

South Somerset

Community Infrastructure Levy

Draft Charging Schedule

Submission Version

May 2016

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1. Introduction

- 1.1. This document marks the next stage in the process of South Somerset District Council establishing the Community Infrastructure Levy (CIL) in South Somerset. CIL is a fixed levy that Councils can charge on new developments to fund infrastructure needed to support development.
- 1.2. The Government introduced CIL in the Planning Act 2008. Detail on the CIL regime was subsequently set out in the CIL Regulations 2010 (as amended)¹. The Government has also published guidance on the operation of CIL².
- 1.3. This Draft Charging Schedule (DCS) consultation document represents the second consultation stage in preparing a CIL for South Somerset. Consultation on the Preliminary Draft Charging Schedule (PDCS) took place in March 2012. This DCS has been informed by the responses which were received during this earlier consultation, along with updated evidence on viability and infrastructure requirements.
- 1.4. The supporting evidence on CIL and infrastructure issues which should be read in conjunction with this DCS is:
 - Community Infrastructure Levy evidence base, Roger Tym & Partners and Baker Associates (January 2012);
 - Community Infrastructure Levy: viability study, BNP Paribas and SSDC (May 2013);
 - Community Infrastructure Levy: viability assessment – update Addendum report, BNP Paribas and SSDC (July 2015);
 - South Somerset Infrastructure Delivery Plan update 2015/16 (January 2016);
 - Additional viability evidence prepared for an 800 dwelling development in Yeovil (March 2016); and
 - Additional infrastructure evidence on the need for a new cemetery in Yeovil (April 2016).
- 1.5. This document contains the proposed level of CIL, an instalment policy, and a draft Regulation 123 list of infrastructure that may be funded, in whole or part, by CIL.
- 1.6. In accordance with Regulation 16 and 17 of the CIL Regulations 2010 (as amended) the Council invited comments on the DCS, the instalment policy, and the draft Regulation 123 list, over a six-week period from **10th February to the 24th March 2016**.
- 1.7. In accordance with Regulation 19(b) of the Community Infrastructure Levy Regulations 2010 (as amended) the Council has set out a summary of the main issues and the Council's response to those issues. The summary of main issues report will be submitted to the Examiner alongside the Council's evidence base and other

¹ Community Infrastructure Regulations 2010 (as amended):
<http://www.legislation.gov.uk/ukxi/2010/948/contents/made>

² Department for Communities and Local Government Planning Practice Guidance:
<http://planningguidance.communities.gov.uk/blog/guidance/community-infrastructure-levy/>

documentation. The “*Summary of Main Issues*” document is available here: <http://www.southsomerset.gov.uk/planning-and-building-control/planning-policy/>

- 1.8. Given the nature of the consultation responses, and in accordance with Regulation 11 and Regulation 19 of the Community Infrastructure Levy Regulations 2010 (as amended), the Council has modified the Draft Charging Schedule. The Council’s “*Statement of Modifications*” setting out exactly what has been modified is available here: <http://www.southsomerset.gov.uk/planning-and-building-control/planning-policy/>
- 1.9. Having regard to all of the above, the Council has prepared a finalised version of the Draft Charging Schedule that it intends to submit to the examiner. This represents the “Submission” version, and is set out in the remainder of this document.
- 1.10. **Chapter 2** sets the context for CIL, in the form of ‘frequently asked questions’. The justification for introducing CIL in South Somerset and the key findings of the evidence base, specifically the four studies listed above, are set out in **Chapter 3**. The Draft Charging Schedule itself, which shows the proposed levy rates, is in **Chapter 4**; supported by the overall approach for how the levy will be calculated in **Chapter 5**. The proposed instalment policy is explained in **Chapter 6**, and the draft ‘Regulation 123 list’ of infrastructure that may be funded in whole or part by CIL is shown at **Chapter 7**). Finally, **Chapter 8** explains how to make comments on this consultation document, and outlines the next steps in the CIL preparation process.

2. Context – Community Infrastructure Levy FAQs

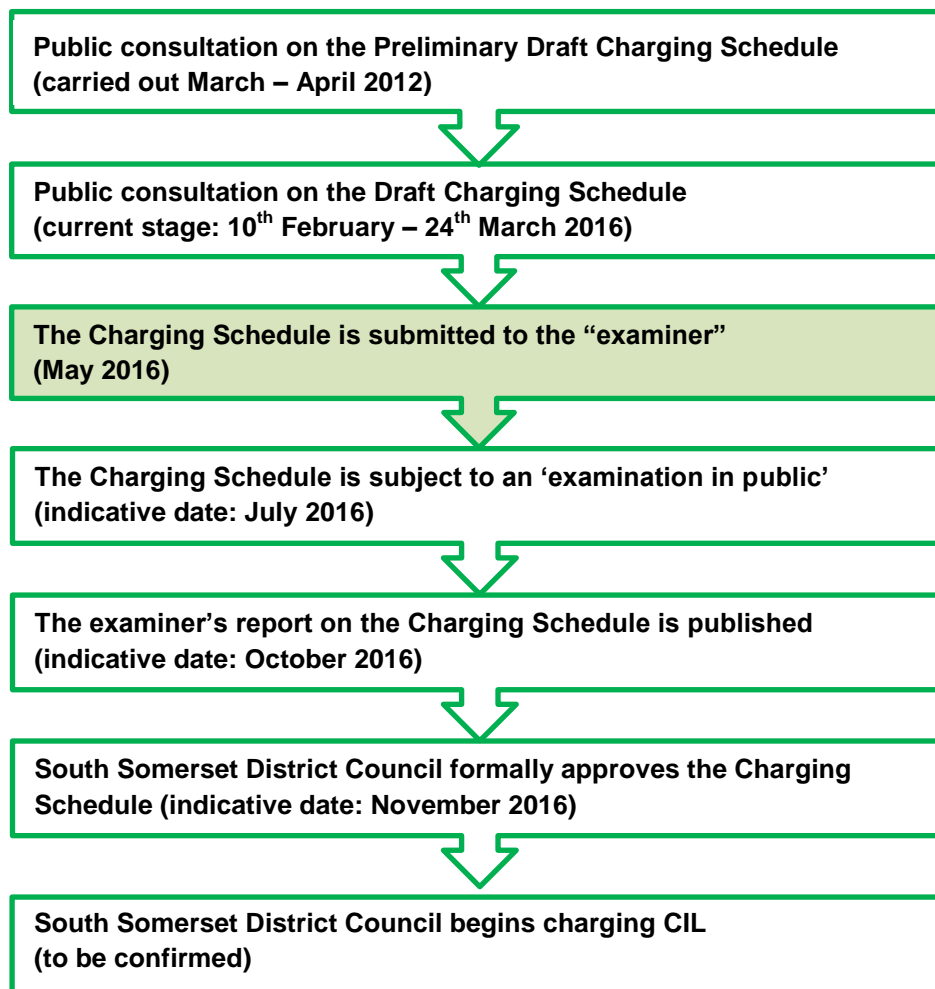
What is the Community Infrastructure Levy?

2.1. The Community Infrastructure Levy (CIL) is a tool for local authorities to help deliver infrastructure to support new development. It is a fixed levy, calculated per square metre, which the Council can charge on new development in order to fund a wide range of infrastructure. CIL was introduced in the Planning Act 2008, and came into force through the CIL Regulations 2010 (as amended).

What is the process for introducing CIL?

2.2. The following diagram outlines the process that is required for the Council to successfully introduce CIL in South Somerset.

Figure 2.1: Process for introducing CIL in South Somerset



What are the benefits of CIL?

- 2.3. The Government has set out that CIL seeks to provide a “*faster, fairer, more certain and transparent*” means of collecting developer contributions to infrastructure than individually negotiated Section 106 planning obligations:
- It is *faster* because it reduces the need for lengthy discussions on planning obligations, and CIL must be paid within a certain time of development commencing.
 - Most new development has an impact on infrastructure needs and, as such, it is *fairer* that nearly all new development contributes towards the cost of these needs.
 - CIL provides *certainty* as the levy is fixed, so the developer is aware of costs towards infrastructure provision up front.
 - There is greater *transparency* because a schedule sets out the infrastructure that will be funded through CIL.
- 2.4. In addition, local communities will benefit from the proportion of CIL that is given to town and parish councils. Town and parish council will automatically receive 15% of CIL receipts from development occurring in their area, and this figure rises to 25% where a neighbourhood plan has been ‘made’ and adopted.

What type of development is liable for CIL?

- 2.5. CIL may be payable on development which creates net additional floor space, where the gross internal area of new build exceeds 100 square metres. This threshold does not apply to new dwellings as CIL is payable for a new dwelling of any size, unless it is subject to an exemption (e.g. built by a ‘self-builder’), or is located in an area that has been designated as a zero rate in the Charging Schedule.
- 2.6. The levy is applied to the gross internal area (GIA) of the net additional development liable for the levy. GIA should be calculated according to the definition in the latest edition of the RICS Guidance Note: Code of Measuring Practice. Chapter 5 sets out how the chargeable amount will be calculated.
- 2.7. CIL applies to planning permission granted through local planning orders and may also be payable on permitted development and development which is subject to a Lawful Development Certificate.

What kind of development does not pay CIL?

- 2.8. The following examples are types of development that do not pay the levy. This list is not exhaustive and further exemptions may arise:
- Development of less than 100 square metres, unless it is a new dwelling;
 - Houses, flats, residential annexes and residential extensions which are built by ‘self-builders’;
 - Social housing that meets Government criteria;
 - Charitable development that meets Government criteria;

- Buildings into which people do not normally go, or go only intermittently for the purpose of maintaining fixed plant or machinery;
- Structures which are not buildings, such as pylons and wind turbines;
- Types of development which have a 'zero rate' in the Charging Schedule;
- Vacant buildings brought back into the same use; and
- Mezzanine floors of less than 200 square metres inserted into existing buildings, unless they form part of a wider planning permission that seeks to provide other works as well.

What is the rate of CIL?

2.9. The levy rate is expressed as pounds per square metre. The Draft Charging Schedule (set out in Chapter 4) identifies a zero rate at the Yeovil Sustainable Urban Extensions and Chard Eastern Development Area; £40 per square metre for residential development elsewhere in the district; £100 per square metre for convenience based supermarkets and superstores, and retail warehouse parks (outside of town centres and primary shopping areas); and a £0 (zero) rate per square metre for retail development inside the town centres and primary shopping areas. All other uses are proposed to have a nil rate.

When does CIL need to be paid?

2.10. The regulations state that the amount of CIL generated by a development should be paid in full within 60 days of commencing development. However, the regulations also allow councils to have an instalment policy if they wish, which can set out the number of payments, the amount and time due.

2.11. Chapter 6 contains the Council's proposed instalment policy. This was drafted in response to comments made on the Preliminary Draft Charging Schedule, and is intended to assist the viability and deliverability of development, recognising that few if any developments generate value until they are complete either in whole or phases.

What can CIL be spent on?

2.12. Local authorities must spend CIL on infrastructure needed to support the development of the area. The adopted South Somerset Local Plan identifies development that should be delivered over the period 2006 – 2028. CIL can be used to fund a wide range of infrastructure, including: transport, flood defences, schools, health care, open space, and sports facilities. The infrastructure that the Council intends to fund, or may fund, by CIL is set out in the 'Regulation 123 list'. The draft Regulation 123 list for consultation is set out in Chapter 7.

2.13. The focus of the majority of spending CIL should be on the provision of new infrastructure. However, CIL can also be used to increase the capacity of existing infrastructure or to repair failing existing infrastructure, if that is necessary to support development.

2.14. The money that is expected from CIL will not be enough to cover the cost of infrastructure requirements in the district. The South Somerset Infrastructure Delivery Plan (2016) identifies a funding gap of approximately £124 million, far higher than the

amount expected to be generated from CIL receipts³. Therefore, a governance and prioritisation process will be set up for spending CIL. The Council will also work to obtain other funding streams to help deliver infrastructure. The governance and prioritisation of spending CIL is the responsibility of the district council, and will involve infrastructure providers and other public organisations.

- 2.15. Fifteen percent of CIL receipts are passed directly to those Town and Parish Councils where development has taken place, subject to a limit of £100 per existing council tax dwelling which can be passed to the Town or Parish Council each year. Where a neighbourhood plan has been adopted, having successfully passed through a local referendum, the Town or Parish Council will receive 25% of CIL receipts and are not subject to the annual limit per existing dwelling.
- 2.16. Known as the 'neighbourhood portion' of the levy, the money allocated to Town and Parish Councils can be spent on a wider range of things than the rest of the funds collected through the levy, provided that it meets the requirement to '*support the development of the area*' (e.g. it could be used to fund affordable housing, or develop a neighbourhood plan).
- 2.17. In addition, the Council can retain up to 5% of total CIL receipts for administrative expenses.

How does CIL relate to other developer contributions?

- 2.18. There are several ways that developers may be asked to make contributions for the delivery of infrastructure. This may be through CIL, Section 106 Agreements, and Section 278 highway Agreements.⁴
- 2.19. CIL is intended to contribute to infrastructure to support the development of the whole district, rather than making individual planning applications acceptable. Therefore, some site specific mitigation of impacts through other developer contributions may still be required in order for a development to be granted planning permission e.g. the provision of affordable housing, community facilities, local open space, and access roads.
- 2.20. Once CIL is in place, Section 106 obligations should be scaled back to those matters that are directly related to a specific site. In addition, Section 106 and Section 278 Agreements cannot be sought for infrastructure items that are defined in the 'Regulation 123 list'. This is to ensure there is no 'double dipping', with the development industry paying twice for the same item of infrastructure. These restrictions do not apply to highways Agreements drawn up by Highways England, as the scale and nature of works on the strategic road network are not considered suitable for funding through receipts from CIL.
- 2.21. Since April 2015, there is a restriction on the number of Section 106 contributions that can be pooled for specific infrastructure projects. No more contributions can be collected if five or more obligations for a project have already been entered into since 6 April 2010. This restriction does not apply for provision that is not capable of being funded by the levy, such as affordable housing.

³ South Somerset infrastructure Delivery Plan (2016): [http://www.southsomerset.gov.uk/planning-and-building-control/planning-policy/early-review-of-local-plan-\(2006-2028/evidence-base/](http://www.southsomerset.gov.uk/planning-and-building-control/planning-policy/early-review-of-local-plan-(2006-2028/evidence-base/)

⁴ Section 278 of the Highways Act 1980 allows developers to enter into an Agreement with the highways authority (Somerset County Council) that requires them to pay for or undertake improvement works to the existing highway.

2.22. Where Section 278 Agreements are used, there is no restriction on the number of contributions that can be pooled.

What will be the Council's approach to Section 106 planning obligations once CIL is in place?

2.23. The Council expects that Section 106 planning obligations will be sought on larger, more complicated development sites within the district. It is expected that the development proposals for the two Yeovil Sustainable Urban Extensions and Chard Eastern Development Area will be subject to Section 106 Agreements in order to secure the necessary on-site infrastructure and affordable housing as required in the South Somerset Local Plan.

3. Evidence Base

Justification for Community Infrastructure Levy in South Somerset

- 3.1. The Council is not required to introduce CIL but, as explained in Chapter 2, there are benefits in being able to capture funds for infrastructure from most new development that occurs, rather than just larger schemes. Government regulations have also restricted the use of planning obligations, meaning it is no longer possible to gather more than five planning obligations towards a single infrastructure project.
- 3.2. The Council adopted the South Somerset Local Plan (2006 – 2028) which provides a statutory framework through which to realise policy objectives for 15,950 homes and 11,250 jobs in the district by 2028. The Council had previously produced an Infrastructure Delivery Plan in 2012 to help support the adoption of the local plan. However, significant changes in the viability, funding and delivery of development have occurred since that time, which in turn has altered the context for infrastructure provision.
- 3.3. Therefore, the Council has produced a new Infrastructure Delivery Plan (January 2016) which documents the current status of existing infrastructure, appraises its ability to meet the additional demands generated by planned growth, takes account of planned investment, and concludes on infrastructure requirements and projects necessary to ensure the successful delivery of the number of homes and jobs set out in the South Somerset Local Plan (2006 – 2028)⁵.
- 3.4. The Infrastructure Delivery Plan provides conclusions on infrastructure requirements in each of the locations defined in the South Somerset Local Plan settlement hierarchy, as well as clarifying needs which affect the district as a whole. As noted above, the clear conclusion from the Infrastructure Delivery Plan is that there is a gap between the costs of the funding required, versus the availability of known funding. As at January 2016, the funding gap is approximately £124 million. As such, the proposed levy rates are demonstrated to be necessary and will contribute towards the implementation of the South Somerset Local Plan.

⁵ South Somerset infrastructure Delivery Plan (2016): [http://www.southsomerset.gov.uk/planning-and-building-control/planning-policy/early-review-of-local-plan-\(2006-2028/evidence-base/](http://www.southsomerset.gov.uk/planning-and-building-control/planning-policy/early-review-of-local-plan-(2006-2028/evidence-base/)

Impact of Community Infrastructure Levy on development viability

3.5. As noted in Chapter 1, the Council has undertaken a series of assessments and viability appraisals to help inform its approach to the CIL. The following Section provides a brief summary of work carried out, and the conclusions on development viability.

Table 3.1: Overview of Development Viability Work

Date	Report / Event	Conclusions
January 2012	Community Infrastructure Levy Evidence Base	<p>Appraised 26 different generic development typologies. 13 linked to various residential development sites, and 13 linked to a range of commercial developments.</p> <p>Identified CIL rates of the following amounts:</p> <ul style="list-style-type: none"> • Yeovil Urban Extensions = £32m² • Chard Urban Extensions = £0m² • Other residential = £150m² • Retail = £200m²
March 2012	Preliminary Draft Charging Schedule (PDCS)	Based upon this initial viability work, the PDCS was consulted upon in accordance with the CIL Regulations for period of four weeks up to the 4 th April 2012.
November 2012	Developer Workshop	Consultation on PDCS held. All respondents invited to attend.
	Internal Work	<p>PDCS CIL Rate for residential is deemed too high due to:</p> <ul style="list-style-type: none"> • Source of adopted build costs – agreed BCIS data adjusted for Somerset region, split rates for large scale and small developments • Treatment of externals – additional 15% on build costs to be adopted • Professional fee assumptions increased to the mid-range proposed of 10% • Finance and marketing cost assumptions agreed at current interest rates and 3% of GDV for marketing on larger sites, with a higher agent's fee on small sites. • Review of sale data with developers requested to submit anonymous appraisals and current new homes sales rates

Date	Report / Event	Conclusions
		<p>PDCS CIL Rate for larger format retail is too high due to:</p> <ul style="list-style-type: none"> • GDV too optimistic, rents and yields not reflective of actual scheme evidence • Overall costs are not sufficient and should vary between in-town brownfield and out of town greenfield sites. • SSDC Requested and agreed to take actual residual appraisal examples provided by the market agents and developers in this field into account in preparing the DCS. A greenfield and brownfield appraisal provided by the market that represented the concerns raised were adopted for reappraising the CIL rate proposed in the DCS.
May 2013	Community Infrastructure Levy: Viability Study	<p>The new research was collected from the market and respondents and the DCS 2013 report was then prepared, finalised in May 2013 and the proposed CIL rates changed in light of adopting the respondents' comments and agreed areas from the workshop, ready for consultation in June/ July 13.</p> <p>This new work and previous consultation feedback resulted in CIL rates of the following amounts:</p> <ul style="list-style-type: none"> • Urban Extensions (Yeovil & Chard) = £0m² • All other residential = £50m² • Convenience base supermarkets, and superstores, and retail warehouse parks = £100m²
March 2015	South Somerset Local Plan (2006 – 2028) adopted	Confirms approach to residential and commercial growth, as well as shaping infrastructural requirements to support growth. Establishes policy framework to progress with CIL.
July 2015	Community Infrastructure Levy: Viability Assessment (Update Addendum Report)	<p>Drafted to support and update the 2013 report to ensure that key variables and market changes have been incorporated and proposed CIL rate is robust. Updates, include:</p> <ul style="list-style-type: none"> • New sales values researched with an increase adopted in appraisals. New homes sales rates per sq ft analysed on local schemes to ensure that this was in line with increase in sales assumptions. • Updated BCIS build costs for Somerset adopted for large and small schemes. • Yields on retail adjusted to reflect current investment market position

Date	Report / Event	Conclusions
		<ul style="list-style-type: none"> • Code for sustainable homes assumptions altered in line with government guidance. • New analysis of current S106 charges undertaken = no change to DCS assumptions. • All appraisals re-run with amended assumptions and results summarised in addendum report and appendices. <p>This additional work and previous consultation feedback resulted in CIL rates of the following amounts:</p> <ul style="list-style-type: none"> • Urban Extensions (Yeovil & Chard) = £0m² • All other residential = £40m² • Convenience base supermarkets, and superstores, and retail warehouse parks = £100m².
January 2016	Infrastructure Delivery Plan	Re-defines current infrastructure capabilities, the impact of proposed levels of growth, whether existing infrastructure can accommodate planned growth, what infrastructure is planned and funded, what additional infrastructure is required and how much does it cost, and what (if any) gaps in funding and delivery exist.
March 2016	Yeovil Urban Extension Typology at 800 dwellings prepared as part of viability evidence base.	To provide supplementary viability evidence a development typology of “800 dwelling urban extension in Yeovil” has been prepared. As with the previous viability assessments this shows a significantly negative land value. Viability assessment uses the same assumptions and shows that a CIL is not viable, particularly given the level of on-site infrastructure costs required.
April 2016	Additional infrastructure evidence showing the need for a new cemetery space to serve the needs of Yeovil	Supplementary evidence has been provided which identifies an infrastructure shortfall in cemetery space in Yeovil. This is identified as a problem which needs addressing in the short term. The Council accepts this evidence as complementary to the Infrastructure Delivery Plan (2015/2016). As such, the Council has added new cemetery space to meet the needs for Yeovil to the Draft Regulation 123 List.

4. Draft Charging Schedule

- 4.1. When deciding the rate of the levy, an appropriate balance must be struck between the level of additional investment that can be accrued to support development, and the potential effect on the viability of developments. Having regard to the viability assessments prepared in January 2012, May 2013, and July 2015, the following levy rates have been established as capable of being realised via development.
- 4.2. The Draft Charging Schedule set out in Table 4.1 should be read in conjunction with the accompanying Appendices. These set out the geographical extent of the various charging zones within South Somerset. The Appendices can be found at the following webpage: <http://consult.southsomerset.gov.uk/consult.ti/system/listConsultations>

Table 4.1: Draft Charging Schedule

Type of Development	Levy Rate	Geographical Extent
Yeovil Sustainable Urban Extensions⁶	£0 (zero) per square metre	See Appendix 1
Chard Eastern Development Area⁷	£0 (zero) per square metre	See Appendix 2
All Other Residential Development	£40 per square metre	District-wide. See Appendix 3
Convenience-based Supermarkets and Superstores, and Retail Warehouse Parks (outside of defined Town Centres and Primary Shopping Areas)^{8,9}	£100 per square metre	District-wide, excluding those areas defined in Appendices 1, 2, and 4 – 15
All Other Uses	£0 (zero) per square metre	District-wide. See Appendix 1 – 15

⁶ As defined in Policy YV2 in the South Somerset Local Plan (2006 – 2028): North-East Sustainable Urban Extension and South Sustainable Urban Extension.

⁷ As defined by Policy PMT1 & PMT2 in the South Somerset Local Plan (2006 – 2028).

⁸ 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. The majority of custom at supermarkets arrives by car, using the large adjacent car parks provided.

Superstores are self-service stores selling mainly food, or food and non-food goods, with supporting car parking.

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

⁹ Town Centres as defined through Policy EP11 of the South Somerset Local Plan (2006 – 2028).

Primary Shopping Areas in Yeovil and Chard as defined through Policy EP11 in the South Somerset Local Plan (2006 – 2028).

- 4.3. The levy rate for the Yeovil Sustainable Urban Extensions and Chard Eastern Development Area has been set at £0 (zero) per square metre because the viability evidence shows that the sites cannot support a levy charge.
- 4.4. The sites will require substantial site preparation works and significant on-site infrastructure to be delivered. This includes opening up an access into the site; the laying of internal roads; establishing large and complex utility, water supply, sewerage and drainage networks; and the provision of the on-site requirements set out in the Local Plan, such as: new schools, health care facilities, neighbourhood centres, and sustainable transport infrastructure.
- 4.5. The scale of these costs is significantly higher than those for a smaller development as the larger urban extensions will need to fully address their impacts on-site. In addition, the sites will have to provide additional mitigation set out in a Section 106 Agreement. All of this means that a levy charge would render the developments unviable. Given that the CIL is not intended to be set at a level where it jeopardises development from coming forward, the Council has set a zero levy rate.
- 4.6. Given the proposed level of growth defined in the South Somerset Local Plan (2006 – 2028) but taking account of previous delivery, the Council expects there to be approximately £14.6 million by way of CIL receipts up to 2028.
- 4.7. It is clear from this figure that CIL will be important to help realise the level and cost of infrastructure identified in the Infrastructure Delivery Plan (2016); but will only go part way to help fund the overall total requirement.

5. Calculating the Chargeable Amount

5.1. The formula for calculating the chargeable amount is set out in full in Part 5 of the Community Infrastructure Regulations 2010 (as amended)¹⁰. In summary the amount of CIL chargeable is calculated as follows:

CIL Rate (£m²) x net chargeable floor area (m²) x BCIS index figure (at date of planning permission)

BCIS Index figure (at the date of implementation of the Charging Schedule)

5.2. This calculation multiplies the CIL rate by the net new floor area and then adjusts the results to take account of inflation (BCIS index figure);

- the **CIL Rate** (£m²) is the applicable rate from the above schedule.
- the **net chargeable floor area** (m²) is the gross internal floorspace of the development minus the gross internal floorspace of any existing buildings that are to be retained or demolished, provided they have been in continuous lawful use in accordance with CIL Regs (as amended). Where there is more than one use class on a development, the chargeable amount in each class is calculated separately and then added together to provide the total chargeable amount. However where the amount is less than £50 the chargeable amount is zero.
- The **BCIS Index Figure** (%) is an annually updated measure of inflation published by the Building Cost Information Service (BCIS) of the Royal Institute of Chartered Surveyors (RICS).

5.3. The CIL is charged on new development over 100m² or any new dwellings if these are less than this size. Gross internal floorspace includes everything within the external walls of a building, including lifts, stairwells and internal circulation areas, but not the thickness of the external walls or balconies. GIA should be calculated according to the definition in the latest edition of the RICS Guidance Note: Code of Measuring Practice. Chapter 6 sets out how the chargeable amount will be calculated.

5.4. Residential floorspace includes new dwellings, extensions, conversions, garages or any other buildings ancillary to residential use. Affordable housing and self-build housing are exempt from CIL.

¹⁰ Community Infrastructure Regulations 2010 (as amended):
<http://www.legislation.gov.uk/uksi/2010/948/contents/made>

6. Instalment Policy

- 6.1. The CIL regime aims to provide certainty to both the development industry and the Council in terms of the amount of levy that is due, and the timing of payment. As noted in Chapter 1, the Government expects the CIL process to be faster in terms of securing funds. In normal circumstances the levy becomes due from the date that a chargeable development has commenced. Commencement is defined in the same way as it is used in planning legislation (i.e. 'material operations' on the site)¹¹.
- 6.2. However, in response to comments received during consultation on the Preliminary Draft Charging Schedule, the Council intends to introduce an instalments policy to help manage the flow of payments.
- 6.3. The Council's instalments policy is in accordance with Regulation 69B of the Community Infrastructure Levy Regulations 2010 (as amended), with instalments linked to the amount payable (the chargeable amount). As permitted under Regulation 9(4) of the Community Infrastructure Regulations 2010 (as amended), where outline planning permission which permits development to be implemented in phases has been granted, each phase of the development as agreed by South Somerset District Council is a separate chargeable development and the instalment policy will, therefore, apply to each separate chargeable development and associated separate liable amount chargeable.
- 6.4. There will be exemptions and circumstances where this policy will not apply. These issues will be considered by the Council as and when they arise, but include, and are not limited to:
 - a) A commencement notice has not been submitted prior to commencement of the chargeable development, as required by Regulation 67 of the Community Infrastructure Regulations 2010 (as amended).
 - b) On the intended date of commencement:
 - i. Nobody has assumed liability to pay CIL in respect of the chargeable development;
 - ii. A commencement notice has been received by South Somerset District Council in respect of the chargeable development; and
 - iii. South Somerset District Council has not determined a deemed commencement date for the chargeable development and, therefore, payment is required in full, as required by Regulation 71 of the Community Infrastructure Regulations 2010 (as amended);
 - c) A person has failed to notify South Somerset District Council of a disqualifying event before the end of 14 days beginning with the day on which the disqualifying event occurs, as per the Community Infrastructure Regulations 2010 (as amended).

¹¹ See Section 56(4) of the Town and Country Planning Act 1990:
<http://www.legislation.gov.uk/ukpga/1990/8/Section/56>

- d) An instalment payment has not been made in full after the end of the period of 30 days beginning with the day on which the instalment payment was due, as per the Community Infrastructure Regulations 2010 (as amended).
- 6.5. Where the instalment policy is not applicable, the amount must be paid in full at the end of the period of 60 days beginning with the notified or deemed commencement date of the chargeable development or the date of the disqualifying event, whichever is the earliest, unless specified otherwise within the Community Infrastructure Levy Regulations 2010 (as amended).
- 6.6. The breakdown of instalments for payments of the levy is set out in Table 6.1 below.

Table 6.1: Draft Instalments Policy

Total CIL liability	Number of instalments and amount payable	Payment period
Amount less than £16,000 or amount due in respect of a single dwelling	Payable as one instalment	100% payable within 60 days of the commencement date
Amount between £16,000 and £60,000	Payable as three instalments	1st instalment of 20% payable within 90 days of commencement date; and 2nd instalment of 20% payable within 360 days of commencement date. 3rd instalment of 60% payable within 540 days of commencement date.
Amount between £60,000 and £300,000	Payable as three instalments	1st instalment of 20% payable within 90 days of commencement date 2nd instalment of 20% payable within 360 days of commencement date 3rd instalment of 60% payable within 720 days of commencement date
Amount between £300,000 and £750,000	Payable as four instalments	1st instalment of 20% payable within 90 days of commencement date 2nd instalment of 20% payable within 360 days of commencement date 3rd instalment of 20% payable within 720 days of commencement date 4th instalment of 40% payable within 1080 days of commencement date
Amount over £750,000	Payable as four instalments	1st instalment of 10% payable within 90 days of commencement date 2nd instalment of 20% payable within 540 days of commencement date 3rd instalment of 20% payable within 1080 days of commencement date 4th instalment of 50% payable within 1800 days of commencement date
<p>1. Where an outline planning permission permits development to be implemented in phases, each phase of the development is a separate chargeable development and will be collected in accordance with this Instalment Policy.</p> <p>2. Nothing in this Instalment Policy prevents the person with assumed liability to pay CIL, to pay the outstanding CIL (in whole or in part) in advance of the instalment period set out in this policy.</p>		

7. Draft Regulation 123 List

- 7.1. The Community Infrastructure Levy Regulations 2010 (as amended) require the Council to set out a list of those projects or types of infrastructure that it intends to fund, or may fund, through the Community Infrastructure Levy.
- 7.2. The Regulation 123 List limits the use of planning obligations. The Regulations restrict the use of pooled contributions towards items that may be funded via the levy. From April 2015, no contributions may be collected in respect of a specific infrastructure project or a type of infrastructure through a Section 106 Agreement, if five or more obligations for that project or type of infrastructure have already been entered into since 6 April 2010.
- 7.3. The Council's draft Regulation 123 List is set out in Table 7.1 below.
- 7.4. The draft Regulation 123 List does not signify a commitment from the Council to fund all the projects listed, or the entirety of any one project through the CIL funds – it just signifies projects that will be considered by the Council in its decision as to what might receive funding.

Table 7.1: Draft Regulation 123 List

Infrastructure type	Infrastructure that may be partly or wholly funded by CIL	Exclusions (funded by S106 or S278 payments or alternative measures)
Transport	Millfield Link Road, Chard.	Improvements or provision of highways or highways access works related to a specific development site.
	Link road from Oaklands Avenue to A358 Furnham Road, Chard.	
	Link road connecting A30 with Oaklands Avenue, Chard.	
	Improve Stop Line Way cycle route between Chard and Tatworth.	
	Yeovil Sustainable Transport Interchange	
	Chard Sustainable Transport Interchange	
Flood risk management	Off-site flood risk management works	Improvements or provision of flood risk management works related to a specific development site.
Outdoor Play Space, Sports, Community and Cultural facilities	Playing pitch improvements or provision in Primary and Local Market Towns.	Improvements or provision of outdoor play space, sports, community and cultural facilities related to a specific development site.
	Equipped play area improvements or provision in Primary and Local Market Towns	
	Birchfield Bike Park	

Infrastructure type	Infrastructure that may be partly or wholly funded by CIL	Exclusions (funded by S106 or S278 payments or alternative measures)
	Refurbishment of Westlands Sports Centre Swimming pool improvements of provision in Yeovil, Chard, Primary and Local Market Towns Sports hall improvements or provision in Primary and Local Market Towns 3G Synthetic Turf Pitch improvements or provision in Primary and Local Market Towns New cemetery space to serve Yeovil	
Open Space and Public Realm	Off-site open space and public realm	Improvement or provision of open space or public realm related to a specific development site.

7.5. Where site-specific exclusions are identified, they will be subject to statutory tests set out under Regulation 122 of the Community Infrastructure Levy Regulations 2010 (as amended), which stipulates the following:

“A planning obligation may only constitute a reason for granting planning permission for the development if the obligation is –

- a) necessary to make the development acceptable in planning terms;*
- b) directly related to the development; and*
- c) fairly and reasonably related in scale and kind to the development”.*

7.6. Site-specific infrastructure which is required to make the development acceptable in planning terms, and satisfies the requirements set out in Regulation 122, will be secured through Section 106 Agreements for sites such as: North-east Yeovil Sustainable Urban Extension, South Yeovil Sustainable Urban Extension, and each of the development sites which constitute the Chard Eastern Development Area.

7.7. Affordable housing will continue to be secured through Section 106 Agreements, and is not liable for the CIL.

7.8. The Council will continue to seek financial contributions through Policy HG4 of the South Somerset Local Plan in relation to the provision of affordable housing on small sites. The viability work undertaken to justify the CIL shows that eligible development will be able to support both the financial contribution under Policy HG4 and the CIL. The Council will secure the financial contributions from Policy HG4 through a Section 106 Agreement.

8. Next Steps

- 8.1. This document takes account of the consultation responses on the Draft Charging Schedule, and incorporates the Council's proposed Modifications to the Draft Charging Schedule. This document is now intended to be submitted to the appointed examiner on the 27th May 2016.
- 8.2. Given that the Council has modified the Draft Charging Schedule, any person who wishes to, may request to be heard by the Examiner in relation to the modifications¹². For the avoidance of doubt, the right to be heard and representations can only be made in relation to the modifications themselves.
- 8.3. Requests to be heard must include details of the modification on which the person wishes to be heard.
- 8.4. All requests must be made in writing and submitted to the Council within four weeks of the date of the submission of the charging schedule to the Examiner. Requests must therefore be submitted to the Council by **12pm on the 24th of June 2016**. The Council will then submit copies of any requests to be heard to the Examiner.
- 8.5. Request to be heard and representations can be made to the Council in following ways:

By email to: planningpolicy@southsomerset.gov.uk; or

By post to: Spatial Policy,
South Somerset District Council,
Brympton Way,
Yeovil,
BA20 2HT
- 8.6. Only after the Council's Charging Schedule is examined and found to be acceptable, can the Council look to adopt the proposed Community Infrastructure Levy. A full meeting of South Somerset District Council will be required to finally sign-off and adopt the Community Infrastructure Levy.

¹² In accordance with Regulation 21 of the Community Infrastructure Levy Regulations 2010 (as amended)