



Peterborough Community Infrastructure Levy

Incorporating the Preliminary Draft Charging Schedule



Consultation Document
November 2012

How to comment on this document

Your comments and views are welcomed on the Preliminary Draft Charging Schedule and other elements of the proposed approach for introducing a Community Infrastructure Levy (CIL). Please set out your responses according to our questions in this document which are also available as a separate printable/downloadable document (see below). Any comments you have which are not covered by our questions can be raised at the end in the 'any other comments' section. The city council is keen to set the CIL at a level which allows for continued growth in Peterborough, whilst supporting the delivery of necessary infrastructure, facilities and services. Please qualify any observations or proposals you make as much as possible by providing evidence to support your argument rather than simply stating your views.

Our preference is for people to access the documents and comment using our online consultation portal: [address to be inserted here]. However, we recognise that it may not always be preferable or possible to do this and so we have made the documentation available in a number of alternative formats as follows:

- As Printable Downloadable Documents (PDFs) on our website; and
- As Hard Copy Reference Documents in our Public Libraries and at our Bayard Place Office on Broadway.

The deadline for submission of comments is [to be determined].

Alternatively, comments can be made in writing using the PDF Questionnaire Form to:

**Planning Policy Team
Peterborough City Council
Stuart House East Wing
St John's Street
PE1 5DD**

Or via email (scanned completed questionnaire form) to: planningpolicy@peterborough.gov.uk.

A PDF version of the questionnaire can be found on our website at [address to be inserted here] and can also be completed and submitted electronically by clicking the 'submit button' at the top right-hand side of the document if preferred.

If you have any further questions, please call Simon Pickstone, Strategic Planning Officer on (01733) 863879.

Any comments/information that you provide will be used for the purpose of CIL production, and processed in accordance with the Data Protection Act.

Executive Summary

This document sets out the opening proposals of Peterborough City Council for introducing a Community Infrastructure Levy (CIL). It also presents an opportunity for people to comment on these proposals and explains why and how the city council has gone about justifying a new levy on development. In addition to consulting people on the proposed charges for different types of development (which is the primary focus of the Preliminary Draft Charging Schedule consultation exercise), we have taken the opportunity to extend the document to cover broader related elements such as how we intend to administer and spend monies raised and various other discretionary measures which might be applied to this process. We have chosen to open this out for comment at an early stage to help inform our final preferred approach to be submitted for independent examination anticipated in late 2013.

The primary driver for introducing a levy is due to legislative and regulatory changes at the national level. It is important to emphasize at this point that this new levy is not additional to the existing practise of seeking S106 Planning Obligations in association with new development. It will be complimentary to it because it will be replacing the Planning Obligations Implementation Scheme (POIS) with an independently examined and approved levy known as a CIL. The primary goal has been to seek a fair and transparent mechanism for securing contributions from private development for infrastructure considered critical to the sustainable growth of our district.

The process of adopting a CIL comprises of a number of formal stages which are set out in more detail in Section 6. We are particularly keen to get peoples views and comments. We are making these proposals available for comment for a period of six weeks.

The provision and funding of infrastructure is a critically important issue which affects every single one of us. It is for this reason that we believe it is important to get the views of everybody, but particularly the views of residents (who will use and rely on infrastructure on a daily basis) and developers and landowners (who will have to factor these costs into their business activities).

Proposed CIL charge rates by development type¹

Table 1 below provides a summary of the proposed charge rates for different development types in Peterborough. Further detail regarding the CIL rate and how it has been calculated is provided in the main body of the document.

Table 1: Peterborough Preliminary Draft Charging Schedule

Use	CIL charge (per sq m)
Private market houses on:	
(i) Sites where no affordable housing provision is secured via a S106 Planning Obligation	£110
(ii) Sites of up to 799 units where affordable housing provision is secured via a S106 Planning Obligation	£75
(iii) Strategic Development Sites (800 plus residential units)	£30
Apartments or flats with*/without** affordable housing requirement	£10*/£50**
Retail development:	
(a) All Comparison*/Convenience** retail development unless covered by (b) or (c)	£175*/£400**
(b) All retail development within the City Centre Primary Shopping Area	£10
(c) All retail development below 280 sq m (net additional floorspace) within a District or Local Centre	£10
Public/institutional facilities as follows: education, health, community and emergency services	£0
All other chargeable development	£10

¹ See Section 4 for the details.

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PLEASE NOTE THAT THIS DOCUMENT WILL BE PRESENTED WITH NUMBERED PARAGRAPHS FOR THE PUBLIC CONSULTATION

1. Introduction

This consultation document is Peterborough City Council's "Preliminary Draft Charging Schedule (PDCS)" to support the introduction of a Community Infrastructure Levy (CIL). There are 3 core supporting documents which are made available and should be read in conjunction with the Preliminary Draft Charging Schedule. These are the Peterborough Community Infrastructure Levy Study (May 2012), the Peterborough Infrastructure Delivery Schedule (2012) and a short non-technical guide, 'How CIL may work in Peterborough'.

The 'PDCS' itself, setting out the proposed levy charge rates is provided in the Executive Summary (Table 1 above). The rest of this document provides background to the charging schedule, drawing on the supporting documents referred to above.

What is the Community Infrastructure Levy?

The CIL legislation allows local planning authorities to raise funds from developers to pay for the infrastructure that is or will be needed as a result of new development. It came into force on 6 April 2010. It will partly replace the current system of securing developer contributions via Section 106 Agreements.

The proposed levy set is based on community infrastructure needs identified in the Peterborough Infrastructure Delivery Schedule (IDS), an earlier version of which formed part of the evidence base for the adopted Peterborough Core Strategy. It is further supported by updated infrastructure modelling which takes other potential funding sources into account and an analysis of the impact of any levy on the viability of development across the unitary authority area.

Funds raised through the CIL will be used to help pay for a wide range of community infrastructure required to support the needs of sustainable development. It will not fund 100% of the costs of the infrastructure requirements and will therefore only ever be one element in a range of potential funding sources that need to be used to ensure that community infrastructure is effectively delivered.

Who will have to pay a CIL?

CIL will be charged on most new development. Liability to pay CIL arises when, on completion of the development, the gross internal area of new build is 100 square metres or above. The development of all new dwellings, even if it is less than 100 square metres, is also liable to pay CIL. The levy is chargeable on the basis of a calculation related to pounds (£) per square metre (sq m) on the net additional floorspace.

CIL will not be charged on changes of use that do not involve new additional floorspace or on structures which people do not normally go into or do so only intermittently for the purpose of inspecting or maintaining fixed plant or machinery². Affordable housing development and the majority of development by charities is exempt from the charge³.

What are the benefits of a CIL?

Most development has some form of impact on the infrastructure needs of an area and, as such, it is fair that the development contributes towards the cost of those needs. Those needs could be environmental, social and/or economic in nature.

² Community Infrastructure Regulations 2010 (as amended): Regulation 6

³ Community Infrastructure Levy Relief Information Document, DCLG, May 2011

The CIL simplifies the process of Developer Contributions. It is a fair, transparent and accountable levy which will be payable by the majority of new housing developments, from 1 unit or above, and a range of other development types. The CIL gives developers a clear understanding of what financial contribution will be expected towards the delivery of community infrastructure needs, whilst providing the city council with a simplified Developer Contributions process.

What happens to Section 106?

The CIL is intended to provide infrastructure to support the development of an area. CIL does not fully replace Section 106 Agreements. On particular developments some site specific mitigation requirements may still need to be agreed and provided through a Section 106 Agreement in addition to a CIL.

However, the CIL Regulations have placed limitations on the future use of Planning Obligations by:

- Putting three of the five policy tests on the use of Planning Obligations as set out in former Circular 5/05 on a statutory basis for developments which are capable of being charged the Levy;
- Ensuring the local use of the CIL and Planning Obligations does not overlap;
- Limiting pooled contributions from Planning Obligations from no more than five developments towards infrastructure which may be funded by the Levy.

CIL will therefore become the main mechanism for securing infrastructure funding via planning application decisions in future.

However, Section 106 Agreements and Planning Conditions will continue to be used for affordable housing provision and for local infrastructure requirements on development sites (such as site specific local provision of open space, connection to utility services (as required by legislation), habitat protection, access roads and archaeology). The principle is that all eligible developments must pay a CIL as well as any site specific requirement to be secured through Section 106 Agreements.

For the purpose of providing a context for introducing a CIL it is necessary to make some assumptions about the likely scale and relationship that may exist between the two mechanisms. These assumptions can be found in the Peterborough CIL Study and influence the viability assessments undertaken and ultimately the levy charge rates tabled in the Preliminary Draft Charging Schedule (Tables 1 and 2).

It is proposed that further detail on the future approach to site-specific Section 106/Conditions /Obligations etc. will be set out in the form of a Supplementary Planning Document (SPD) which should be read in conjunction with the CIL when available.

Strategic Developments (see Glossary) of 800 residential units or more usually also necessitate the provision of their own development specific infrastructure, such as schools and parks, which are dealt with more suitably through a Section 106 Agreement, in addition to a CIL charge. It is important that the CIL Charging Schedule differentiates between these infrastructure projects to ensure no double-counting takes place between calculating the district wide CIL rate for funding of infrastructure projects and determining Section 106 Agreements for funding other development site-specific infrastructure projects.

2. Planning Policy Background

National

It is the express intention of the city council to ensure that the overall balance is maintained in favour of facilitating sustainable development. This is in keeping with the principle of 'the presumption in favour of sustainable development' as set out in the National Planning Policy Framework⁴ (March 2012).

Local

The Peterborough Core Strategy 2011 sets the strategic spatial planning framework for development across the unitary authority area to 2026 and contains strategic policies to manage growth and guide new development in Peterborough based on the vision for:

"A bigger and better Peterborough that grows the right way - and through truly sustainable development and growth:

- Improves the quality of life of all its people and communities and ensures that all communities benefit from growth and the opportunities it brings;
- Creates a truly sustainable Peterborough, the urban centre of a thriving sub-regional community of villages and market towns, a healthy, safe and exciting place to live, work and visit, famous as the environment capital of the UK".

Peterborough Core Strategy policy CS12 identifies the relationship between new development and supporting infrastructure capacity; whilst policy CS13 sets out the mechanisms to be used to secure developer contributions to infrastructure provision, making reference to the possible introduction of a Community Infrastructure Levy. This is set out in the Core Strategy extract overleaf.

The Peterborough Site Allocations DPD (Adopted 18 April 2012) establishes the scale and principle that a suitable form of development can be located on a particular site. In doing so it provides developers, service providers, the local authority and residents with some certainty about what sites will be developed in the future and for what purpose.

The Peterborough Planning Policies DPD was examined by a planning inspector in July 2012. This document will be of importance for setting out the planning policies and standards to be used when submitting and determining planning applications.

⁴ <http://www.communities.gov.uk/planningandbuilding/planningsystem/planningpolicy/planningpolicyframework/>

Extract of adopted Peterborough Core Strategy (2011):

Policy CS12

Infrastructure

New development should be supported by, and have good access to, infrastructure.

Planning permission will only be granted if it can be demonstrated that there is or will be sufficient infrastructure capacity to support and meet all the requirements arising from the proposed development and mitigate the impact of that development on existing community interests within environmental limits. Conditions or a Planning Obligation are likely to be required for many proposals to ensure that new development meets this principle.

Consideration will be given to the likely timing of infrastructure provision. As such, development may need to be phased either spatially, or in time, to ensure the provision of infrastructure in a timely manner. Conditions or a planning obligation may be used to secure this phasing arrangement.

Policy CS13

Developer Contributions to Infrastructure Provision

Where a planning obligation is required in order to meet the principles of policy CS12 'Infrastructure' then this may be negotiated on a site-by-site basis. However, to speed up and add certainty to the process, the City Council will encourage developers to enter into a planning obligation for contributions based on the payment of a standard charge.

Subject to arrangements as set out in a separate Planning Obligations Implementation Scheme SPD, contributions received via this standard charge may be assembled into pools at an authority-wide level and to the relevant Neighbourhood Management Area (as described in policy CS6).

The use of a standard charge approach will ensure that any contribution is reasonably related to the scale and type of development that is proposed. The Planning Obligations SPD will set out detailed arrangements for the operation of the standard charge and formulae based upon needs assessments, viability studies and associated business plans, which will be kept under review. The SPD will include the level of the charge for different types of development, by unit of development, and the basis for the calculation of that level of charge; any minimum size thresholds which will apply; any arrangements for pooling, including the split between pools; any arrangements for staged payments; long-term management and maintenance of infrastructure; any arrangements to address collection and management of pools; and inflation proofing measures.

The City Council will be prepared to negotiate a variation from the standard charge(s) in cases where actual provision of neighbourhood or strategic infrastructure is provided as part of the development proposals or other material consideration. The SPD will include an explanation of where exemptions from or variations to the charge may occur.

Additional contributions may also be negotiated to mitigate a significant loss of a facility on the site, such as public open space.

In the event that the Community Infrastructure Levy (CIL) regulations remain in place (or similar regulations introduced), then the City Council may adopt such a CIL (or similar) to replace the standard charge arrangements set out in this policy.

3. The Peterborough Preliminary Draft Charging Schedule

The Preliminary Draft Charging Schedule for Peterborough is set out in Table 2 below and has been prepared in accordance with relevant legislation and policy guidance.

Peterborough City Council, as the Local Planning Authority, is the Charging Authority (CA) and will also be the Collecting Authority.

Table 2: Peterborough Preliminary Draft Charging Schedule

Use	CIL charge (per sq m)
Private market houses on:	
(i) Sites where no affordable housing provision is secured via a S106 Planning Obligation	£110
(ii) Sites of up to 799 units where affordable housing provision is secured via a S106 Planning Obligation	£75
(iii) Strategic Development Sites (800 plus residential units)	£30
Apartments or flats with*/without** affordable housing requirement	£10*/£50**
Retail development:	
(a) All Comparison*/Convenience** retail development unless covered by (b) or (c)	£175*/£400**
(b) All retail development within the City Centre Primary Shopping Area	£10
(c) All retail development below 280 sq m (net additional floorspace) within a District or Local Centre	£10
Public/institutional facilities as follows: education, health, community and emergency services	£0
All other chargeable development	£10

The city council proposes to set a standard rate across the district of £10 per square metre for all development types unless specifically stated otherwise. The 280 sq m 'trigger point' for retail development is derived from the Sunday Trading Act 1994, which defines 'small shops' as being less than 280 sq m net floor area.

CIL Geographical Zones

The proposed levy rates in Table 2 apply uniformly to all development types across the whole geographic extent of the unitary authority area of Peterborough, with the exception of differential rates for retail. For retail development the charge rates relate to specific geographical areas referred to as the City Centre Primary Shopping Area, District and Local Centres. Maps showing the boundary extent of these specific geographical areas are attached at Appendix 2.

Liability to pay CIL

A 'chargeable development'⁵ is liable to pay a CIL. A definition is provided in the glossary.

The tabled charge rates will be levied on most new building developments that people go into. The rates are chargeable in pounds per square metre (£/sq m) on the net additional floorspace developed, if 100 square metres or more. If the development involves the creation of a new dwelling, even if it is less than 100 square metres, it is still liable to pay CIL, in accordance with Regulation 40.

⁵ Community Infrastructure Levy Regulations 2010: Regulation 9

Site specific contributions may also be required through a Section 106 Agreement or as part of the Conditions attributed to a planning consent.

Exemptions/Relief to/from paying a CIL

The Regulations also allow CAs to permit discretionary relief from CIL (e.g. where a reduced or nil payment may be accepted). These cases are likely to be rare, but could include the following:

- Development by charities for investment activities (as defined by Regulation 44)
- Development by charities where relief would normally constitute State Aid (as defined in Regulation 45)
- Where the city council considers there are exceptional circumstances to justify relief (as defined in Regulation 55).

Given these requirements, most development will not be eligible for charitable or exceptional circumstances relief. However, the city council will be prepared to consider certain forms of relief, and will confirm its intentions by issuing appropriate statements before the charging schedule takes effect.

A number of new developments are already exempt from paying CIL for a number of reasons:

- Where the overall chargeable amount on a scheme is less than £50, it is deemed to be zero (Regulation 40).
- If the gross internal area of new build is less than 100 square metres, and does not comprise of one or more dwellings, then liability to pay CIL does not arise (Regulation 42).
- If the owner of a material interest in the relevant development land is a charitable institution, it is exempt from liability to pay CIL subject to conditions (Regulation 43).
- If there is discretionary charitable relief to do so, discretionary charitable relief from liability to pay CIL may be given for a development that is held by a charitable institution as an investment from which the profits will be applied for charitable purposes subject to conditions (Regulation 44).
- If the chargeable development comprises or is to comprise qualifying social housing (in whole or in part), it is eligible for relief from liability to pay CIL subject to conditions (Regulation 49).
- If there are exceptional circumstances for doing so, relief (“relief for exceptional circumstances”) from liability to pay CIL may be given subject to conditions (Regulation 55) – see section below.
- If the development only concerns a change of use and no additional new floorspace then it will not be liable to pay CIL, although it could be liable to S106 Developer Contributions.
- If the new development is for a building into which people do not normally go or into which people go only intermittently for the purpose of inspecting or maintaining fixed plant or machinery, it is not liable to pay CIL, although it could be liable to S106 Developer Contributions (Regulation 6).

Discretionary Charitable Relief

The city council does not intend to offer Discretionary Charitable Relief beyond that already set out in the regulations at this stage.

Question 1

If you think the city council should offer Discretionary Charitable Relief beyond that which is already mandatory, please let us know, clearly setting out your reasoning and justification for doing so.

Discretionary Relief for Exceptional Circumstances

Regulation 55 of the Community Infrastructure Regulations 2010 permit a charging authority to:

“...grant relief (“relief for exceptional circumstances”) from liability to pay CIL in respect of a chargeable development (D) if -

- a. it appears to the charging authority that there are exceptional circumstances which justify doing so; and
- b. the charging authority considers it expedient to do so”.

The above may only happen if a Planning Obligation of greater value than the chargeable amount has been entered into in respect of the planning permission which permits the chargeable development and the Charging Authority (CA) considers that payment of the levy would have an unacceptable impact on the economic viability of the development⁽⁶⁾⁽⁷⁾. In such cases the developer would be expected to demonstrate this (as set out in Regulation 57) via an ‘open book’ approach with an agreed independent valuer (paid for by the developer). Relief can also only be granted if it does not constitute ‘Notifiable State Aid’ (as defined in European Law).

It is the intention of the city council at this stage to offer such relief. A statement confirming this will be issued once the Charging Schedule has been adopted, in compliance with Regulation 56. It should be noted that the city council has undertaken viability assessments to carefully consider the level at which the proposed CIL charges have been set, taking into account the provision of affordable housing at 30 per cent and development specific S106 Planning Obligations. In view of this, the consideration for exceptional circumstances relief will be extremely rare, and any relief given must be done in accordance with the Regulations and procedure stated above as well as European State Aid Rules⁸.

What is meant by infrastructure?

In preparing the Preliminary Draft Charging Schedule, the necessary infrastructure, phasing and costs needed to be ascertained. To do this it was necessary to work with an appropriate definition of infrastructure.

Under Section 216 of the Planning Act 2008, infrastructure includes:

- roads and other transport facilities,
- flood defences,
- schools and other educational facilities,
- medical facilities,
- sporting and recreational facilities,
- open spaces
- affordable housing.

It is important to note: The wording used in the act is ‘includes’ and, as such, this is not an exhaustive list. Regulation 63 of the Community Infrastructure Regulations (2010) has amended this listing to exclude affordable housing. For the purpose of compiling the Peterborough Infrastructure Delivery Schedule the definition was tightened to predominantly restrict projects to capital projects involving land, property and structures.

⁶ Community Infrastructure Levy regulations 2010: Regulations 55 to 57

⁷ DCLG Community Infrastructure Levy Relief Information Document, May 2011

⁸ <http://www.bis.gov.uk/policies/europe/state-aid>

Question 2

Do you agree with the definition of infrastructure? If not, please explain why.

Other Matters

Further information on the implementation and operation of CIL in Peterborough will be set out in a comprehensive '**CIL Guidance Note**' in due course, and made available on the city council's website. This will be produced prior to adoption of the CIL charge, and will include information on:

- What development is liable to pay CIL
- Exemptions and Discretionary Relief from CIL
- How CIL is calculated
- The process for collecting CIL
- Spending of the CIL levy
- Monitoring and Review

However, prior to the preparation of the 'CIL Guidance Note' we have published on our [website](#) a short non-technical guide, entitled '**How CIL may work in Peterborough**', setting out how we propose to take forward and deal with some of the above items and issues.

Question 3

Do you have any comments on the non-technical guide 'How CIL may work in Peterborough'?

Prior to the Charging Schedule taking effect, it may be necessary for the city council to publish the following separate statements/policy documents on its website. This will be dependent on the outcome of this and any further consultation:

- CIL Instalments Policy
- Statement on CIL Relief
- List of infrastructure projects (Regulation 123 List)
- Supplementary Planning Document on Planning Obligations.

4. Determining the Proposed CIL Charge Rates

Regulation 14 of Community Infrastructure Regulations 2010 requires a charging authority to:

“...aim to strike what appears to the charging authority to be an appropriate balance between –

(a) the desirability of funding from CIL (in whole or in part) the actual and expected estimated total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding; and

(b) the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area”.

Estimated total cost of infrastructure required to support the development of Peterborough to 2026

The Peterborough Integrated Development Programme (IDP) (2009) provided a full breakdown of the infrastructure needs of the unitary authority area based on the projected growth outlined in the Core Strategy over the plan period to 2026.

Since then development progress has moved on and been affected by an economic recession. There has also been a change in government and the introduction of CIL Regulations which are likely to change the mechanisms available for securing developer contributions for infrastructure.

A review of the list of infrastructure needs identified in the 2009 IDP has therefore been undertaken with key partners and infrastructure providers. The revised list, known as the Peterborough Infrastructure Delivery Schedule 2012 (IDS 2012), is made available as a supporting document, and has taken into account:

- Changes in policy, implementation and priorities since 2009;
- Current alternative funding availability;
- CIL fundable infrastructure projects, excluding large scale major site-specific projects, as noted below.

Alongside the preparation of the Peterborough Infrastructure Delivery Schedule 2012, further detailed work was undertaken to consider Peterborough’s strategic development sites (sites comprising of 800 residential units or more). Such sites usually necessitate the provision of their own development-specific infrastructure, such as schools, which are dealt with more suitably through a Section 106 Agreement, in addition to a CIL charge. This matter is addressed in the Peterborough CIL Study⁹.

There are currently only two potential strategic developments identified to date:

- Norwood Urban Extension
- Great Haddon (although it is anticipated that this site will obtain outline planning permission before a CIL is adopted).

This is not an exhaustive list and may change in time, should new strategic developments come forward.

⁹ Peterborough Community Infrastructure Levy Study, Roger Tym and Partners (May 2012)

Table 3: Currently Identified Infrastructure Costs by Theme to 2026

Thematic Area	Costs (£million)
Transport	£508
Skills and Education	£325
Emergency Services	£0
Environmental Sustainability	£43
Utilities and Services	£225
Community Infrastructure	£151
Health and Wellbeing	£0
Total Identified Infrastructure Costs	£1,252

Source: IDS 2012

Table 3 provides a summary of the cost of all infrastructure projects listed in the IDS 2012 by thematic area, and clearly indicates that transport related projects account for the greatest proportion of currently identified infrastructure needs.

The projects listed in the IDS 2012 are required to support the growth of the city to 2026 and beyond, in alignment with Peterborough's Core Strategy DPD, and have been provided by departments of the city council and partners. The Infrastructure Delivery Schedule by its very nature is a 'work in progress' item that is continually being reviewed and updated to reflect the varying pace of economic and social change associated with growth, and the difference between planned and actual levels of growth. A key requirement of listed projects is to ensure that they are appropriately evidence based. The IDS 2012 is the best available source and provides a useful indication of the actual and estimated infrastructure costs in 2012.

Estimated sources of funding

The main sources of funding available for the provision of capital infrastructure projects can be broadly categorised as follows:-

- Grants to, and private sector borrowing/investment by, external infrastructure providers
- Grants and third party contributions to the city council
- PCC Capital Receipts
- PCC Capital Finance Requirement

Grants to, and private sector borrowing/investment by, external infrastructure providers

There are a limited number of projects listed within the Peterborough Infrastructure Delivery Schedule 2012 which are solely funded by external partners via government funding sources, private sector loans or investments. The potential scale of this funding stream is set out in Row A of Table 4.

It should be noted however that there is much greater scope for this total to increase. Despite attempts to engage the main utilities and infrastructure providers in the production of the IDS 2012, they are not obliged to divulge or share all of their infrastructure project plans and proposals with the city council. For this reason it is likely that there are a number of other projects that could be listed under this heading.

Grants and third party contributions to the city council

External grants are sought by the city council together with partners from sources such as European and government grants, applications for National Lottery funding and other benevolent funding sources. Developer contributions currently and historically negotiated and secured through Section 106 Agreements, and more recently the Planning Obligations Implementation Scheme (POIS); which are used to support the city's capital investment programme also fall into this category of funding. The potential scale of this funding stream is set out in Row C of Table 4.

The S106 and POIS elements of this funding stream are likely to tail off over time as they are replaced by the proposed CIL and new S106 agreements primarily relating to 'strategic sites' - as outlined in the Peterborough CIL Study. The potential scale of future S106 contributions (post CIL adoption) are set out in terms of monetary value, though it is recognised that contributions can be made in other forms, for example the provision of affordable homes. The scale of this funding stream is separately identified in Row B of Table 4 and Col 3 of Table 5. This is a complex area about which more is expressed under the heading 'Revenue Projections from CIL Charge Rates' below.

PCC Capital Receipts

The city council has a programme of property disposals to support the funding of the capital investment programme. Some of these capital receipts may provide funding for infrastructure projects. The potential scale of this funding stream is jointly presented with city council borrowing and is set out in Row D of Table 4.

PCC Capital Finance Requirement (Borrowing)

Under the Prudential Code for Capital Finance, the city council has the ability to borrow money. To do this, the city council must show that the borrowing is affordable, prudent and sustainable. The Capital Strategy is summarised in the city council's 2012 to 2022 Medium Term Financial Strategy. This source has been used to determine the approximate scale of borrowing proposed to support infrastructure project delivery over the period to 2026.

The potential scale of this funding stream is jointly presented with city council capital receipts and is set out in Row D of Table 4.

The figure shown in Row D of Table 4 is based on an assessment of identified capital receipts and borrowing in the MTFS Capital Strategy which could be attributed to supporting infrastructure project delivery to 2026 and beyond. It is assumed for the period 2022 to 2026 that past trend data would be projected forward.

Table 4: Estimated Potential Funding

Estimated Potential Funding to 2026 (excluding CIL)	(£million)	Row
Infrastructure Projects delivered wholly by external organisations or funding (i.e. do not require CIL, S106 or city council funding)	£238.00	A
S106 Funds post the introduction of a CIL (see Peterborough CIL Viability Study)	£135.00	B
Grants and Third Party Borrowing excluding future Section 106 Agreement receipts (post the introduction of a CIL) (City Council Medium Term Financial Strategy 2012 to 2022 (MTFS))	£105.00	C
City council Capital Receipts (MTFS)	£283.00	D
City council Capital Borrowing (MTFS)		
Total Estimated Potential Funding excluding CIL	£761.00	E

It must be stressed that the figures set out in Tables 3 and 4 provide a broadly indicative assessment, but nevertheless 'best available assessment of known sources', of the potential costs and funding sources relating to infrastructure delivery in Peterborough at 2012.

Identified Infrastructure Funding Gap

In simplistic terms, the identified infrastructure funding gap is approximately **£491 million** (IDS 2012).

Total infrastructure costs £1,252 million minus estimated potential funding £761 million = £491 million.

Of the £761 million of estimated potential funding, £135 million is forecast to be derived from S106 agreements to be secured post CIL adoption; and primarily consisting of contributions relating to strategic sites. This matter is highlighted because it is very much related to the assumptions behind the calculated CIL charge rates which are explored below, without being expressly stated in the Preliminary Draft Charging Schedule, the primary purpose of which is to set out the CIL charge rates.

Question 4

Do you agree that the infrastructure and funding gap analysis demonstrates there is justification for introducing a CIL? If not, please explain why.

Imposition of a CIL on development across Peterborough and its effect on economic viability

In order to understand the impact of the imposition of a CIL set at a particular rate, or rates, on the economic viability of development in Peterborough, the city council commissioned Roger Tym and Partners to carry out a development viability assessment for Peterborough in Spring 2012.

The assessments undertaken, methodology and conclusions are reported in 'The Peterborough Community Infrastructure Levy Study - May 2012'. The study is a key supporting evidence document that is made available alongside this document in hard copy in the public libraries/Bayard Place Reception and electronically on the council's website.

In brief, separate assessments of the viability of residential and non-residential development were undertaken, using different models that took account of the key characteristics of each.

Assessments of residential development were done for development on sites where no affordable housing is required (current Core Strategy policy CS8 sets a threshold of 15 units for the provision of 30% affordable housing); on sites of up to 800 units with affordable housing (a trigger point for several large, high cost on-site infrastructure items); and sites over 800 units with affordable housing and where major on-site infrastructure is likely to be required. Separate assessments were also undertaken for apartment/flat schemes.

The assessments initially sought to establish the maximum potential charge rates (consistent with maintaining viability) in each case. It is then a decision for the Charging Authority (the city council) to take a view as to how far or close to this theoretical ceiling it wishes to set the charge i.e. how much additional flexibility it wishes to introduce into the approach.

Maximum charge rates for residential development

The maximum potential charge rates for residential development types were calculated to be:

- Market housing where no affordable provision is required - £122 per sq m
- Market housing on sites of less the 800 units where affordable housing is required - £91 per sq m
- Market housing on sites of over 800 units - £44 per sq m
- Apartment developments where no affordable provision is required - £59 per sq m

- Apartment developments where affordable provision is required - £10 per sq m

Assessments of non-residential development were done using a simple high-level model to reveal the surplus/residual profit or deficit after all development costs (including the developer's margin) had been taken into account. Again, the assessments sought to establish the maximum potential charge rates, consistent with development remaining viable. Where the assessment showed a deficit or was very marginal in nature, no maximum charge rate is identified.

Maximum charge rates for non-residential development

The maximum potential charge rates for non-residential development types were calculated to be:

- City centre offices – N/A
- Business park offices – N/A
- Industrial – N/A
- Retail (convenience and comparison) in the Central Retail Area (CRA) – N/A
- Out of CRA comparison retail over 280 sq m - £200 per sq m
- Out of CRA convenience retail over 280 sq m - £450 per sq m.

Further detail about the assessment methodology, assumptions and recommendations can be found in 'The Peterborough Community Infrastructure Levy Study - May 2012' available alongside this document in hard copy in the public libraries and Bayard Place Reception and electronically on the city council's website. It is recommended that the evidence document is read alongside the Preliminary Draft Charging Schedule i.e. this report.

In summary, the rates have been set at what is believed to be a reasonable level which does not make overall development across the unitary authority area unviable. The rule against setting of nil rates for anything other than viability reasons has also been strictly adhered to which means, for example, we do not put neighbouring authorities at a competitive disadvantage by not charging where it is possible to do so on viability grounds.

Question 5

Do you agree with the methodology and key assumptions used in the Viability Assessment used in the Peterborough Community Infrastructure Levy Study? If not, please explain why.

Proposed CIL Charge Rates

The proposed CIL charge rates, as opposed to the maximum chargeable rates, are set out in Section 3, Table 2.

Question 6

Do you agree with the proposed charge rates for retail development? If not, please explain why.

Question 7

Do you agree with the proposed charge rates for residential development? If not, please explain why.

Question 8

Do you agree with the proposed zero charge for the following - public/institutional facilities: education, health, community and emergency services development? If not, please explain why.

Question 9

Do you agree with the proposed standard charge rate for all other types of development? If not, please explain why.

Question 10

Do you agree with the proposal to set a flat rate levy according to uses across the whole of Peterborough District with the exception of differential rates for retail? If not, please explain why.

Revenue Projections from Proposed CIL Charge Rates and S106

The total revenue¹⁰ from CIL and S106 contributions over the period to 2026 could be up to £202 million, if the Charging Schedule is adopted as proposed and if all of the development planned for in the Peterborough Core Strategy is delivered in accordance with the plan. The projected revenues are summarised in Table 5 below.

*

Table 5: Estimated CIL and S106 Revenue Projections to 2026

Development Type	CIL revenue	S106 Contributions	Total
Residential	£57.4m	£118.8m	£176.2m
Non-residential	£9.6m	£16.2m	£25.8m
Total	£67m	£135m	£202m

The projected revenues shown in table 5 are derived from the Peterborough Community Infrastructure Levy Study, Table 9.2, page 57. The S106 contributions total shown in Table 5 has been reduced to £135m (from the £150m shown in CIL Study) to reflect the fact that an element of S106 agreements made post CIL adoption will still be required in order to make development acceptable in planning terms. It is assumed that a proportion (£15 million worth) of such agreements will involve works or development that could not be categorised as 'a strategic infrastructure project or item, or contribution'. This is particularly likely on non-residential and non-strategic development sites. An example might be the need to provide site-related bunding or landscaping.

Distinguishing between CIL and S106 eligible projects and costs

Contributions towards infrastructure provision from future developments will be secured predominantly by two mechanisms: the CIL (assuming the city council adopts a CIL Charging Schedule) and a more limited approach and use of Section 106 Agreements. The Peterborough Community Infrastructure Levy Study (Sections 4 and 9), sets out the related issues and assumptions concerning both mechanisms.

The £491 million infrastructure funding gap identified above relates to project types that are likely to require funding from CIL and /or S106 agreements, without making a distinction between the two. It is likely that some projects will be eligible for contributions via S106 agreements only; some via a CIL only; others by both mechanisms.

¹⁰ Total revenue - in this context 'total revenue' is deemed to be inclusive of a non-financial payments in-kind such as land, property, direct provision by a developer agreed through a S106, which have been expressed in monetary values for ease of comparability. Strictly speaking this may not materialise as a true 'monetary revenue stream'.

It is simply not possible to accurately identify the funding sources or the eligibility of projects for different funding types, until the full detail of a project is known or a legal agreement is in place committing a developer to a specific action. However, the city council and partners have given consideration on a project by project basis, to which is the most likely mechanism (CIL or S106 or both where deemed appropriate) to be used to secure developer support for infrastructure. This is recorded in the Peterborough Infrastructure Delivery Schedule (September 2012).

For many projects where both CIL and S106 are indicated as likely funding streams, the precise split is currently unknown. In these cases, it has been assumed that the majority of funding is likely to be from CIL contributions, as CIL will become the predominant mechanism securing contributions in future. In such cases, it has been assumed that the ratio will be 75:25 (CIL: S106).

This distinction is made due to the lack of site or project specific detail, and provides what is considered to be a reasonable basis for the indicative purpose it is being used for at this stage. It should in no way be used or interpreted as the council's agreed, fixed or adopted position on any one project, site or basis for negotiation.

The Infrastructure Delivery Schedule contains the guide used by the city council when determining which projects are most suited or eligible for funding from CIL or S106 or both.

By applying the assumptions set out in the Peterborough CIL Study, and the charge rates set out in the Preliminary Draft Charging Schedule (Table 2), the projected revenues for S106 and the CIL to 2026 have been calculated and are set out in Table 5 above.

By referring to the IDS 2012, it is possible to set out the funding gap for both S106 and CIL eligible projects; this is set out in Table 6 below.

Table 6: S106 and CIL specific funding gaps

	Costs (£million)	Row
Identified costs for all infrastructure projects	£1,252	See Table 3
less Costs of projects funded by external sources	- £238	Row A, Table 4
Identified costs of infrastructure projects eligible for S106 and/or CIL funding	= £1,014	
Broken down:		
Cost of projects eligible for S106 funding	£388	I
Cost of projects eligible for CIL funding	£626	J
Total Costs	£1,014	K
Cost of Infrastructure Projects eligible for S106 funding	£388	L
Potential funding from other third party grants	£39	M
Potential funding from PCC Capital Receipts & Borrowing	£105	N
Identified S106 Infrastructure Funding Gap	£244	O
S106 Revenue Projection (See Table 5)	£135	P
Cost of Infrastructure Projects eligible for CIL funding	£626	Q
Funding from other third party grants	£63	R
Funding from PCC Capital Receipts & Borrowing	£178	S
Identified CIL Infrastructure Funding Gap	£385	T
CIL Revenue Projection (See Table 5)	£67	U

Row O identifies that the identified funding gap for S106 infrastructure projects is approximately £244 million, and that the S106 revenue projection to 2026 (based on CIL Study assumptions) is approximately £135 million (Row P).

Row T identifies that the identified funding gap for CIL infrastructure projects is approximately £385 million, and that the CIL revenue projection to 2026 (based on CIL Study assumptions) is approximately £67 million.

It is clear that CIL funds, at the proposed charge rates, which have been set so as to maintain economic viability of development locally will be insufficient to fund all the identified CIL eligible infrastructure projects (see Section 3). This is also the case for S106 eligible infrastructure projects. This demonstrates that the prioritisation of projects at both the neighbourhood and strategic level will become an increasingly important matter.

To help illustrate the scale of impact purely on residential development which the proposed charge rates alone could have, the simple housing scenario below is provided:

- Indicative cost per dwelling applying 'proposed levy charge rates' = **£5,750***

However, the levy rate would need to be considerably increased, if it was expected to fully bridge the CIL infrastructure funding gap,

- Indicative cost per dwelling if the levy is set to meet the identified 'CIL infrastructure funding gap' = **£33,000****.

Note

* Based on CIL revenue forecast for residential development (2011 to 2026) divided by number of forecast market dwellings. This figure is exclusive of any S106 element that may be incurred.

** Based on the identified CIL infrastructure funding gap (Table 6, Row T) multiplied by 0.86 (the proportion of infrastructure costs to be funded from housing development) divided by number of forecast market dwellings (10,025 units).

Figures are based on the forecast number of market dwellings to be built (Table 9.2 in Peterborough CIL Study), without planning permission at 2011. The monetary figures are purely indicative of the CIL element only and have not been calculated to take account of specific dwelling types/sizes, whether the site is above or below 799 dwellings or any related S106 contribution that may be incurred.

Question 11

Do you agree the appropriate balance between the desirability of funding infrastructure from CIL and impacts on the economic viability of development has been found? If not, please explain why.

5. Implementing the Charging Schedule

The calculation of the chargeable amount to be paid by a development is set out in Regulation 40 of the Community Infrastructure Levy Regulations 2010(10). This states, inter alia:

5. The amount of CIL chargeable at a given relevant **rate (R)** must be calculated by applying the following formula -

$$\frac{R \times A \times I_P}{I_C}$$

Where –

A = the deemed net area chargeable at rate R;

I_P = the index figure for the year in which planning permission was granted; and

I_C = the index figure for the year in which the charging schedule containing rate R took effect.

6. The value of A in paragraph (5) must be calculated by applying the following formula—

$$\frac{C_R \times (C - E)}{C}$$

Where –

C_R = the gross internal area of the part of the chargeable development chargeable at rate R, less an amount equal to the aggregate of the gross internal area of all buildings (excluding any new build) on completion of the chargeable development which –

- a. on the day planning permission first permits the chargeable development, are situated on the relevant land and in lawful use;
- b. will be part of the chargeable development upon completion; and
- c. will be chargeable at rate R.

C = the gross internal area of the chargeable development; and

E = an amount equal to the aggregate of the gross internal areas of all buildings which -

- a. on the day planning permission first permits the chargeable development, are situated on the relevant land and in lawful use; and
- b. are to be demolished before completion of the chargeable development.

The charge rates shown in Table 2 will be corrected annually for inflation, in accordance with the Building Cost Information Service (BCIS) of the Royal Institute of Chartered Surveyors “All In Tender Price Index”, or another appropriate available inflation index should this one cease to function. They will then be incorporated into the formula above to calculate the ‘chargeable amount’. The inflation measure involves dividing the index cost from the year planning permission is granted, by the index cost from the year the Charging Schedule was adopted. Full details of the method are set out in the Regulations.

How will the CIL be collected?

A notice of liability will be issued by the city council as soon as practicable on or after the day on which a planning permission first permits development stating the chargeable amount in relation to the development. The responsibility to pay the levy runs with the ownership of land on which the liable development will be situated and is a local land charge.

Payment of the levy is due from the date the chargeable development commences. A commencement notice must be submitted to the city council no later than the day before the day on which the chargeable development is to be commenced. It is the intention of the city council to prepare and make available to appropriate documentation and templates on its website prior to implementing the CIL.

Payment by Instalments

Regulation 69B of the amended Community Infrastructure Regulations (2011) permits a charging authority to allow persons liable to pay CIL to do so by instalments following the publication of an instalment policy. The city council has yet to decide whether to put in place an instalment procedure, and would welcome views on the preferred option given in Appendix 1.

For developments where the outline planning permission permits development to be implemented in phases, planning permission first permits a phase of the development on the day of the final approval of the last reserved matter associated with that phase¹¹. As such, each phase can be considered as a separate development and CIL will be levied per agreed phase rather than the site in its entirety. This may throw up some issues in relation to the calculation of the applicable charge rate for Strategic Development Sites; which in the case of residential development has trigger points relating to the number of units delivered. A solution is being sought, but in order to avoid individual phases of Strategic Development Sites having to pay the higher (sub-800 unit) charge rate, some form of legal agreement may be required in relation to the outline planning permission to recognise the need for a different charging approach on these type of sites. Your views on this would be welcome.

Developments granted planning permission by way of a general consent will first be required to submit a notice of chargeable development prior to commencement of development¹².

From commencement of development, a demand notice will be issued by the city council to the liable person/s requesting payment of the levy amount.

Question 12

Do you think the city council should have an instalments policy? If so, do you support the option in Appendix 1 or do you have alternative suggestions? Please give reasoning to support your views.

Payment in Kind

The Regulations provide the potential for a charging authority to accept payments in kind for CIL, in the form of a transfer of land to be used for infrastructure provision (as set out in Regulations 73 and 74). The value of the land needs to be equal to the amount of the CIL that would have been paid – with the land value being assessed by an independent valuer. The city council considers that this may take place in exceptional circumstances only. It is in lieu of CIL, and is in addition to any transfer of land which may be required via Section 106 Agreements. Any applicant who is interested in paying/part-paying CIL in this way is advised to discuss the matter with the city council at an early stage in the pre-application process. It is the city council's prerogative to agree to a transfer.

¹¹ Community Infrastructure Levy Regulations 2010: Regulation 8

¹² Community Infrastructure Levy Regulations 2010: Regulations 5, 8 and 64

What will the CIL be spent on?

CIL resources will be spent on the infrastructure needed to support the new development across the unitary authority area. It will fund new infrastructure and will not be used to fund the provision of any existing deficit in provision unless this is necessary to meet the need of new development. The levy can also be used to expand, repair or refurbish existing infrastructure where necessary for new development. In addition, it may, in the future, be spent on the ongoing costs of providing infrastructure; and could consider funding maintenance, operational and promotional activities; however, it is anticipated that the existing Commuted Sums mechanism will continue to be the primary mechanism for securing contributions for ongoing revenue costs.

Government requires charging authorities to allocate a 'meaningful proportion' of levy receipts back to the neighbourhood in which the development has taken place. This will enable the local community to decide their infrastructure priorities, whether in their locality or covering a wider geography, and take control to address them. The city council will provide a meaningful proportion of the CIL monies to local neighbourhoods from the adoption of their Charging Schedule, but the level of funding has yet to be determined. Further details will be provided once the new Regulations have been published by Government (anticipated in late 2012).

As required¹³, the city council will publish on its [website](#) a list of infrastructure projects or types of infrastructure that it intends will be, or may be, wholly or partly funded by CIL following adoption of the Draft Charging Schedule. As such, this list (known as the Regulation 123 List) will set out the city councils priorities and will dictate which projects receive CIL funding in the immediate future as CIL money cannot be spend on anything which is not on this list.

It is anticipated that, through an agreed process working with key partners, an Annual Infrastructure Delivery Schedule outlining the coming years' future infrastructure priorities will be produced. This would work with a range of other agendas and plans.

Question 13

Do you have a view on how the city council should coordinate and work with infrastructure and service providers to ensure the delivery of infrastructure provided through CIL? If yes, please explain.

Reporting

As required by Regulation 62, the city council will publish an Annual CIL Report (for the financial year), which shows:

- How much CIL monies have been collected
- How much of that money has been spent
- Information on how CIL monies have been spent (i.e. which infrastructure projects, and how much has been used to cover administrative costs)
- The amount of CIL retained at the end of the reporting year.

Monitoring and Review

The city council recognises the need to closely monitor the CIL charging schedule, given that changes in the residential/commercial market and construction costs can impact on development viability. Following the adoption of the CIL Charging Schedule the current intention is to review the Charging Schedule using a series of proposed 'trigger points' for review on a six-monthly basis. These are set out in the Peterborough CIL Study Report (Roger Tym and Partners, 2012).

¹³ Community Infrastructure Levy Regulations 2010, Regulation 123

6. Next Steps

Future Timetable

Following this consultation on the Peterborough Preliminary Draft Charging Schedule, all responses will be considered along with further information to inform the Draft Charging Schedule. A Consultation Statement following this consultation will also be made available on our [website](#). The Draft Charging Schedule setting out our final proposals relating to the CIL will then be published for further public consultation, as required under Regulation 16. Table 7 below outlines the indicative timeframe for the future steps through to Adoption by the city council.

Table 7 Indicative CIL Timetable

Timescale	
Spring/Summer 2013	Publish the Draft Charging Schedule, relevant evidence and a Statement of Representations for 4 weeks public consultation
Summer/Autumn 2013	Independent Examination in Public
Summer/Autumn 2013	Inspector's Report
Autumn 2013/Spring 2014	Adoption of Charging Schedule

Question 14

Do you have any other comments which have not been covered by the other questions? If so, please record them here...

Appendix 1: Preliminary Draft Instalments Policy

In accordance with Regulation 69B of the Community Infrastructure Levy Regulations 2010 (as amended), the city council will automatically allow the payment of CIL by instalments as set out in Table 8 below. The instalments permitted will be linked to the amount payable (the chargeable amount) as recorded on the Demand Notice.

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 the city council is a separate chargeable development and the instalment policy will, therefore, apply to each separate chargeable development and associated separate liable amount chargeable. However, as noted before, on Strategic Development Sites where development comes forward in phases; each phase may not necessarily trigger the 800 unit threshold for paying the lower Strategic Development CIL charge rate. The city council will find a way of resolving this to ensure that phased development on Strategic Development Sites does not have to pay the higher rate.

This policy will not apply if any one or more of the following applies:

- 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 Peterborough city council in respect of the chargeable development; and
 - iii. Peterborough city 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 Peterborough City 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);
- 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).

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, which ever is the earliest, unless specified otherwise within the Community Infrastructure Levy Regulations 2010 (as amended).

The policy will come into effect (subject to further changes between now and the publication of the Draft Charging Schedule) on the date of the approval of the Peterborough Community Infrastructure Levy: Charging Schedule.

Table 8 Peterborough CIL Instalment Policy*

Total CIL Liability	Number of permitted instalments	Payment periods
Chargeable Amount less than £70,000	Payable in one instalment	100% payable within 270 days of the commencement date
Chargeable Amount between £70,000 and £200,000	Payable in two instalments	1st instalment of 50% payable within 270 days of commencement date 2nd instalment of 50% payable within 450 days of commencement date
Chargeable Amount above £200,000 but less than £320,000	Payable in two instalments	1st instalment of 50% payable within 270 days of commencement date 2nd instalment of 50% payable within 540 days of commencement date
Chargeable Amount between £320,000 and £1,000,000	Payable in three instalments	1st instalment of 25% payable within 270 days of commencement date 2nd instalment of 50% payable within 540 days of commencement date 3rd instalment of 25% payable within 720 days of commencement date
Chargeable Amount over £1,000,000	An instalment arrangement will be negotiated and agreed on a 1:1 basis for sites of this scale	
*NB: If 50% or more of the chargeable development is occupied, at any time before the chargeable amount has been paid in full, then the outstanding amount will be due in full within the instalment time given or 60 days whichever is the lesser unless otherwise agreed in writing with Peterborough City Council BEFORE commencement of development.		

Appendix 2: CIL Geographical Zones

PDF Maps showing the boundaries of the Primary Shopping Area, District and Local Centres:

Map 1

Peterborough City Centre Primary Shopping Area and Urban Area District and Local Centres.

Map 2

Eye Local Centre.

Map 3

Thorney Local Centre.

Map 4

Wittering Local Centre.

If viewing this document in hard copy at one of Peterborough's main public libraries or Bayard Place Reception, the maps are available for viewing as part of the consultation pack.

Appendix 3: Consultation Questions Summary

Question 1

If you think the city council should offer Discretionary Charitable Relief beyond that which is already mandatory, please let us know, clearly setting out your reasoning and justification for doing so.

Question 2

Do you agree with the definition of infrastructure? If not, please explain why.

Question 3

Do you have any comments on the non-technical guide 'How CIL may work in Peterborough'?

Question 4

Do you agree that the infrastructure and funding gap analysis demonstrates there is justification for introducing a CIL? If not, please explain why.

Question 5

Do you agree with the methodology and key assumptions used in the Viability Assessment? If not, please explain why.

Question 6

Do you agree with the proposed charges for retail development? If not, please explain why.

Question 7

Do you agree with the proposed charge rates for residential development? If not, please explain why.

Question 8

Do you agree with the proposed zero charge for the following public/institutional facilities: education, health, community and emergency services development? If not, please explain why.

Question 9

Do you agree with the proposed standard charge for all other types of development? If not, please explain why.

Question 10

Do you agree with the proposal to set a flat rate levy according to uses across the whole of Peterborough District with the exception of differential rates for retail? If not, please explain why.

Question 11

Do you agree the appropriate balance between the desirability of funding infrastructure from CIL and impacts on the economic viability of development has been found? If not, please explain why.

Question 12

Do you think the city council should have an instalments policy? If so, do you support the option in Appendix 1 or do you have alternative suggestions? Please give reasoning to support your views.

Question 13

Do you have a view on how the city council should coordinate and work with infrastructure and service providers to ensure the delivery of infrastructure provided through CIL? If yes, please explain.

Question 14

Do you have any other comments which have not been covered by the other questions? If so, please record them here...

Appendix 4: Supporting Documents and Evidence

The city council has considered a range of evidence and policy documents in reaching the conclusions set out in this document.

This section sets out the evidence the city council has used to produce this Preliminary Draft Charging Schedule.

In setting a CIL rate the city council must comply with a wide range of Legislation and Regulations, with Regulation 14 of the Community Infrastructure Levy Regulations 2010, and Section 211 (2) and (4) from Part 11 of the Planning Act 2008 being particularly pertinent.

The **Peterborough Integrated Development Programme (IDP) 2009** is a key supporting document to the Core Strategy. This document has subsequently been refreshed to help inform the development of the Preliminary Draft Charging Schedule, and the update is known as the Peterborough Infrastructure Delivery Schedule (IDS 2012).

The **Peterborough Infrastructure Delivery Schedule (IDS 2012)** identifies the infrastructure needs arising from the planned growth of Peterborough to 2026 and the potential funding sources, including Planning Obligations and Community Infrastructure Levy that could viably be secured to help meet this need.

The **Peterborough Community Infrastructure Levy Study (May 2012)**

The city council commissioned Roger Tym and Partners to carry out a development viability assessment for Peterborough to help inform the process of adopting a CIL¹⁴.

The **Peterborough City Council Local Investment Plan (LIP) 2011** provides the context for future strategic funding discussions with the Homes and Communities Agency (HCA). The objective of the LIP is to address the need for investment across Peterborough whilst encompassing the key objectives of the HCA by delivering sustainable growth and regeneration, and representing excellent value for money. It summarises the investment priorities identified to achieve this goal.

The **Peterborough Core Strategy DPD (adopted 2011)**

The **Peterborough Site Allocations DPD (adopted 2012)**

¹⁴ Peterborough Community Infrastructure Levy Study, Roger Tym and Partners (May 2012)

Glossary

Adoption

The formal decision by the Council to approve the final version of a document, at the end of all the preparation stages, bringing it into effect.

Affordable Housing

Housing available at a significant discount below the market value, provided to specified eligible households whose needs are not met by the market. It includes social rented and intermediate housing (such as shared equity products, low cost homes for sale and intermediate rent).

Annual Monitoring Report (AMR)

A document produced by the local planning authority and submitted to Government by 31 December each year to report on the progress in producing the local development framework and implementing its policies.

Business Park

An agglomeration of at least three high quality, well designed commercial/office/research premises.

Chargeable Development

The 'chargeable development' is the development for which planning permission is granted. Regulation 9 provides that:-

- (a) Where planning permission is granted by way of a general consent, the chargeable development is the development identified in a notice of chargeable development submitted to the collecting authority in accordance with regulation 64 (or by the authority under regulation 64A).
- (b) In the case of a grant of outline planning permission which permits development to be implemented in phases, each phase of the development is a separate chargeable development.
- (c) Where planning permission is granted under section 73 of TCPA 1990, the effect of which is to change a condition subject to which a previous planning permission was granted by extending the time within which development must be commenced, the chargeable development is the development for which permission was granted by the previous permission.

Community Infrastructure

Facilities available for use by all local residents, such as church or village halls, public doctor's surgeries and hospitals, even public houses. Community facilities could also include children's playgrounds and sports facilities.

Commutated Sum

A payment of a capital sum by an individual, authority or company to the highway authority, local authority, or other body, as a contribution towards the future maintenance of the asset to be adopted, or transferred.

Comparison Retail

Comparison retailing is the provision of items not obtained on a frequent basis. These include clothing, footwear, household and recreational goods.

Convenience Retail

Convenience retailing is the provision of everyday essential items, including food, drinks, tobacco, newspapers/magazines, non-durable household goods and confectionery.

Core Strategy

A Development Plan Document (DPD) which contains the spatial vision, main objectives and policies for managing the future development of the area.

Developer/Planning Contributions

Contributions secured through the planning system for necessary infrastructure to mitigate the impact of, and support, new development.

Development Plan

See Statutory Development Plan.

Development Plan Document (DPD)

One of the types of LDD; they set out the spatial planning strategy, policies and/or allocations of land for types of development across the whole, or specific parts, of the LPA's area.

Examination

A form of independent public inquiry into the soundness of a submitted DPD, which is chaired by an inspector who is appointed by the Secretary of State. After the examination has ended the inspector produces a report with recommendations which are binding on the Council. Note: In the case of the CIL examination, an inspector is not required to be appointed by the Secretary of State and can be any independent, appropriately qualified and experienced individual appointed by the Charging Authority.

Flat/Apartment

"A flat is a separate and self-contained premises constructed or adapted for use for residential purposes and forming part of a building from some other part of which it is divided horizontally" [Building Regulations 2000; SI 2000 no.2531, Definition]. An apartment, for the purpose of this exercise, is essentially the same as a flat, but may well be more spacious and well furnished than your average flat. In general, "apartment" is the North American English usage, and "flat" is the British English usage.

Gross Value Added (GVA)

The contribution to the economy of each individual producer, industry or sector in the United Kingdom which is used in the estimation of Gross Domestic Product (GDP).

Industrial Park

Typically for Peterborough, these tend to be agglomerations of small industrial and warehouse units largely occupied by services and light industry rather than traditional manufacturing. They would tend to fall within the B2 and B8 Use Class definition.

Infrastructure

A collective term which relates to all forms of essential services and facilities e.g. electricity, water, road and rail provision etc.

In/Out/Edge of Centre

As defined in Policy PP7 of the Peterborough Planning Policies DPD (Proposed Submission Version) 2012. **Note:** 'In Centre' includes Local, District and Town Centre (Primary Shopping Area), however, in some cases a charge may relate specifically to an individual type of centre in which case it will explicitly state this e.g. **In Primary Shopping Area, In District/Local Centre** etc. For the purposes of this document 'Edge of Centre' will be classed as 'Out of Centre'. See also 'Peterborough City/Town Centre' definition below.

Large Scale Major Development

See 'Strategic Development'.

Local Development Document (LDD)

Any document, prepared in accordance with the statutory requirements, which sets out the LPA's policies, including supplementary policies and guidance, relating to the development and use of land in their area. All LDDs are part of the LDF. There are different types of LDD.

Local Development Framework (LDF)

The collective term for the whole package of planning documents which are produced by a local planning authority to provide the planning framework for its area. The LDF includes LDDs, the LDS and the AMR.

Local Development Scheme (LDS)

A document which sets out the local planning authority's intentions and timetable for the preparation of new LDDs (including DPDs, SPDs and the SCI).

Local Planning Authority (LPA)

The local authority which has duties and powers under the planning legislation. For the Peterborough area, this is Peterborough City Council.

Minor Development

Any development which is not large scale major development.

Mitigation Measures

Actions necessary to restrict or remedy the negative impacts of a particular development.

Open Space and Recreational Land

Areas of undeveloped or largely undeveloped land for leisure purposes - including village greens, allotments, children's playgrounds, sports pitches and municipal parks.

Peterborough City/Town Centre

For the purposes of this document it is defined as being within the city centre Primary Shopping Area, as referred to in Policy CS15 of the Peterborough Core Strategy. Until the boundary of this area is established through the City Centre DPD, it means the Central Retail Area as defined by the Map of Peterborough Town Centre (Inset Map 2) associated with the Peterborough Local Plan Proposals Map.

Planning Obligation

Obligation (either an agreement or unilateral undertaking) under Section 106 of the Town and Country Planning Act 1990 (as amended).

Regional Spatial Strategies (RSS)

Plan covering the East of England as a whole, and setting out strategic policies and proposals for managing land-use change (NB: Likely to be abolished as part of emerging planning reforms).

Retail Warehousing

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

Retail Park

An agglomeration of at least three retail premises made up of superstores and/or warehouses.

S106 Agreement

Section 106 (S106) of the Town and Country Planning Act 1990 allows a local planning authority (LPA) to enter into a legally-binding agreement or planning obligation with a landowner in association with the granting of planning permission. The obligation is termed a Section 106 Agreement.

These agreements are a way of delivering or addressing matters that are necessary to make a development acceptable in planning terms. They are increasingly used to support the provision of services and infrastructure, such as highways, recreational facilities, education, health and affordable housing.

The scope of such agreements is laid out in the government's Circular 05/2005¹⁵. Matters agreed as part of a S106 must be:

- relevant to planning
- necessary to make the proposed development acceptable in planning terms
- directly related to the proposed development
- fairly and reasonably related in scale and kind to the proposed development
- reasonable in all other respects.

A council's approach to securing benefits through the S106 process should be grounded in evidence-based policy.

Small Shops

The Sunday Trading Act 1994 defines 'small shops' as being less than 280 sq m net floor area.

Spatial Planning

Spatial planning goes beyond traditional land use planning. It brings together and integrates policies for the development and use of land with other policies and programmes which influence the nature of places and how they function. This will include policies which can impact on land use, for example, by influencing the demands on or needs for development, but which are not capable of being delivered solely or mainly through the granting of planning permission and may be delivered through other means.

Statutory Development Plan

The overall term for a number of documents which, together, have a particular status under the planning legislation in decision-making. The Development Plan includes the Regional Spatial Strategy and all adopted DPDs for the area. For an interim period it may include all or part of certain structure plans and local plans.

Strategic Development

A development comprising 800 or more dwellings that, as a result of the scale, warrants complete on-site provision of key infrastructure items such as schools, parks and community centres.

Submission

Point at which a draft Development Plan Document (or the draft Statement of Community Involvement) is submitted to the Secretary of State for examination.

Superstores

Self-service stores selling mainly food, or food and non-food goods, usually with more than 2,500 square metres trading floorspace, with supporting car parking.

Supplementary Planning Documents

One of the types of LDD; they expand on policies or provide further detail to policies contained in a DPD.

Sustainable Development

In broad terms this means development that meets the needs of the present without compromising the ability of future generations to meet their own needs. The Government has set out five guiding principles for sustainable development in its strategy "Securing the future - UK Government strategy for sustainable development". The five guiding principles, to be achieved simultaneously,

¹⁵ Note, however, that Part 11 of the CIL Regulations (2010) introduce further limitation on the use of planning obligations; namely they 'distil' the 5 tests in the circular 5/05 definition into 3. Note also, that Regulation 123 places a limit on 'pooling' contributions from 14 April 2014.

are: Living within environmental limits; Ensuring a strong healthy and just society; Achieving a sustainable economy; Promoting good governance; and Using sound science responsibly.

Unilateral Undertaking

Where a planning obligation is required to secure a financial contribution, instead of agreeing obligations through the standard process of negotiation and agreement between the Council and the developer, developers may provide a Unilateral Undertaking. This is a document that contains covenants given by the developer and enforceable by the Council, but with no reciprocal covenants given by the Council. The Council will only rely on such a Unilateral Undertaking to secure a financial contribution if its provisions are acceptable to the Council. The provider of the undertaking will have to submit evidence of legal title to the application site with the undertaking and will be responsible for the Council's legal costs in checking the suitability and acceptability of the undertaking.

Use Class Order

A piece of national secondary legislation which groups types of use of premises into classes, so that no development is involved if a building is changed from one use to another within the same class. Changing the use of a building from one class to another constitutes development, and needs planning permission, but in certain circumstances this may be automatically permitted without the need to submit a planning application.

Vitality and Viability

In terms of retailing, vitality is the capacity of a centre to grow or to develop its level of commercial activity. Viability is the capacity of a centre to achieve the commercial success necessary to sustain the existence of the centre.

Windfall Development

A previously developed site which has not been specifically identified as available through the development plan process, but which unexpectedly becomes available for development. A windfall dwelling is a dwelling which is delivered from such a site.