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1 What is the Community Infrastructure Levy?

1.1 The Charging Authority: The Charging Authority is Stevenage Borough Council

1.2 Date of Approval: This Charging Schedule was approved by the Council on (date to be inserted following examination and Council approval)

1.3 Date of Effect: This Charging Schedule will come into effect on (date to be inserted following examination and Council approval)

1.4 The Community Infrastructure Levy (CIL) was introduced under the Planning Act 2008. It is a tool local authorities can use to help deliver infrastructure to support the development of the area. CIL is a non-negotiable tariff on most forms of new development. It is expressed in pounds per square metre (£/m²), and is levied on the net additional floorspace created by most new development.

1.5 Stevenage Borough Council is the Charging Authority and Collecting Authority, and the charging area is within the local authority boundary.

2 Who is liable?

2.1 CIL is payable on development that creates net additional floorspace (based on gross internal area) of 100m² or more, or development of any size that results in a new house or flat. Some developments may be eligible for relief or exemption from the CIL. The following do not pay the levy:

- Development of less than 100m² – unless this is a whole house, in which case the levy is payable
- The creation of mezzanine floors within existing buildings (unless it forms part of a wider planning application that seeks to provide other works as well)
- Dwellings built by ‘self builders’
- Social housing that meets the relief criteria set out in the regulations (subject to an application for relief being submitted)
- Charitable development that meets the relief criteria set out in the regulations (subject to an application for relief being submitted)
- Buildings which people do not normally go into, or go into intermittently for the purpose of inspecting or maintaining fixed plant or machinery
- Structures which are not buildings, such as pylons and wind turbines
- Specified types of development which local authorities have decided should be subject to a ‘zero’ rate and specified as such in their charging schedules
- Vacant buildings brought back into the same use.

2.2 Please note that strict requirements apply with regard to the timing of the exemption process and you should refer to the regulations for details. In most cases a Commencement Notice must also be served prior to the commencement of development, in order for the exemption to apply.

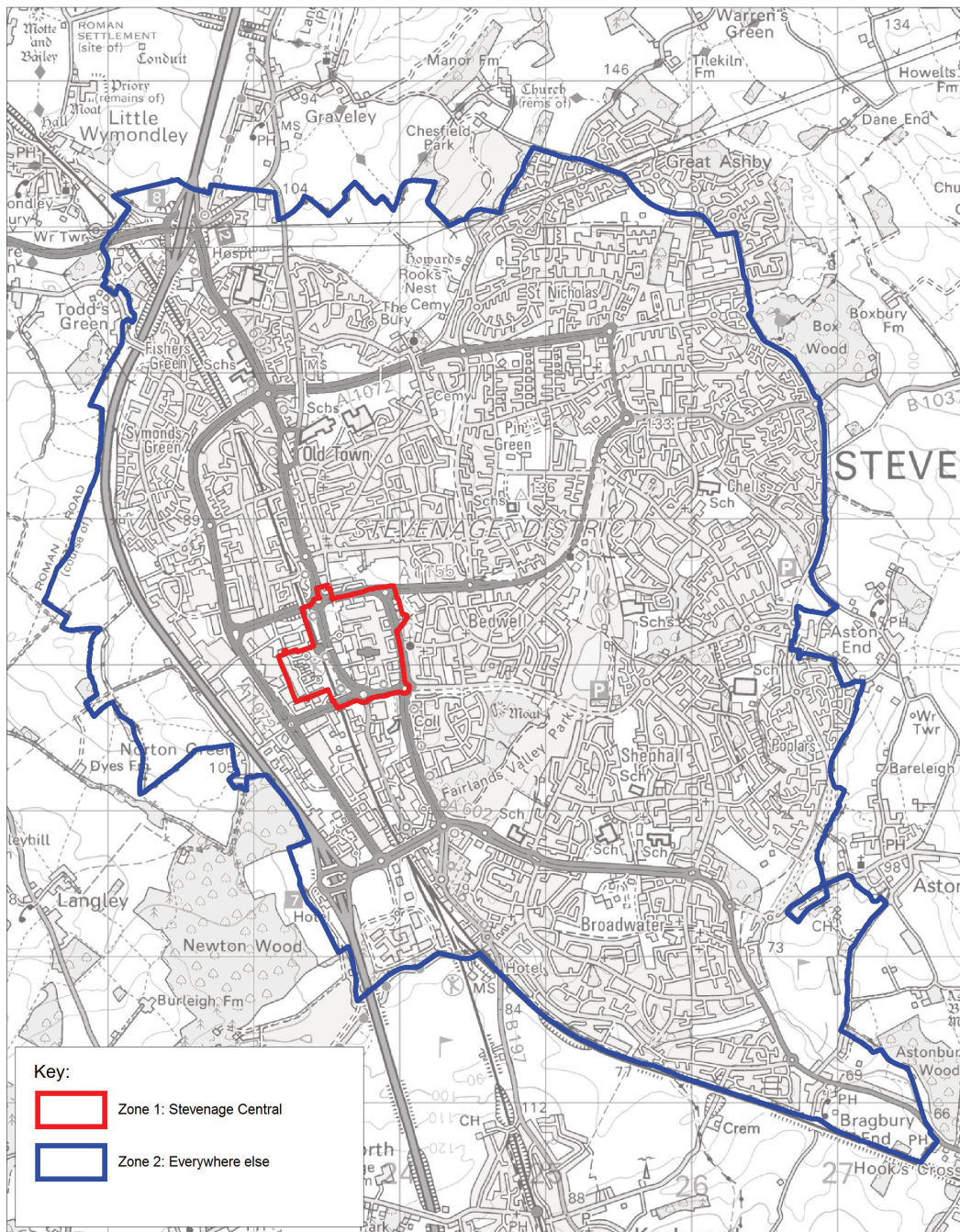
3 Proposed levy rates

3.1 The rate at which CIL will be charged within Stevenage is as follows. The extent of each Charging Zone is set out in the maps on the following pages.

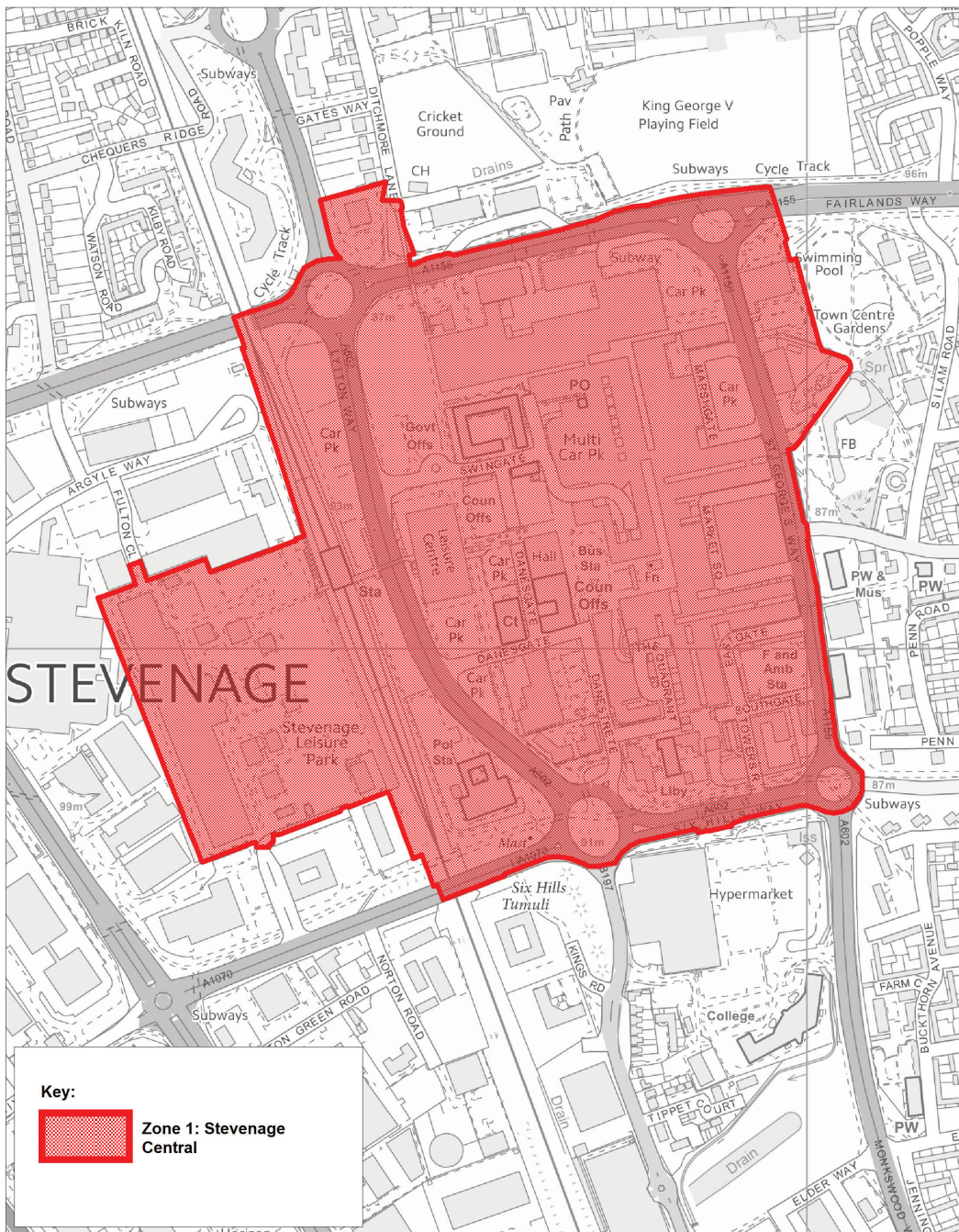
Table 1 CIL levy rates

Development Type	CIL rate (per square metre)	
	Zone 1: Stevenage Central	Zone 2: Everywhere else
Residential		
Market Housing	£40/m ²	£100/m ²
Sheltered housing		£100/m ²
Extracare housing		£40/m ²
Retail development		£60/m ²
All other development		£0/m ²

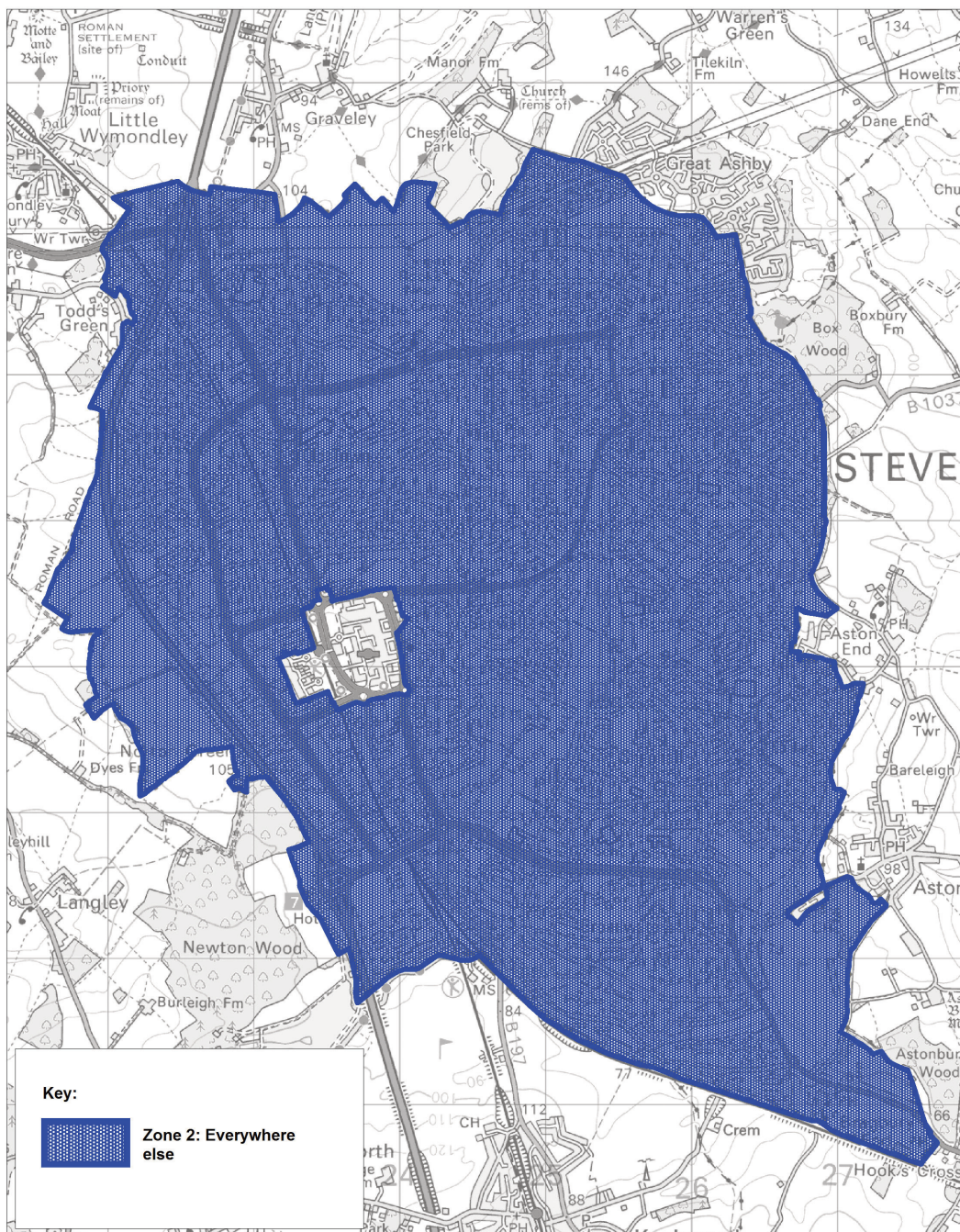
Picture 1 CIL charging zones



Picture 2 Zone 1: Stevenage Central



Picture 3 Zone 2: Everywhere else



4 Collection of CIL monies

4.1 The responsibility to pay CIL rests with the owner of the land on which the development will be situated. However, others involved in the development can take on the liability for CIL for the development by submitting an Assumption of Liability Notice. Applicants should include this notice when submitting applications, along with a copy of a CIL Additional Information Form⁽¹⁾.

4.2 In line with the CIL regulations, the Council will issue a 'liability notice' as soon as practicable after the day on which a planning permission first permits development. The liability notice informs the applicant/landowner of the amount of CIL that they are required to pay, taking into account any relief or exemption for which the development qualifies.

4.3 Liability to pay CIL is triggered by the commencement of a development. The developer is required to submit a commencement notice at least 24 hours before development is due to start. The Council will then send out a demand notice, which sets out the payment due dates in line with the payment procedure. If a commencement notice is not submitted, further charges may apply and any exemptions to CIL will no longer apply.

4.4 By default the levy must be paid within 60 days, but for schemes with phased outline permission payment will be triggered separately for each phase. The Council has chosen to adopt an Instalments Policy, which allows developers to pay their CIL charges in phased stages, in line with the Regulations⁽²⁾

4.5 Where development commences and a liability notice has not been provided, the CIL liability defers to the landowner. If the landowner then fails to pay, the council will issue a default liability notice. If there is persistent non-compliance, the Council can take direct action to recover the amount.

5 The relationship between CIL and S106

5.1 Currently, financial contributions are collected through Section 106 legal agreements. CIL will not fully replace S106 obligations, they will work alongside one another. CIL is intended to provide infrastructure to support new development more generally and contributions are not tied to the location in which the development takes place, where as S106 obligations are specifically required to make an individual planning application acceptable.

5.2 Unlike contributions made via S106 Agreements, CIL receipts are not earmarked for particular infrastructure related to the development from which they are raised. Instead, CIL monies are pooled into a fund which can be used for any infrastructure needed to support the development of the borough, or for strategic infrastructure needs elsewhere. The Council is responsible for allocating the money raised through CIL towards infrastructure required to support the development of the borough.

5.3 The CIL Regulations 2010, as amended, restrict the use of S106 obligations to ensure that developments are not charged for the same items through both S106 Agreements and the CIL. The Council is required to publish a list of infrastructure types or specific schemes that it believes

1 Where an applicant has not completed an Assumption of Liability Notice as part of their planning application submission, the Council will expect the developer, land owner or other interested parties to assume liability by completing an Assumption of Liability Notice where permission has been granted.

2 Regulation 69B of the CIL Regulations (as amended).

will, or may, be wholly or partly funded by CIL (known as a Regulation 123 list). The Council will not be able to seek S106 contributions towards infrastructure on this list (to avoid duplicate contributions being made). The Regulation 123 list is published on the Council's website.

6 How the money will be spent

6.1 Governance arrangements in relation to spending and monitoring CIL money will require further consideration prior to its adoption.

6.2 The costs of administering CIL will be funded from the levy (up to 5% of total receipts is permitted for this use). A further 15% of CIL is required to go directly to the communities where the development will take place – as Stevenage does not have Parishes, this could be allocated to Ward Members.

Appendix A - Evidence base

Authorities wishing to implement CIL must produce a charging schedule setting out the levy rates for their area(s). The rates set must not threaten the ability to develop viably the sites and scale of development identified in the Local Plan. Our evidence on infrastructure that underpins the Local Plan, and a subsequent viability assessment update, demonstrates that the rates we are proposing are appropriate.

Government guidance recommends that the evidence on infrastructure needs should be drawn directly from the infrastructure planning that underpins the Development Plan. The following documents, which were produced to support and inform the Local Plan, provide the evidence base for CIL:

- Stevenage Borough Infrastructure Funding Strategy, Aecom, September 2015
- Infrastructure Delivery Plan (IDP), SBC (most recent version is March 2017)
- Whole Plan Viability Study including Community Infrastructure Levy, HDH Planning, September 2015

We have since commissioned an update to the Whole Plan Viability Study to take into account changes in market values and viability within the town. This provides an updated basis for identifying the most appropriate levy rates. A technical paper to identify the funding gap has also been produced, to take into account the most up-to-date IDP, published in March 2017:

- Viability Update - CIL, HDH Planning, December 2017
- Infrastructure Funding Gap - technical paper, July 2018

Taking into account responses to the PDCS consultation, we commissioned a further re-run of the viability model to take into account updated S106 figures likely to be required on two of the larger sites within the Borough: North Stevenage and West of Stevenage - these largely related to Primary School costs, which had increased significantly since the viability study update was undertaken in December 2017.

Stevenage Borough Infrastructure Funding Strategy

The Stevenage Borough Infrastructure Funding Strategy tests the viability of the emerging Local Plan and develops an infrastructure funding strategy. This infrastructure strategy considers how different forms of funding could help to deliver the infrastructure required to support new housing coming forward over the Local Plan period.

This Strategy was based on the interim update to the IDP, published in 2015. As such, an update has been produced in the form of the Infrastructure Funding Gap - technical paper, that identifies the funding gap that exists based on data within the most recent IDP (March 2017).

Infrastructure Delivery Plan

The IDP aims to identify the infrastructure required to support future levels of growth across the town. It covers the period from 2011 - 2031, in line with the emerging Local Plan.

The Infrastructure Delivery Plan covers a wide range of physical and social infrastructure including; transport, utilities, education, health, community facilities, emergency services and green infrastructure requirements. It aims to:

- Identify the current infrastructure provision within the District;
- Identify any existing gaps in infrastructure
- Provide an understanding of the growth that can be supported by the existing infrastructure.
- Identify where and when additional infrastructure may be required
- Outline the costs of such infrastructure
- Identify how that infrastructure might be funded and delivered.

The IDP is a live document, which requires updating frequently to take into account changes and uncertainties in infrastructure requirements. The most recent version was adopted in March 2017. It was developed following detailed discussions and consultation with infrastructure providers.

The schedule in Appendix 1 of this evidence study sets out the infrastructure schemes required to deliver the Local Plan objectives.

Infrastructure Funding Gap Technical Paper

An Infrastructure Funding Gap technical paper was produced by the Borough Council in order to further examination the findings of the IDP and to more accurately assess the funding gap. The assessment excludes certain schemes, such as those that are desirable and not essential/critical, those that are required to meet existing needs and are not as a result of Local Plan growth, and those for which costs are unknown etc.

The paper identifies a funding gap of around £89 million, as detailed further in table 1.

Table 2 Identified funding gap

Infrastructure type	Costs (in millions)		
	Total	Other sources of funding	Funding gap
Mobility	£124.8	£109.3	£15.5
Education	£62.4	£28.0	£34.4
Healthcare	£34.2	£0.0	£34.2
Green Infrastructure	£1.6	£0.0	£1.6
Community/leisure	£6.7	£3.0	£3.7
	£229.4	£140	£89.4

It is important to note our estimated CIL income (based on the CIL rates we are proposing) won't get anywhere near the level required to fund all of the infrastructure we need. Initial calculations show CIL will bring in around £1.2m per year, so around £17m for the remaining plan period, nowhere near the funding gap of £89m we have identified.

Whole Plan Viability Study

Stevenage Borough Council published a Whole Plan Viability Study including Community Infrastructure Levy (CIL), in September 2015, to support the emerging Stevenage Borough Local Plan.

The inspector's report concluded on viability as follows:

185. A whole Plan viability assessment was carried out by the Council in line with the advice in the NPPF. This has led to some changes, such as the reduction in the affordable housing target. The assessment has also been scrutinised as part of this examination in relation to other policy matters, as set out above. I am satisfied that a robust assessment of viability has been undertaken such that scale of obligations and policy burdens will not prevent development being delivered in a timely manner.

Based on this it is assumed that the 2015 Viability Study is a sound basis for taking CIL forward.

The 2015 viability assessment was updated in 2017 (using the same methodology and approach as the previous study) to:

- consider the changes in national policy and practice.
- ensure that the considerations of viability are done in the context of the current market values and costs and related to the sites identified in the new Plan.
- update the recommendations in relation to CIL and the rates proposed as required.

Since 2015 there has been a significant change in viability in Stevenage. This is, at least in part, due to the effects of the redevelopment of the town centre. Overall, house prices have increased in Stevenage by 20% or so, however, the increase for new houses has been greater, particularly for newbuild flats in the town centre. The values of employment uses and supermarkets have also both increased. These increases are to some extent offset by an increase in construction costs of about 9%. These changes have resulted in a notable improvement in viability.

This study recommends the levy rates that are proposed in this charging schedule.

As discussed previously, a further re-run of the model was undertaken in January 2019 to take into account the following points raised by consultees on the PDCS:

- Increased primary school costs being requested by Hertfordshire County Council. This affects two sites: North Stevenage and West of Stevenage, both of which will require a primary school on-site.
- The development area of the North Stevenage site - to take into account the proposed meadow land on 38ha of the site
- Inclusion of costs for acoustic fencing on the West of Stevenage site of £2m
- Higher contingency of 5% on the West of Stevenage site to reflect its status as part brownfield.

The results of this modelling have been published in a technical note⁽³⁾. Whilst the residual values are somewhat lower, they are still well above the viability threshold. As such, it confirms that the CIL rates proposed are still viable and still allow an appropriate buffer. On this basis, the proposed rates remain appropriate.

