

# Shropshire Community Infrastructure Levy Draft Charging Schedule Accompanying Notes

## Making representations on the Draft Charging Schedule

The Draft Charging Schedule reflects the results of consultation on previous drafts. The final round of consultation is from 18<sup>th</sup> March to 21<sup>st</sup> April 2011.

All representations received on the Draft Charging Schedule will be considered by an independent Inspector at an examination of the Draft Charging Schedule later in 2011. Any person or organisation that makes representations at this stage will have the right to be heard at the examination, should they wish to attend.

If any modifications are necessary as a result of the representations received, these will be consulted upon in the first four weeks after the Draft Charging Schedule is submitted to the examiner, in order that responses to any modifications may also be considered during the examination.

The examination will consider whether the Council has complied with the legislative requirements, used “appropriate available evidence” to inform the Draft Charging Schedule, and set a CIL rate that does not put the overall development of the area at serious risk. Following examination, the Charging Schedule can only come into effect following formal approval by resolution of the full council of the charging authority.

A response form and “Rationale for the Levy” evidence paper is available on our website, at [www.shropshire.gov.uk](http://www.shropshire.gov.uk) following menu path Environment and Planning > Planning Policy > Community Infrastructure Levy, or by contacting us on 01743 252676.

Representations should be sent, preferably by email, to [planning.policy@shropshire.gov.uk](mailto:planning.policy@shropshire.gov.uk) or Strategy and Policy, Shropshire Council, Shirehall, Abbey Foregate, Shrewsbury SY2 6ND by 5pm on **21st April 2011**.

## Background

The Community Infrastructure Levy is part of an integrated development strategy, set out in the Shropshire Local Development Framework, to delivering sustainable development that is accompanied by adequate infrastructure. In all parts of Shropshire development that provides additional dwellings or employment premises is required to make contributions to local infrastructure in proportion to its scale and the sustainability of its location (Core Strategy Policy CS9). Contributions through the Levy will be directed to the

infrastructure priorities that are identified in the LDF Implementation Plan and its accompanying 18 “Place Plans”.

In setting the Levy rate, the Council has had regard to the development strategy for Shropshire’s towns and other key centres (Core Strategy Policies CS1, CS2 and CS3) and has consequently set the Levy at a rate that will not jeopardise these objectives. In the rural area a higher Levy rate is part of a development strategy that seeks to respond positively to rural community aspirations for improving their sustainability (Core Strategy Policy CS4). The evidence and balance of considerations that have informed the Shropshire Charging Schedule are set out in the background paper, “Rationale for the Levy” (March 2011), which is available on the Shropshire Council website.

### **Infrastructure that will benefit from the Levy in Shropshire**

The types of infrastructure that will receive funding from the Levy will be published on the Council's website, in accordance with Regulation 123 of the Community Infrastructure Levy Regulations 2010. Shropshire Council will determine the CIL infrastructure list on an annual basis, using the approach set out in Core Strategy Policy CS9 and the processes and governance arrangements set out in the Developer Contributions Supplementary Planning Document (SPD). A draft SPD is currently out for consultation until 21<sup>st</sup> April 2011, and is available on the Council's website.

Levy funding will be used for capital expenditure, not to subsidise revenue. The March 2011 supplement to the Draft Developer Contributions SPD proposes that a minority proportion of the Levy (up to 10%) will be used for strategic infrastructure. The main focus of the Community Infrastructure Levy in Shropshire will be on meeting local needs and in accordance with Shropshire's localism agenda the majority of developer contributions will therefore be used to deliver local benefit in accordance with local priorities.

Strategic and local priorities for the use of the Levy funds will be agreed annually by Shropshire Council, in conjunction with Town and Parish Councils, based on the annual review of the LDF Implementation Plan and its accompanying 18 “Place Plans”. This will be published as an annual CIL infrastructure list when the Charging Schedule takes effect and in March / April each year thereafter.

### **Liability for the Levy**

The Levy will be payable for developments that receive planning permission after the date that the Charging Schedule takes effect, following its adoption by Shropshire Council. Adoption is expected to be no sooner than October 2011 at the earliest.

Liability for the Community Infrastructure Levy is incurred by all *new build*<sup>1</sup> development of over 100 square metres (1,076 square feet) or new build development (of any size) that comprises one or more new dwellings<sup>2</sup>.

Mezzanine floor developments, subdivision of a dwelling into two or more dwellings and changes of use that do not involve additional floorspace are not liable for the Levy<sup>3</sup>. In the case of conversions of existing buildings only the additional new build floorspace, such as an extension to the existing building, will be liable for the Levy.

When planning permission is granted, Shropshire Council as the Charging Authority will issue a Liability Notice that sets out the Levy that will be due for payment when the development is commenced. Applicants are advised to agree who will be responsible for this liability before submitting their planning application. Where no one has assumed liability to pay the Levy, the liability will automatically default to the landowners of the relevant land and their successors in title. The Council will issue a Liability Notice that states the chargeable amount as soon as possible after the grant of planning permission.

Payment of the Levy is required after commencement of the development. Before the day on which development is commenced, the developer must send a commencement notice to Shropshire Council and to the owners of the relevant land. Shropshire Council, as the Collecting Authority, will then issue a demand notice, including details of any instalments, for the Levy that was previously notified on the Liability Notice.

The timing of payments must be in accordance with Regulation 70 of the Community Infrastructure Levy Regulations 2010, as amended by Regulation 9 of the Community Infrastructure Levy (Amendment) Regulations 2011. The latter Regulations, which are due to come into force on 6<sup>th</sup> April 2011, set a default period for payment of the Levy of 60 days after commencement of the development, unless the Charging Authority has issued an instalment policy. It is Shropshire Council's intention to set an instalment payment policy before the Charging Schedule is adopted.

Where an outline planning permission permits development to be implemented in phases, each phase of the development is a separate chargeable development (Regulation 9(4)). However, only planning permissions granted after the date of the Charging Schedule coming into effect will be liable for the Levy. Phased development based on existing outline consents will therefore not be liable unless a new permission is required.

## **Relief from the Levy**

### **Discretionary relief for exceptional circumstances**

Regulation 55 of the Community Infrastructure Levy Regulations (SI 2010 No. 948) allow a charging authority to grant relief only where a planning obligation has been entered into for

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<sup>1</sup> including enlargements to existing buildings (CIL (Amendment) Regulations 2011 Regulation 7(2))

<sup>2</sup> CIL Regulations 2010 Regulation 42

<sup>3</sup> CIL (Amendment) Regulations 2011 Regulations (4) and (7)

a sum that is greater than the chargeable amount, and that payment of the Levy would have an unacceptable impact on the economic viability of the development.

### **Notification of discretionary relief (Regulation 56)**

Shropshire Council will allow claims for relief for exceptional circumstances from the date that the Shropshire Charging Schedule comes into effect. In such cases the claimant must follow the procedures set out in Regulation 57, including an assessment carried out by an independent person of the cost of complying with the planning obligation and its impact on the economic viability of the chargeable development. In such cases Shropshire Council will consider whether relief from the Levy, or a reduction in the section 106 contribution, is appropriate in light of community priorities and the circumstances of the case.

### **Social Housing Relief**

100% relief from the Levy is available for those dwellings that are either let in specified tenancies by a private registered provider of social housing, or a registered social landlord, or a local housing authority, or are occupied under specified shared ownership arrangements. The details of qualifying dwellings are specified in Regulation 49 of the Community Infrastructure Regulations 2010, which are available on the Council's website.

### **Charitable Relief**

Under Regulation 43 of the Community Infrastructure Levy Regulations 2010 (as amended) charities are exempt from liability to pay the Levy where a development will be used wholly or mainly for charitable purposes; be fully owned by the charity or jointly with other charities; and occupied by it or under its control.

### **Notification of Charitable Relief**

Discretionary relief for investment activities by charities may be made in accordance with Regulations 44 and 45. Shropshire Council allows such discretionary relief (Regulation 46) where the chargeable development delivers facilities, services or infrastructure that have been identified as a requirement in the LDF Implementation Plan or Place Plans. The amount of relief granted will be in direct proportion to the proposed development's benefit to the community, as assessed by Shropshire Council in consultation with the Parish or Town Council. Shropshire Council will accept claims for such relief from the date that the Shropshire Charging Schedule comes into effect.

### **Reviewing the Charging Schedule**

It is the Council's intention to review the Charging Schedule regularly to ensure that it reflects changing economic conditions for all types of development.