

# WHAT IS THE COMMUNITY INFRASTRUCTURE LEVY (CIL)

Community Infrastructure Levy is a system of charges that local authorities, like Caerphilly County Borough Council, can choose to levy against new development in their areas. Different rates of charge are identified for different types of development, dependent upon how viable each type of development is.

The revenue generated from CIL will be used to fund infrastructure that will support future development in the county borough.

Once introduced CIL is mandatory and will be charged against all new development that meets the qualifying criteria of being greater than 100 square metres of new floor space or the creation of one or more new dwellings.

The amounts to be charged against new development are set out in the CIL Charging Schedule, which sets out rates for development of different land uses. These rates will apply to all qualifying developments.

Caerphilly County Borough Council has worked closely with its neighbouring authorities (Rhondda Cynon Taf and Merthyr Tydfil) and the District Valuers Office in preparing evidence to support the proposed rates set out in the Draft Charging Schedule

## Why Seek To Implement CIL

- After April 2014 most forms of infrastructure can no longer be funded through the current system of legal agreements.
- Will allow the council to continue to fund and provide infrastructure necessary for future development across the county borough after April 2014.
- Provides developers with greater certainty “up front” in respect of costs to developments, potentially increasing viability levels of development sites.
- Provides greater transparency in respect of how development contributes to the county borough’s communities.

## CIL and Planning Obligations (S106 Agreements)

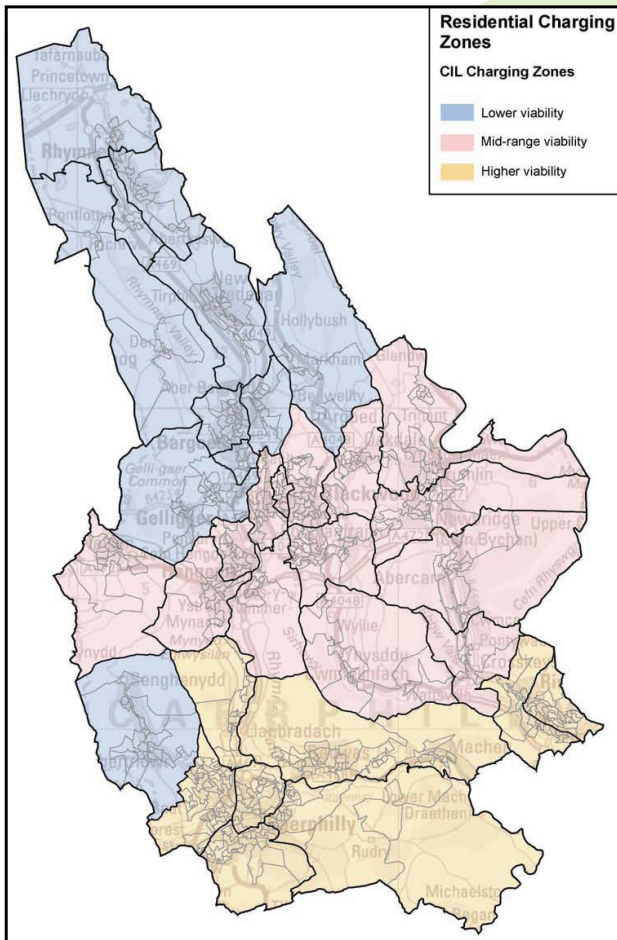
CIL will be used as the mechanism for pooling contributions from a variety of new developments to fund the provision of new infrastructure to support development in the county borough.

Whilst the council can still use planning obligations (S106 agreements), which used to be the mechanism for delivering such infrastructure, they will be severely restricted in nature and use and cannot be used for pooled contributions. Despite this, planning obligations will continue to play an important role in addressing site-specific issues to make individual developments acceptable to the council. The council will also use planning obligations to secure affordable housing from residential development schemes.

It will not be possible for a council to use both planning obligations and CIL in respect of the same infrastructure. Consequently the council has also published a Draft Regulation 123 List that sets out what infrastructure will be eligible to be funded through CIL. Infrastructure set out in the Draft Infrastructure List will no longer be eligible to be funded through planning obligations.

# What Are The Proposed Charges?

## Residential



Zone	CIL Rate/sq m
Lower Viability	£0
Mid-Range Viability	£25
Higher Viability	£40

Commercial	
Rates charged throughout county borough	
Retail (A1)	£100
Retail (A3)	£25
Primary Health Care (D1)	£60

All other landuses will be charged at a rate of £0 per square metre.

## How Were the Rates Set?

It is a requirement that the CIL Rates are based upon sound site viability evidence. The council, together with Rhondda Cynon Taf and Merthyr Tydfil County Borough Councils, commissioned District Valuer Services (DVS) to provide the viability evidence to underpin the CIL. As part of the work the DVS undertook viability appraisals of 69 separate sites, across a range of potential uses, to provide the baseline level of viability across the study area and for the differing land uses.

These assessments identified what level of charge the landuses across the study area could withstand. DVS then identified a range within which the CIL Rates could be set and the council considered the range and set rates at the lower end of the DVS range, in order to maintain the viability of sites.

## How Will CIL Be Calculated

CIL will be charged against all development that meets the qualifying criteria. To calculate the amount that a development will be charged under CIL, the following formula is applied:

The number of square metres of new floorspace	X	Rate for that type of development in the Charging Schedule
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**An Example** - A housing development, located in the Caerphilly basin, creating 10 dwellings, which amounts to 980 square metres of new floorspace, would be charged.

The number of square metres of new floorspace	980	X	£40	Rate for that type of development in the Charging Schedule -
<b>CIL Charge - £39,200</b>				

## How Do I Comment?

Copies of the Representation Form and the Draft Charging Schedule Documentation can be obtained from the Strategic & Development Plans Team on 01495 235376, or via e-mail at [ldp@caerphilly.gov.uk](mailto:ldp@caerphilly.gov.uk) or can be viewed and downloaded from the council's website.

If you wish to make comments, these need to be made in writing and must be received by the council **no later than Wednesday 1 May 2013.**