

Appendix 1: Summary of Current Community Infrastructure Levy Charging within Somerset

1.0 Background to CIL

1.1 The Community Infrastructure Levy (CIL) takes the form of a charge per square metre of net additional floor space (new build or extensions). The money raised through CIL is used to help deliver prioritised infrastructure that is needed to support the growth proposals set out in the relevant development plans of the charging Authorities. It is for individual Authorities to determine the rates of CIL and the types of development it is charged against.

1.2 The CIL charging areas and rates are determined based upon detailed financial viability evidence and tested through Examination. As well as the approved charging schedule, Authorities are also able to introduce various exemptions and deferred payment schedules to support and promote growth.

1.3 CIL spend was previously listed under Regulation 123, this list could identify specific infrastructure projects or alternatively identify more generic areas of infrastructure spend. This regulation has now been deleted and spend priorities are set out in the individual Authorities Infrastructure Funding statements (IFS). CIL needs to be spent within the CIL charging areas identified and independently examined (although regulations do provide opportunities for some cross boundary spend delivering infrastructure projects that directly support development).

1.4 A proportion of CIL is given to Town and Parish Councils (meaningful proportion) as set out in Regulation 59 of the CIL Regulations. For areas where there is no neighbourhood plan in place, 15% of CIL receipts from development within that Town/Parish area are given up to a maximum of £100 per Council tax dwelling per annum. This rises to 25% where a neighbourhood plan is in place.

1.5 Within Somerset there are three geographical areas that currently operate CIL, these are the former Sedgemoor District Council, South Somerset District Council and the former Taunton Dean Borough Council area which fell within Somerset West and Taunton. Each of these areas have adopted different charging rates and exemptions, and these are briefly set out below.

2.0 Former Sedgemoor District Council (SDC)

2.1 SDC adopted CIL charging from 1st April 2015. The Charging Schedule confirms two charging zones for residential development, rural and urban with differing rates, as well as charges for supermarkets and retail warehouses, and hotel development.

2.2 Relief - There is CIL relief for affordable housing (mandatory) and self-build. Exceptional circumstances relief is also accepted. The Exceptional Circumstances Policy is in accordance with Regulation 56(1) of the CIL Regulations. Any claim can only be granted where an independent viability assessment demonstrates that the CIL amount if levied in full would have an unacceptable impact on the economic viability of the development. To qualify for this relief there needs to be an existing S.106 agreement in place and the development has not benefited from any other form of CIL relief or exemption.

2.3 Payment of CIL - An instalment policy applies where payment of CIL is over £15,000.

3.0 South Somerset District Council (SSDC)

3.1 SSDC adopted CIL charging from 3rd April 2017. The Charging Schedule confirms that it applies to all residential development except for specific allocated sites at Yeovil and Chard, large out of town retail development and extensions of more than 100sqm.

3.2 Relief - There is CIL relief for social housing (mandatory) and self-build.

3.3 Payment of CIL - An instalment policy applies where payment of CIL is over £16,000.

4.0 Former Taunton Deane Borough Area (TDBC)

4.1 TDBC adopted CIL Charging from 1st April 2014. The charging area does not include the former West Somerset District area. The Charging Schedule confirms that it applies to all residential development (including rural workers, holiday lets, and student accommodation), residential annexes, residential extensions over 100sqm, and new retail floor space of 100sqm or more. CIL is not charged on residential development in Taunton Town Centre and Wellington settlement limit.

4.2 Relief - There is CIL relief for charitable organisations, self-build, and social housing (mandatory and discretionary). Exceptional circumstances relief is also accepted.

4.3 Payment of CIL - An instalment policy applies where payment of CIL is over £16,000.

5.0 Comparison of CIL rates and payments

5.1 CIL Charging Rates - for comparison purposes all of the below do not include indexation.

Type	SDC	SSDC	SWAT
Residential development (General)	-	£40.00	-
Residential (Urban)	£40.00	-	£70.00
Residential (Rural)	£80.00	-	£125.00
Supermarkets and retail warehouses	£100.00	£100.00	£140.00
Hotels	£10.00	-	-

5.2 Payment of CIL - the table below summarises arrangements for the collection of CIL.

Areas	Single Payment	Two Payments	Three Payments	Four payments	Instalment (%)	Payment days
SDC	Less than 15	15-50k	50-100k	Over 100k	25 50 100	60-720
SSDC	Less than 16	-	16-60k 60-300k	300-750k Over 750k	20 40 50 60 100	60-1800
SWAT	-	Less than 16K	16-50k 50-500k 500k-1M Over 1M	-	25 50 100	60-1440

5.4 There are several differences in deferred payment of CIL schedules, particularly around the number of payment days and instalments. Instalment policies do improve the overall viability of development enabling CIL payments to be spread more evenly rather than being frontloaded. This benefit may mean that there would be less justification to agree to exceptional CIL relief and so in the longer term the CIL value would be greater, be it collected over a longer period.

6.0 CIL spending Priorities

6.1 As referred to above, these are now set out in the individual Infrastructure Funding Statements (IFS). CIL spending priorities are based on the necessary infrastructure needed to support delivery of the individual local plans and so will also be based upon the former District Council areas. These priorities will therefore differ depending upon the geographic area, for example delivery of strategic tidal flood defences is a key priority in the former SDC area.

7.0 Conclusion and areas for discussion

7.1 The above CIL rates and chargeable areas were originally set out and agreed through examination in accordance with the CIL Regulations 2010. The infrastructure priorities for those areas and the resultant viability of development informed the areas, rate of charge and exemptions.

7.2 As each of the CIL charging areas collect contributions to deliver infrastructure necessary to support growth within these areas, CIL funds remain ringfenced for these purposes to meet the tests set out in the regulations.