

# Barnsley Community Infrastructure Levy (CIL)

Draft Charging Schedule  
September 2016



**BARNLSLEY**  
Metropolitan Borough Council

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# Barnsley Metropolitan Borough Council Community Infrastructure Levy (CIL) - Draft Charging Schedule

## 1. What is the Community Infrastructure Levy?

- 1.1** CIL was introduced under the Planning Act 2008 and allows local authorities in England and Wales to raise funds from development in their area. The money raised can be used to fund a wide range of infrastructure required as a result of the development that takes place. CIL is a levy that is charged when planning permission or permitted development is granted for new development.
- 1.2** The charge can apply to the types of development that people use or inhabit such as housing or retail. CIL is not applied to structures such as pylons or telecommunication masts.
- 1.3** The levy will be based on £ per square metre of internal gross floor space of development. It is not charged on a change of use unless there is an increase in floor space.

## 2. Why introduce a Community Infrastructure Levy?

- 2.1** Most development has some impact on the need for infrastructure and services, or benefits from them. Therefore it is appropriate that such development pays a share of the cost. The government considers that those who benefit financially when planning permission is given should share some of that gain with the local community.
- 2.2** Through the payment of a CIL contribution, developers will help fund the Infrastructure that is needed to make their development acceptable and sustainable within the local area.

## 3. How will the CIL chargeable amount be calculated?

- 3.1** The amount of CIL charge will be calculated according to additional floorspace of the proposed development and will factor in an inflation measure to allow for changes in building costs over time. A summary of the method is set out below:

$$\text{CIL rate} \times \text{Net additional new build floorspace} \times \text{Inflation Measure}$$

- 3.2** The inflation measure used will be the national 'All-in Tender Price Index' published by the Building Cost Information Service (BCIS) of Royal Institution of Chartered Surveyors. The inflation measure involves dividing the index costs from the year the planning permission is granted, by the index costs from the year that the Charging Schedule is adopted. Full details of the method are set out in the CIL Regulations 2010 (as amended), Regulation 40.
- 3.3** As CIL is charged on the gross internal floor space of new development, where planning permission is granted for a development that involves the creation or demolition of a building in lawful use, the level of CIL payable will be calculated on the net increase in

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floor space. This means that the existing floor space contained within the building will be deducted from the total floor space of the new development when calculating the CIL charge.

### 4. Section 106

- 4.1** Unlike the Section 106 system, CIL can be collected on all developments and then 'pooled' in the style of a tariff. The pooled levy can then be spent on the type of infrastructure a charging authority has identified via its local plan, providing greater flexibility in the delivery of future infrastructure projects.
- 4.2** The existing Section 106 system will remain in place, but will be scaled back to ensure that CIL is the key mechanism for infrastructure funding.
- 4.3** The reason for retaining Section 106 is to ensure that site specific impacts caused by development can be mitigated (e.g. access roads, small areas of open space or play provision, on-site environmental improvements, etc). The current CIL regulations ensure there is a distinction between the two systems and that they do not overlap.

### 5. Exemptions and relief

- 5.1** Most development that involves the creation of buildings that people normally use will be liable to pay CIL. The regulations do however provide for a number of exemptions against which a levy cannot be charged.
- 5.2** Development up to 100sqm will be exempt (an extension to a house for instance will not pay CIL if it is less than 100sqm). However, this exemption does not apply if a new house is being created by the development (i.e. a new 60sqm house would have to pay the levy).
- 5.3** Social or affordable housing has full relief from CIL. Where social housing forms part of a mixed tenure development that includes market homes, CIL will not apply to the proportion of floor space that consists of social housing.
- 5.4** Charity landowners will also benefit from relief provided that the development is to be used for charitable purposes.
- 5.5** The CIL regulations also provide a procedure for giving discretionary exceptional circumstance relief if the Charging Authority has decided to make this available and provided that a set of tightly drawn conditions can be met.
- 5.6** Changes of use, conversions or subdivision of a building that do not involve an increase in floorspace are exempt. The creation of mezzanine floors of less than 200 m<sup>2</sup>, inserted into an existing building, are not liable for the CIL unless they form part of a wider planning permission that seeks to provide other works as well.

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- 5.7** The decision to offer exceptional circumstances relief is not part of the process of developing a Charging Schedule. The Charging Authority may publicise its decision to offer exceptional circumstances relief separate to the publication of a Charging Schedule. The council is considering the introduction of an exceptional circumstances relief policy as CIL is prepared and consulted on.
- 5.8** Full details relating exemptions and relief can be found in the supporting CIL Guidance Document.

### 6. Evidence to support a CIL

- 6.1** The key pieces of evidence required to support a CIL include the following:
- An up-to-date or emerging Local Plan
  - Evidence that a CIL is economically viably
  - Evidence of an infrastructure funding deficit
  - Evidence of historic S106 rates
- 6.2** The Local Plan for Barnsley is currently being developed and provides the overarching planning policy framework for the implementation of CIL. The Council is continuing to work on the development and adoption of its Local Plan.
- 6.3** Viability evidence to support the adoption of CIL has been prepared. The evidence has considered a market analysis and viability testing of different development types and provides recommended rates of CIL that can be charged without putting major development at risk.
- 6.4** The evidence indicates that for residential development, it is considered that CIL will not render the majority of development throughout the borough unviable. However, it is acknowledged that different rates may have to be set for different parts of Barnsley in order to reflect the viability of residential developments within local areas.
- 6.5** For non residential uses, the only types of development which could support CIL and remain viable (at present) are A1 uses<sup>(1)</sup>
- 6.6** Initial infrastructure planning work has been carried out that shows an infrastructure funding deficit which CIL can partly meet.
- 6.7** The CIL evidence base for Barnsley can be viewed on the council's CIL webpage: [www.barnsley.gov.uk/CIL](http://www.barnsley.gov.uk/CIL). A number of CIL evidence base documents have been produced to inform the preparation of a Preliminary Draft Charging Schedule:

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1 A1 refers to the town planning use class order of shops, retail warehouses, hairdressers, undertakers, travel and ticket agencies, post offices (but not sorting offices), pet shops, sandwich bars, showrooms, domestic hire shops, dry cleaners, funeral directors and internet cafes.

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- Draft Charging Schedule
- Barnsley CIL Viability Report 2012
- Barnsley CIL Viability Report 2015 (Updated)
- Preliminary Draft Charging Schedule Consultation Findings
- Barnsley Draft Infrastructure Delivery Plan
- Barnsley CIL Rate Calculation Methodology
- Historic Section 106 Collection Rates
- CIL Guidance Document
- Statement Of Representation

## 7. The proposed levy

- 7.1** The Preliminary Draft Charging Schedule (shown at Appendix 1) has been prepared in accordance with the Community Infrastructure Levy Regulations 2010 (as amended). The council must strike a balance between ensuring appropriate development comes forward and the impact on development viability.

### Residential development

- 7.2** The assessment of residential land and property values in Barnsley indicates that the borough can be divided into eight principal sub-market areas. A map showing the zones is included in the Preliminary Draft Charging Schedule at Appendix 2.
- 7.3** The viability assessment undertaken demonstrates an increased land value benchmark for residential schemes of < 15 dwellings as a result of Affordable Housing provision not being applicable for those developments. Viability evidence therefore shows that a separate differential charging zone could be applied for those developments across the identified submarkets.
- 7.4** These sub-markets suggest differential charging zones can be applied as shown in Table 1:

Table 1 Residential Zones		
Sub Market	CIL Rate Per SQM => 15 Dwellings	CIL Rate Per SQM < 15 Dwellings
Rural West	£80	£80
Penistone & Dodworth	£80	£80
Darton & Barugh	£50	£80
South Barnsley & Worsbrough	£10	£50

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Rural East	£0	£30
Hoyland, Wombwell & Darfield	£0	£0
North Barnsley & Royston	£0	£0
Bolton, Goldthorpe & Thurnscoe	£0	£0

### **Commercial development**

- 7.5** The viability evidence indicates that most categories of commercial development are not viable in current market circumstances in Barnsley should a CIL rate be applied. Only general retail was assessed to be viable and capable of accommodating CIL.
- 7.6** It is recommended that two commercial CIL charge zones are established is taken to setting commercial rates as illustrated in Table 2. A map showing the proposed zones is included in the Draft Charging Schedule at Appendix 3.

Table 2: Proposed Commercial CIL Charges	
Land Use	CIL Rate
A1 All Areas	£70
All other non-residential development	£0

## **8. CIL indexing and review**

- 8.1** Once CIL is adopted, the charging rates proposed will be indexed to account for inflation using a nationally recognised index. The overall Charging Schedule will be reviewed as outlined within this document.

## **9. Payment of CIL**

- 9.1** CIL is payable on commencement of development where a planning permission is granted after the Charging Schedule has taken effect.
- 9.2** A Charging Authority is able to introduce payment by instalments. Full details relating to the proposed CIL instalment policy can be found in the supporting CIL Guidance document. The instalment policy can be introduced, withdrawn or amended at any time with 28 days notice.

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### 10. Spending CIL

The intention is to use CIL to unlock and deliver larger strategic sites in support of the delivery of the council's economic strategy (with S106 retained only for direct mitigation of site-specific impacts). Under CIL Regulation 123, the council will need to prepare a list setting out the types of infrastructure that it intends to fund through CIL, prior to the adoption of its Charging Schedule. CIL cannot be used in combination with Section 106 to deliver the same piece of infrastructure.

The Regulation 123 list can be reviewed at any time and it is initially suggested that this would be on an annual basis linked to the publication of the council's Annual Monitoring Report that would identify progress on collecting and spending CIL.

The Regulation 123 list is likely to be restricted to 'core infrastructure' and items where contributions need to be pooled. It might include for example development of business parks, green infrastructure, new schools and strategic/sustainable transport. Other items such as affordable housing, site specific highway works and small areas of open space or play provision are likely to be negotiated via Section 106, Section 38 and Section 278 agreements outside of CIL.

The council has undertaken initial infrastructure planning and has consulted with infrastructure providers during the development of the Local Plan. A draft Infrastructure Delivery Plan has been prepared which highlights the borough's key infrastructure requirements over the plan period. The council will be refining and reviewing this work as CIL is prepared and consulted on.

However, for the purposes of this CIL consultation exercise, a S106 & CIL an **indicative list** has been prepared. The aim of the list is to identify and provide clarity about what types of infrastructure the council will fund via S106 and CIL and provide a clear distinction between the two systems. This list is shown in Tables 3 and 4.

The council's guiding principle when identifying infrastructure for CIL purposes is that it should enable the delivery of major economic regeneration projects (and thus be of benefit to the borough's economy or environment as a whole). For S106 the aim is for it to be limited to minor on-site and off-site development related improvements.

There will be a need to discuss any emerging Regulation 123 list with key infrastructure providers. Additionally other forms of funding will also need to be investigated including for example potential use of New Homes Bonus or regional funding sources.

The CIL regulations also allow up to 5% of the CIL collected each year to be used to pay for the administrative expenses incurred by the Council. The Council anticipates that it is likely to seek an element of reimbursement to cover the cost associated with the collection, implementation and monitoring of CIL. This will be accounted for in the Councils monitoring of the expenditure of CIL.



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Table 3 – <u>Indicative</u> CIL Infrastructure List	
CIL (regulation 123 list)	Evidence
Provision of key economic infrastructure (including the delivery of strategic business parks, employment sites and associated works such as and land remediation and provision of utilities).	Local Plan Jobs & Business Plan More & Better Skills Plan
Road infrastructure (excluding motorway and major trunk roads)	Local Plan Jobs & Business Plan Draft Infrastructure delivery plan Barnsley Transport Strategy
Urban infrastructure and public realm improvements (including street scene and public art)	Local Plan Jobs & Business Plan Public Art Strategy
Provision of new and improvement of existing Green Infrastructure (including district, borough and regional level parks and open spaces; outdoor sports provision; cemeteries; local, national and European designated sites; historic parks and gardens; and strategic greenways)	Draft Infrastructure delivery plan Barnsley, Leeds City Region and Sheffield City Region Green Infrastructure Studies Greenspace strategy Dearne Valley Landscape Partnership Sport Facility Strategy
Flood mitigation	Draft Infrastructure Delivery Plan Local Flood Risk Management Strategy
A new school (or schools) including primary, nursery, secondary and higher education facilities	Draft Infrastructure delivery plan
Low carbon and renewable energy	Energy Strategy

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	Draft Infrastructure delivery plan
Sustainable transport measures (including walking and cycling)	Draft Infrastructure delivery plan Destination Management Plan Local Transport Plan Barnsley Transport Strategy
Other large scale community facilities (including libraries; cultural attractions; health centres; indoor sports and recreational centres)	Draft Infrastructure delivery plan Destination Management Plan

Table 4 – Indicative S106 Funding

### Affordable Housing

Provision of new, expansion of and improvements to local green and open spaces (including local level parks and open spaces; local level public realm works; non-designated sites of biodiversity and geological interest; play provision; and non-strategic greenways (on-site and off-site contributions))

Minor road improvements outside of Section 278 agreements (on-site)

Footpath/cycling improvements (on-site)

Sustainable design or energy efficiency measures (on-site)

Education contributions for existing primary, nursery, secondary and higher education facilities schools to address shortfalls in capacity as a result of development taken place within the local area. This will exclude the building of new schools which will be identified through the Infrastructure Delivery Plan within funding contributions provided through CIL.

All of any other necessary on site or off-site infrastructure that is not covered by the CIL table 3 list.

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### 11. Neighbourhood Funding

- 11.1** Charging authorities will be required to pass a proportion of CIL receipts to town or parish councils. Town and parish councils will receive a 15% share of CIL revenue from development in their area, subject to a cap of £100 per household in the town or parish council area. Where a neighbourhood has drawn up a Neighbourhood Plan, this share would increase to an uncapped 25%
- 11.2** Barnsley Metropolitan Borough Council will be required to work closely with Local Parish and Town Councils in order to ensure this element of CIL is managed and delivered effectively.

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### 12. Reporting and Monitoring of CIL

**12.1** CIL Regulation 62 requires the Council to publish an annual report on the operation of the levy each financial year. This will form part of the Council's Annual Monitoring Report and will include the following information:

- The total amount of CIL monies collected
- How much of that money has been spent including on which infrastructure projects
- Administration costs
- The amount of CIL retained at the end of each financial year.

**12.2** It is recognised that there is a need to closely monitor the proposed CIL charges in order to reflect changes in the local development market and to reflect changes in both local and national policy. The Council therefore proposes to review CIL every three years or earlier, if necessary, in response to significant changes in local development viability.

### 13. Next Steps

**13.1** This Draft Charging Schedule is the subject of consultation for six weeks from **17/10/16** to **27/11/16**. This consultation is aimed particularly at town and parish councils, local residents, businesses, infrastructure providers, the local development industry and adjoining local authorities.

**13.2** Following the consultation period, the representations received will be taken into consideration, and if required, modifications made or further testing undertaken. The next stage is to then finalise the Charging Schedule with a view to examination and adoption in 2017.

**13.3** The council requests that the following questions be considered when responding to this consultation:

1. Do you have any general comments to make about the consultation document and the approach taken to bring CIL forward in Barnsley?
2. Do you agree that the proposed residential charges areas in Barnsley are correct?
3. Do you agree that the proposed non residential CIL charges in Barnsley are correct?
4. Do you have any comments or observations that you would like to express relating to the CIL evidence base?
5. Do you have any comments or observations in respect of supporting CIL documents and draft guidance documentation?

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**13.4** Comments should be put in writing and sent to:

Barnsley MBC  
Planning & Building Control  
PO Box 604  
S70 9FE

**13.5** Comments can also be submitted electronically utilising the Councils online consultation portal available at: [www.barnsley.gov.uk/CIL](http://www.barnsley.gov.uk/CIL)

**13.6** Full details relating to the consultation process can be found in the supporting Statement of Representation document.

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## Appendix 1. The Draft Charging Schedule (DCS)

### Proposed CIL Residential Rates

<b>Table 1 Residential Zones</b>		
<b>Sub Market</b>	<b>CIL Rate Per SQM =&gt; 15 Dwellings</b>	<b>CIL Rate Per SQM &lt; 15 Dwellings</b>
Rural West	£80	£80
Penistone & Dodworth	£80	£80
Darton & Barugh	£50	£80
South Barnsley & Worsborough	£10	£50
Rural East	£0	£30
Hoyland, Wombwell & Darfield	£0	£0
North Barnsley & Royston	£0	£0
Bolton, Goldthorpe & Thurnscoe	£0	£0

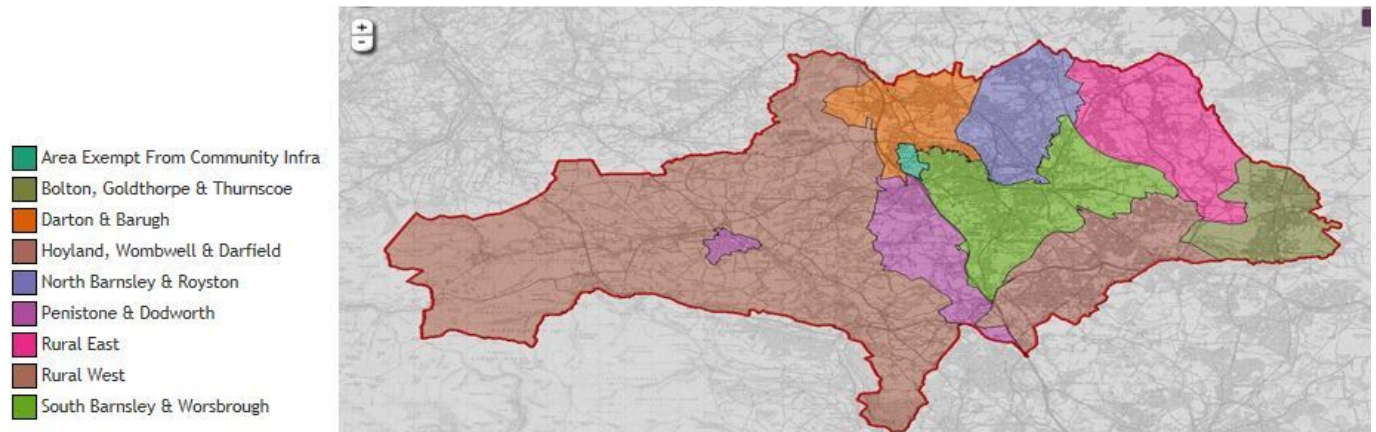
### Proposed CIL Commercial Rates

<b>Table 2: Proposed Commercial CIL Charges</b>	
<b>Land Use</b>	<b>CIL Rate</b>
A1 All Other Areas	£70
All other non-residential development	£0

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## Appendix 2. Barnsley MBC - Draft Charging Schedule Residential Charging Zones (Spatially)

Charge rate information can be viewed electronically at the following [link](#)



Residential Zones		
Sub Market	CIL Rate Per SQM => 15 Dwellings	CIL Rate Per SQM < 15 Dwellings
Rural West	£80	£80
Penistone & Dodworth	£80	£80
Darton & Barugh	£50	£80
South Barnsley & Worsbrough	£10	£50
Rural East	£0	£30
Hoyland, Wombwell & Darfield	£0	£0
North Barnsley & Royston	£0	£0
Bolton, Goldthorpe & Thurnscoe	£0	£0