood Plan will receive 25 per cent of the CIL revenue from new development within their neighbourhood plan area. Parishes without a Neighbourhood Plan will receive 15 per cent of the levy revenue, subject to a cap of £100 per existing council tax dwelling per year.
- 7.2 CIL must be spent on infrastructure. To ensure transparency, both the Council and the town or parish council must report annually on how CIL receipts have been spent. By 31 December each year, the Council must produce an Infrastructure Funding Statement and the town or parish council must submit a financial report to the Council. Both are then published on the Council's website.

8. CALCULATING THE CHARGEABLE AMOUNT

- 8.1 The amount of CIL charge a development is liable to pay is calculated according to Schedule 1 of the CIL (Amendment) (England) (No. 2) Regulations 2019. The method involves multiplying the relevant CIL rate for the type/location of the development by the net additional floorspace – and factoring in an inflation measure to allow for changes in building costs over time. A summary of the method is set out below:

CIL rate x Net additional new build floorspace x Inflation measure

- 8.2 The inflation measure used will be the national 'RICS Community Infrastructure Levy (CIL) Index' published by the Royal Institution of Chartered Surveyors (RICS) in November each year and applied 1 January of the following year. The inflation measure involves dividing the Index costs from the year planning permission is granted, by the Index costs from the year the Charging Schedule is adopted. Full details of the method are set out in the CIL Regulations.
- 8.3 The CIL Regulations specify that where the overall chargeable amount on a scheme is less than £50, it is deemed to be zero.

- 8.4 In certain circumstances, where a development includes the demolition of an existing building, the existing Gross Internal Area (GIA) can be deducted from the proposed floorspace. These deductions in respect of demolition or change of use will only apply where the existing building has been in continuous lawful use for at least six months in the 3 years prior to the development being permitted and is still in situ on the day planning permission is granted.

9. EXEMPTIONS

- 9.1 Most development that involves the creation of buildings that people normally use will be liable to pay CIL⁹. However, the Regulations provide for several exemptions to CIL¹⁰ against which the levy will not be charged, including:
- New buildings or extensions under 100 sqm of gross internal floor space, which do not involve the creation of a new dwelling;
 - Dwellings built by 'self-builders'
 - The change of use, conversion or subdivision of a building that does not involve an increase in floorspace;
 - The creation of a mezzanine floor within a building;
 - Temporary development permitted for a limited period;
 - Buildings into which people go only intermittently for the purpose of inspecting or maintaining fixed plant or machinery
 - Vacant buildings brought back into the same use;
 - Structures which are not buildings, such as pylons or wind turbines;
 - Affordable housing (defined as social rented, affordable rented, or other routes to home ownership) provided through a local housing authority, registered provider or charitable body;
 - First Homes (as part of affordable housing provision) as defined by government regulations; and
 - Development by charities for charitable purposes.

⁹ This includes development permitted by a general consent (including permitted development)

¹⁰ Under Part 6 of the CIL Regulations 2010 (as amended)

- 9.2 CIL is charged on the gross internal floorspace¹¹ of new development. Where planning permission is granted for a development that involves the extension or demolition and then rebuild of a building in lawful use¹², the level of CIL payable will be calculated based on the net increase in floorspace. This means that the existing floorspace contained in the building to be extended or demolished will be deducted from the total floorspace of the new development when calculating the CIL liability.
- 9.3 The Council can claw back any CIL relief where a development no longer qualifies for that relief within a period of seven years from the commencement of the development. For example, should a charity develop a building for charitable purposes and subsequently sell the building to the open market within seven years, then the Council will be able to claw back the CIL that would have been charged on the building had it been originally used for private use. Should a self-builder find that they must sell or rent the new dwelling within 3 years of the completion of the development then the Council will then seek to clawback any CIL relief provided.
- 9.4 Under CIL Regulation 55, a council can choose to offer exceptional circumstances relief, if charging CIL would have an unacceptable impact on the economic viability of a particular development. Exemptions can also be made for charitable institutions, where this would constitute State Aid (under CIL Regulation 45). However, in South Oxfordshire District, neither discretionary charity relief nor exceptional circumstances relief are currently available and the Council does not propose to revise its exemptions policy.

10. SPENDING CIL AND REPORTING

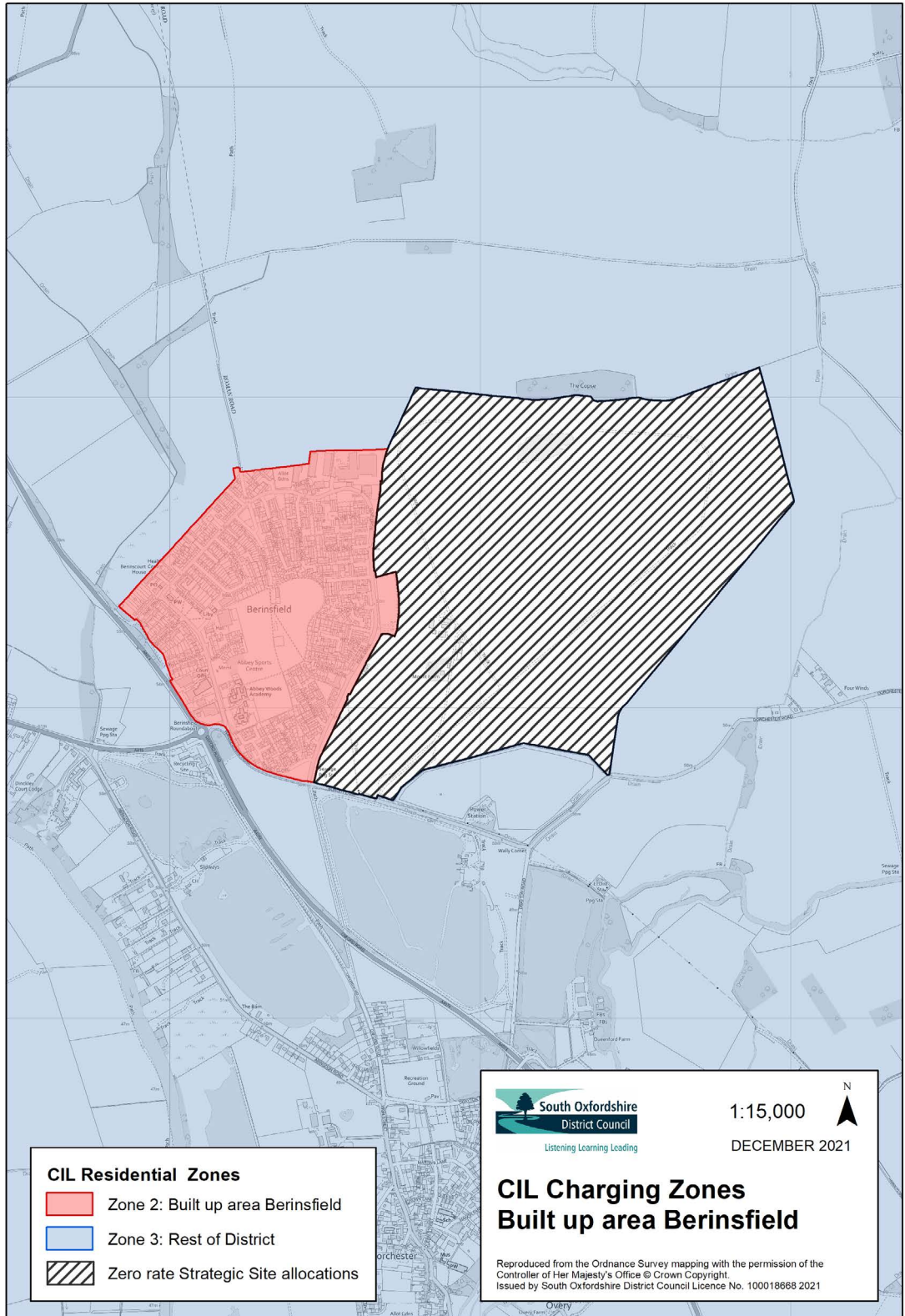
- 10.1 CIL revenue will be spent on the infrastructure needed to support development in South Oxfordshire. How CIL is spent is currently set out within our CIL Spending Strategy. In addition, the Council will produce an Infrastructure Funding Statement which will be published annually by 31 December. The Infrastructure Funding Statement reports on all funds secured, received and spent in the previous financial year for CIL and S106. Oxfordshire County Council will also produce its own Infrastructure Funding Statement annually in the same way.

¹¹ The gross internal floorspace is the internal area of the building, and should include rooms, circulation and service space such as lifts and floorspace devoted to corridors, toilets, storage, ancillary floorspace (e.g. underground parking) etc.

¹² The definition of lawful use is contained in Schedule 1 Part 1 of the CIL (Amendment) (England) (No. 2) 2019 states that "contains a part that has been in lawful use for a continuous period of at least six months within the period of three years ending on the day planning permission first permits the chargeable development."

APPENDICES

APPENDIX A: ZONE 2 - BUILT UP AREA OF BERINSFIELD



APPENDIX B: ZONE 2 - BUILT UP AREA OF DIDCOT

