# Brighton & Hove City Council Community Infrastructure Levy

# Draft Charging Schedule incorporating Proposed Modifications

**July 2019** 



**Views over the City of Brighton & Hove** 



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# The Community Infrastructure Levy (CIL)

NB: Struck through text denotes deleted text; underlined text denotes new text.

# Consultation Procedures Community Infrastructure Levy Draft Charging Schedule

Brighton & Hove City Council intends to publish and submit a Community Infrastructure Levy (CIL) Draft Charging Schedule for public examination, in accordance with Part 11 of the Planning Act 2008 (as amended) and the Community Infrastructure Levy Regulations 2010 (as amended).

This Draft Charging Schedule (DCS) is issued as the second, formal stage in the preparation of a CIL Charging Schedule in accordance with regulation 16 of the Community Infrastructure Levy Regulations 2010 (as amended). The charging area covers the administrative area of Brighton and Hove City Council excluding the South Downs National Park area. The charging authority and the collecting authority is Brighton & Hove City Council.

Representations are invited on the Draft Charging Schedule during a six week consultation period starting 28 March 2018 (00.00am) and ending 8 May \*13 June 2018 (midnight).

Anonymous comments or comments received outside these dates and times will not be accepted.

The Draft Charging Schedule and relevant evidence can be inspected and representations made on the consultation portal: www.brighton-hove.gov.uk/DCS-consultation (Preferred).

Alternatively, The Draft Charging Schedule, relevant evidence and response form can be viewed and downloaded from the Council's website:

From 27 April 2018 – 13 June 2018 During the consultation period a copy of the amended Draft Charging Schedule, the relevant evidence, the amended statement of the representations procedure and amended response forms will be made available for inspection at the Brighton & Hove City Council's two Customer Service Centres:

Brighton Customer Service Centre, Bartholomew House, Bartholomew Square, Brighton, BN1 1JE (open Mon – Fri 8.45am to 4.30pm)

Hove Customer Service Centre, Hove Town Hall, Norton Road, BN3 3BQ (open Mon – Fri 10am to 4.30)

From 27 April 2018 – 13 June 2018 a copy of the amended Draft Charging Schedule, the relevant evidence, the amended statement of the representations procedure and amended response forms will be made available for inspection at the following Brighton & Hove City Council Libraries: Jubilee Library; Hove Library; Portslade Library; Coldean Library; Hangleton Library; Hollingbury Library; Mile Oak Library; Moulsecoomb Library; Patcham Library; Rottingdean Library; Saltdean Library; Westdene Library; Whitehawk

Library; Woodingdean Library. Opening Hours apply - please see Brighton & Hove City Council or telephone 01273 290800

Written responses should be sent to the following Postal address: Policy, Projects and Heritage Team; Hove Town Hall, Norton Road BN3 3BQ

Responses can be made through the consultation portal, via email or via the post:

Completed forms should be emailed to:

Representations should specify the matters to which they relate. Objections should also specify the change sought, including evidence to support your view. Where any modifications are made to the Draft Charging Schedule a Statement of Modifications to the Draft Charging Schedule will be published on Brighton & Hove City Council's website and sent to the statutory consultation bodies.

The Draft Charging Schedule and any modifications, the relevant evidence, a statement of representations and those representations made in accordance with the Regulations will be submitted to the examiner.

Regulation16 identifies that persons making representations may (1) request the right to be heard by the CIL examiner and (2) request to be notified, at a specific address, of any of the following:

- That the draft charging schedule has been submitted to the examiner in accordance with section 212 of PA 2008,
- The publication of the recommendations of the examiner and the reason for those recommendations.
- The approval of the charging schedule by the charging authority.

Regulation 17 allows any person to make representations about the Draft Charging Schedule within the consultation period to the address specified above. A person who has made representations about the Draft Charging Schedule may withdraw those representations at any time by giving notice in writing to the charging authority.

This section reflects information set out in the Brighton & Hove City Council Statement of Representations Procedure published alongside this DCS.

# **Introduction Relevant Legislation Context**

This A Draft Charging Schedule (DCS) is was published -by Brighton & Hove City Council and consulted upon in 2018 issued as the second, formal stage in the preparation of a CIL Charging Schedule in accordance with Part 11 of the Planning Act 2008 (as amended by Part 6 of the Localism Act 2011) and the Community Infrastructure Levy Regulations 2010 (as amended by the Community Infrastructure Levy Amendment Regulations of 2011, 2012, 2013, 2014, 2015 and 2018). A Statement of Modifications to the Draft Charging Schedule was prepared and



submitted to the Examiner alongside the Draft Charging Schedule in January 2019. A public hearing took place April 2019 and the Council then submitted further work in June 2019. The Examination Inspector agreed modifications for consultation July 2019.

All Regulations referred to within this DCS refer to those contained within these Community Infrastructure Levy Regulations 2010 (as amended) unless otherwise stated. Relevant matters within National Planning Policy Guidance and the National Planning Policy Framework 2012 have been reviewed in the drafting and content of this DCS.

The Planning Act 2008, the Localism Act 2011 and the Community Infrastructure Levy Regulations can be accessed via the following website:

#### Legislation.gov.uk

National planning practice guidance can be accessed via the following website:

#### **PPG Website**

National Planning Policy Framework 2012 can be accessed via the following website:

**NPPF Website** 

#### The Charging Authority and Charging Area

The Charging Authority and Collecting Authority is Brighton & Hove City Council.

The charging area covers the administrative area of Brighton and Hove City Council excluding the South Downs National Park area. The National Park Authority is the charging authority for its own CIL Charging Schedule implemented on 1st April 2017.



**Easterly views towards Marine Parade, Brighton** 

#### CIL Overview

CIL allows local authorities to raise funds from development for the provision of infrastructure in and around their areas. A CIL charge is non-negotiable; however there are exemptions for some types of development such as Affordable Housing.

Once adopted, the CIL Charging Schedule will set out a standard rate (£ per sq. m) based on new Gross Internal Area (GIA) that will be payable by landowners or developers for specific development types within geographical locations as set out in the Charging Schedule. The money collected through CIL will be authorised by the Council to help pay for a range of infrastructure that will support growth and development within the city.

#### **Advantages of CIL**

The Government's CIL regulations and guidance outlines a range of key advantages over the current system of Section 106 Agreements including that:

- It will be less time consuming, reduce the levels of negotiation with applicants and help speed up the planning system;
- It is a non-negotiable charge which is transparent and predictable, meaning that applicants will know their CIL liability prior to submitting a planning application;
- CIL provides a fairer system in that it relates contributions to the size of liable developments in respect of net new floor space provided by a development, and new residential dwellings;
- CIL collects contributions from a wider range of developments than under section 106, providing additional funding to allow local authorities to carry out a range of infrastructure projects that not only support growth but benefit the local community;
- Pooling restrictions from April 2015 allow a maximum of five S106 contributions towards an infrastructure project or a type of infrastructure; so limiting funds from S106 contributions to bring forward strategic infrastructure necessary to support new development. CIL allows a predictable, longer-term funding stream giving strategic infrastructure delivery more certainty.

#### Parish and Neighbourhood Fund

CIL regulations require that at least 15% of levy receipts are to be spent on priorities that should be agreed with the local community in areas where development is taking place. Under CIL Regulations, 15% of CIL receipts are passed directly to Parish Councils where development has taken place. This is capped at a maximum of £100 per existing council tax dwelling. Communities with a 'made' neighbourhood plan will benefit from 25% of the levy revenues arising from the development that takes place in their area (this is uncapped). Areas without a Parish Council or neighbourhood plan will still benefit from the 15% neighbourhood portion. In these instances, the charging authority retains the levy receipts but should engage with the communities where development has taken place and agree with them how best to spend the neighbourhood funding. Neighbourhood forums will have an influence over how funds are spent in their area.

#### **The Evidence Base**

When establishing a CIL Charging Schedule and CIL rates, a local authority must show that there's need for infrastructure funding to support its Local Development Plan. The local authority

also has to demonstrate available sources of infrastructure funding are insufficient to meet all infrastructure needs over the life span of the local plan, and therefore a funding gap exists.

Therefore, a CIL charging schedule must be informed by available evidence, which includes:

- A bespoke viability assessment to test the likely impact of CIL rates on the viability of developments envisaged by the Local Development Plan;
- An infrastructure delivery plan to demonstrate broad needs and a funding gap; and
- The Local Development Plan

The above documents are briefly set out below. They can also be accessed via the council's <u>Developer Contributions</u> webpage.

## CIL Viability Study towards a Charging Schedule

Under Regulation 14 (as amended) the Council is required to 'strike an appropriate balance between' the desirability of funding infrastructure from the levy and 'the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area'.

A bespoke CIL Viability Study has been carried out for the purposes of exploring a CIL Charging Schedule for Brighton & Hove City Council by Dixon Searle Partnership between the dates Jan – August 2017 and was consulted upon alongside the PDCS. To address representations made through the consultation, a Viability Study Addendum (February 2018) has been produced. The Viability Study and its Addendum is considered to be an appropriate evidence base to underpin the rates and geographical areas within this DCS.

## Infrastructure Provision under CIL

The June 2017 Infrastructure Delivery Plan (IDP) update is the first update of the IDP which was tested as part of the process to adopt City Plan Part One. This IDP update was agreed by the Tourism Development and Culture committee, and identifies in its summary that it is 'also an evolving part of the evidence base for an emerging Community Infrastructure Levy (CIL) Charging Schedule and Regulation 123 list'. It is considered to be appropriate evidence to inform the preparation of this Draft Charging Schedule. The list evidences a funding gap in the provision of infrastructure and justifies the collection of CIL.

A draft Infrastructure List - Draft Regulation 123 list of infrastructure has been prepared by the council to support the CIL Draft Charging Schedule and proposes Infrastructure Types or Projects suitable for CIL funding.

#### **Local Development Plan**

The Local Development Plan for Brighton and Hove consists of the Brighton & Hove City Plan Part One 2016, retained policies of the Brighton & Hove Local Plan 2005, the East Sussex, South Downs and Brighton and Hove Waste & Minerals Plan (adopted 2013) and the East Sussex, South Downs and Brighton and Hove Waste & Minerals Sites Plan (adopted 2017).

## How the chargeable amount will be calculated

The Council will calculate the 'chargeable amount' of CIL using Part 5 of the CIL Regulations 2010 (as amended) and the formal calculation methodology as thereinset out in Regulation 40 of the CIL Regulations 2010 (as amended). The key theme of calculating a CIL charge is that CIL will be charged on the net additional internal floor area of development, once exempted development types and other eligibility considerations as set out in the CIL Regulations (as amended) have been taken into account.

The Council will use the index figureing as set out in Regulation 40 of the the CIL Regulations 2010 (as amended).

[Currently At submission stage this regulations sets out an index linked to the 'All-In Tender Price Index' of construction costs published by the Building Cost Information Service (BCIS) of the Royal Institution of Chartered Surveyors . Wandhere relevant the council will apply the most recent BCIS finalised figure published before the previous 1 November, with the Royal Institution of Chartered Surveyors (RICS) Code of Measuring Practice 6th edition definition of Gross Internal Area used to calculate chargeable floor space.]

#### Reporting, Monitoring and Review

So as tTo ensure an appropriate CIL rate that allows for changing market and other influences on development viability and deliverability, the Council will put in place an appropriate reporting, monitoring and review framework. This may be in the form of an Infrastructure Funding Statement or reporting within This framework will comply with Regulation 62 of the CIL Regulations 2010 (as amended). Currently it is intended to:

Report of the level and progress of development in the City in the Council's Authority Monitoring Report (AMR) – subject to Government review at time of drafting.

Preparation of a report for any financial year in which CIL is collected Continue existing \$106 monitoring systems.

It is also anticipated that the CIL charging schedule and its rates will be reviewed within a 3 to 5 year time period, from its adoption commencement date, or at an earlier date if changing market conditions support this.

# **Proposed** Charging Schedule

The proposed CIL charging rates below are within the scope of the Viability Assessment's updated guide parameters and findings; and it is considered that these rates will not impede the delivery of the overall Brighton and Hove Local Development Plan.

Following independent examination and approval, the rates as set out below will be non-negotiable.

Table 1

Use	Location	Levy (£/sq. m)
Residential - applies to C3 and C2 use classes	Zone 1	175
	Zone 2	150
Zone areas are shown on		
Map in Appendix 1	Zone 3	75
Private care residential homes with a degree of self- containment including Extra Care and Assisted Living  C2 - Extra Care / Assisted Living (see notes below)	Zone 1 & Zone 2	<u>100</u>
Zone areas are shown on Map in Appendix 1		
Strategic Sites Nil CIL charge zone rate	Brighton Marina Inner Harbour; DA2 Brighton Marina, Gas Works and Black Rock Area	0
Nil CIL charge zone boundaries are shown on Map in Appendix  1	King Alfred Leisure Centre/RNR site <u>Brighton General</u> <u>Hospital site</u>	
	Sackville Trading Estate / Coal Yard site	

Purpose Built Student Housing / Purpose Built Shared Living Accommodation	City Wide	175
Retail – Larger format – Retail warehousing / Supermarkets	City Wide	100
Retail - Other shopping retail units development	City Wide	50
All other development uses	City Wide	0

#### Notes:

C2 Extra Care / Assisted Living – housing with care (primarily for older people):

- Where purpose built self-contained homes are designed and built to facilitate independent living and the care and support needs of occupants
- Where occupants have agreements to cover the provision of onsite care, support, domestic and other services;
- Which may also include communal spaces and facilities (some may be open to local community) and;
- Onsite access to care and support services is available 24 hours a day.

Nil CIL charge zone boundaries as set out in the Adopted Brighton and Hove City Plan Policies;-

<u>Purpose Built Student Housing category – includes Purpose Built Shared Living</u>
<u>Accommodation set around cluster type accommodation and/or studio units commensurate with</u>
<u>PBSA standards</u>

#### Retail (A1 - A5) – Larger format:

Retail warehouses are large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items and other ranges of goods, catering for mainly car-borne customers.

Superstores/supermarkets are shopping destinations in their own right where weekly food shopping needs are met and which can also include non-food floorspace as part of the overall mix of the unit.

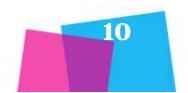
Retail (A1 – A5) - Other <u>retail shopping</u> units development: <u>to includes city centre</u> comparison retail <u>development in defined shopping centres and at Major Sporting Venues.</u>

#### **Section 106 Planning Obligations**

Once the CIL charging schedule is adopted, developers or land owners will still be expected to provide site-specific infrastructure which is:

necessary to make the development acceptable in planning terms

directly related to the development



fairly and reasonably related in scale and kind to the development

through a section 106 (s106) obligation under CIL Regulation 122 (as amended). No item on a Regulation 123 infrastructure list will be eligible for s106 contributions to avoid 'double dipping'. In order to provide clarity about the extent of the financial burden that development will be expected to bear so that viability can be robustly assessed, the list below demonstrates which current areas of s106 contributions are proposed to be scaled back and which obligations are to remain secured via s106 obligations:

Current areas of s106 contributions proposed to be scaled back on introduction of CIL:

Off-site Recreation space contributions;

Off-site Education provision contributions;

Off-site Sustainable Transport contributions.

Current areas of s106 contributions proposed to remain secured via s106 on introduction of CIL for on-site /site-specific provision includes:

Affordable Housing - on site provision or commuted sum in lieu;

On-site recreation/sports facilities and/or space provision where required by site-specific policy allocation;

On-site schools/education land and/or building provision where required by site-specific policy allocation;

Development related transport access, Trunk Roads and highways works provision under s278 and/ or s38 of the Highways Act 1980;

On-site Local Employment training/job opportunities provision with supporting financial contribution;

On-site public realm provision including artistic element;

Development related flood defenses and coastal engineering including site-specific policy allocation mitigation;

Development related water supply & utilities provision, & wastewater drainage;

Zero rated (£0 per sq. m) developments where site specific mitigation measures may be required;

On-site health care facilities, emergency services facilities and other community buildings;

Development related nature conservation and ecological measures.

The methodologies used to calculate the remaining s106 contribution areas are proposed to continue as set out in the updated Developer Contribution Technical Guidance (March 2017).

For further information on current areas of s106 contributions which are set out in the March 2017 Developer Contribution Technical Guidance, please go to our <u>Developer Contributions</u> webpage. A more detailed framework of Infrastructure Type or Project has been prepared by the council for consultation alongside the published CIL Draft Charging Schedule.

#### Next Steps

#### Indicative Timetable for development & adoption of a CIL Charging Schedule

<del>Date</del>	Key Stage
Oct 2017-Dec 2017	Preliminary Draft Charging Schedule published for eight week consultation following Committee resolution
March -May 2018	Following committee resolution, publish for six week consultation:
	<ul> <li>Draft Charging Schedule (revised following PDCS consultation)</li> <li>Statement of representations procedure</li> <li>Draft Regulation 123 list</li> </ul>
June 2018	Submission of documents and relevant evidence to the examiner
Oct/ Nov 2018	Publication of the examiner's recommendations
Spring 2019	Adopt CIL Charging Schedule following a resolution of Full Council

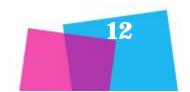
# CIL policies Instalment Policy and when CIL is Payable

The council intends to consider the appropriateness of introducing installment and payment in kind policies allowed for under the CIL Regulations.

In accordance with Regulation 69B of the CIL Regulations (as amended), a charging authority can set its own policy allowing liabilities to be paid by instalments. To implement thisthese, the Council would publish these instalment policies on its website in accordance with the notification requirements. Such a policies would not be part of the charging schedule and could be changed independently of it.

The council intends to consider the appropriateness of introducing an installment policy.

#### **Payment in Kind Policy**



In accordance with Regulations 73, 73A, 73B and 74 of the CIL Regulations (as amended), charging authorities have the discretion to accept payment in kind to allow land or infrastructure payments for the whole or part of the CIL due in respect of a chargeable development. To implement this, the Council would publish a policy on its website in accordance with the notification requirements. Such a policy would not be part of the charging schedule and could be changed independently of it.

The council intends to consider the appropriateness of introducing a payment in kind policy.

#### **CIL Income Estimates and Use**

This is an estimated, indicative income for residential development, based on the projected growth and approximate timing of delivery outlined by the Local Development Plan, along with the residential CIL rates and zones proposed by the DCS. The methodology and assumptions for this income estimate are set out as part of the relevant information published alongside this DCS.

It is currently estimated for the purposes of this DCS that in the region of £2 million per annum could be generated from CIL income over the plan period to 2030. This is based on housing (including an affordable housing discount), retail and student housing delivery (excluding strategic sites) as identified within policy CP1 of City Plan Part One over the plan period to 2030.

The amount available to the Council to fund strategic infrastructure will however, be reduced due to the need to net-off an administration cost of up to 5%, and allocate neighbourhood funds under the criteria specified above.

Revenues from CIL are therefore not expected to bridge the long term funding gap demonstrated through the IDP.

#### **CIL and Existing Planning Permissions**

Developments which receive planning consent and have concluded section 106 agreements prior to the commencement date of a CIL Charging Schedule, will not be liable to CIL.

Where a planning permission granted before a levy charge came into force is then subject to amendment under s73 (minor material amendment) of the Planning Act 1990 (as amended) after the commencement date of a CIL charging schedule, then only any additional liability it introduces will be subject to CIL.

#### **The Evidence Base**

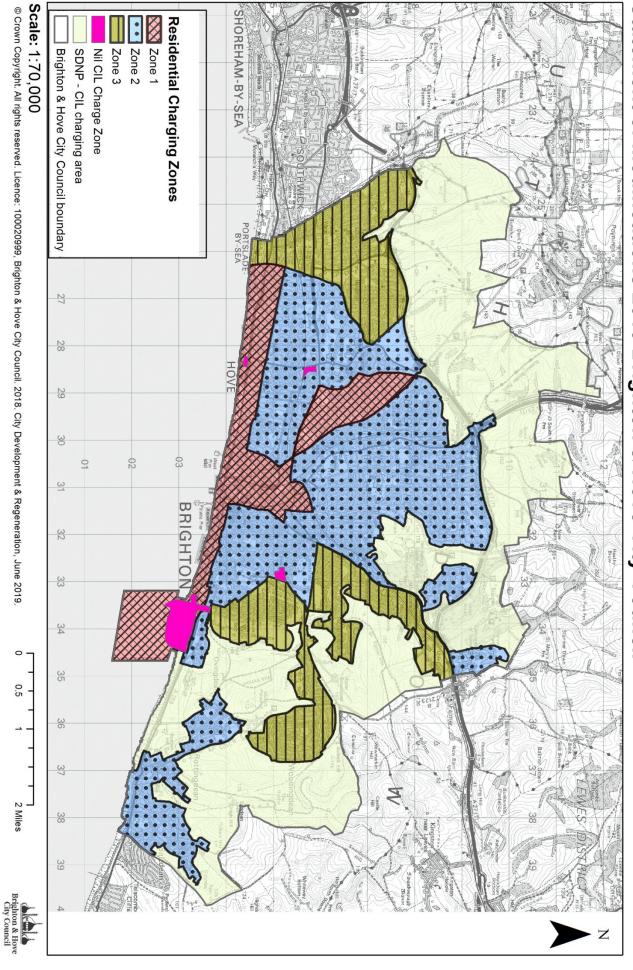
The Council has struck an appropriate balance between the desirability of funding infrastructure from the levy and the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.

The Council's CIL viability assessment informs and underpins the rates and geographical areas within this DCS.

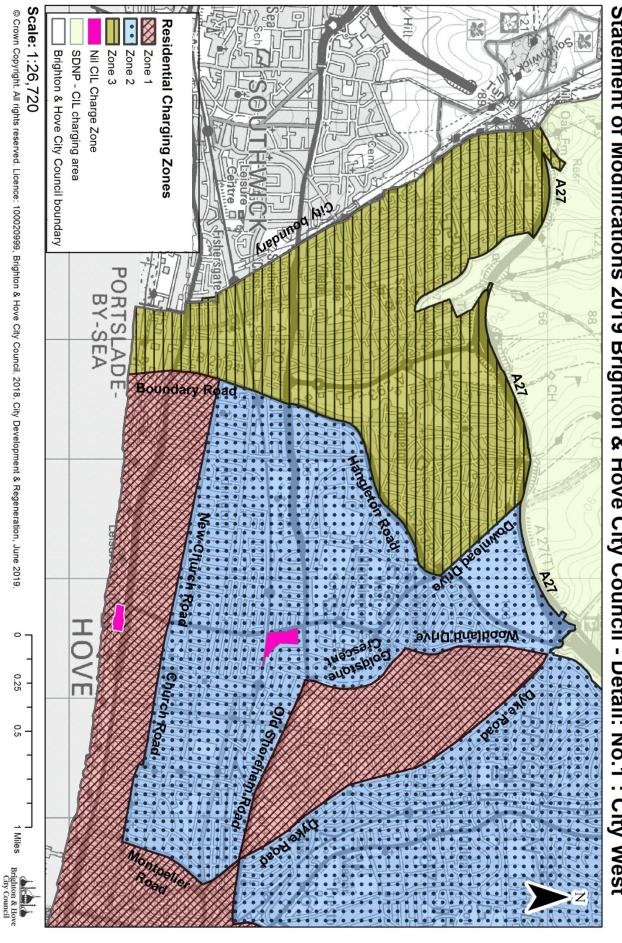
The June 2017 Infrastructure Delivery Plan (IDP) was agreed by the Tourism Development and Culture committee as 'an evolving part of the evidence base for an emerging Community Infrastructure Levy (CIL) Charging Schedule and Regulation 123 list' and evidences a funding gap in the provision of infrastructure and justifies the collection of CIL. A draft Infrastructure List informed, and was consulted upon alongside, the published CIL Draft Charging Schedule.

The Local Development Plan for Brighton and Hove at time of writing consists of the Brighton & Hove City Plan Part One 2016, retained policies of the Brighton & Hove Local Plan 2005, the East Sussex, South Downs and Brighton and Hove Waste & Minerals Plan (2013) and the East Sussex, South Downs and Brighton and Hove Waste & Minerals Sites Plan (2017).

# Appendix 1 Community Infrastructure Levy - Draft Charging Schedule map as amended by Statement of Modifications 2019 Brighton & Hove City Council



Statement of Modifications 2019 Brighton & Hove City Council - Detail: No.1 : City West Appendix 1 Community Infrastructure Levy - Draft Charging Schedule map as amended by



Appendix 1 Community Infrastructure Levy - Draft Charging Schedule map as amended by Statement of Modifications 2019 Brighton & Hove City Council - Detail: No. 2 : City East

