



# HAVERING COMMUNITY INFRASTRUCTURE LEVY

## DRAFT CHARGING SCHEDULE

LONDON BOROUGH OF HAVERING

DATE: OCTOBER 2018



## DOCUMENT CONTROL SHEET

|                       |  |
|-----------------------|--|
| <b>DOCUMENT TITLE</b> | Havering CIL_DCS V3.0  |
| <b>REPORT TITLE</b>   | Havering Community Infrastructure Levy - Draft Charging Schedule |
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## RECORD OF ISSUE

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## APPROVED FOR ISSUE

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## DISTRIBUTION

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[Insert date issued, approved and published]

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Takes effect on [insert date]

## 1 Planning Act 2008 and CIL Regulations 2010

The Community Infrastructure Levy (CIL) was established through the Planning Act 2008 (Part 11) and is bound by the Community Infrastructure Levy Regulations 2010 and subsequent amendments.

The London Borough of Havering is a charging authority in view of this legislation and will charge the Community Infrastructure Levy in respect of development within Havering.

The CIL charge will be additional of the Mayoral CIL of £20 per square metre<sup>1</sup>.

## 2 Draft Charging Schedule: CIL rates

| TYPE OF DEVELOPMENT (and use class)   | CIL RATE (£ PER M <sup>2</sup> OF NET ADDITIONAL FLOORSPACE) |                |
|---|--|----------------|
|   | ZONE A (NORTH)   | ZONE B (SOUTH) |
| Residential*  | £125   | £55            |
| Office and industrial   | £0   |                |
| Retail – supermarkets**, superstores and retail warehouses*** above 280m <sup>2</sup> gross internal area | £175   |                |
| All other retail (A1-A5) in Metropolitan, District and Local Centres as defined in the Local Plan.        | £50  |                |
| Hotels  | £20  |                |
| All other development   | £0   |                |

\*Including private care homes and retirement homes (excluding Extra Care)

\*\* Supermarkets/Superstores are defined as shopping destinations in their own right, where weekly food needs are met, catering for a significant proportion of car-borne customers, and which can also include non-food floorspace as part of the overall mix of the unit.

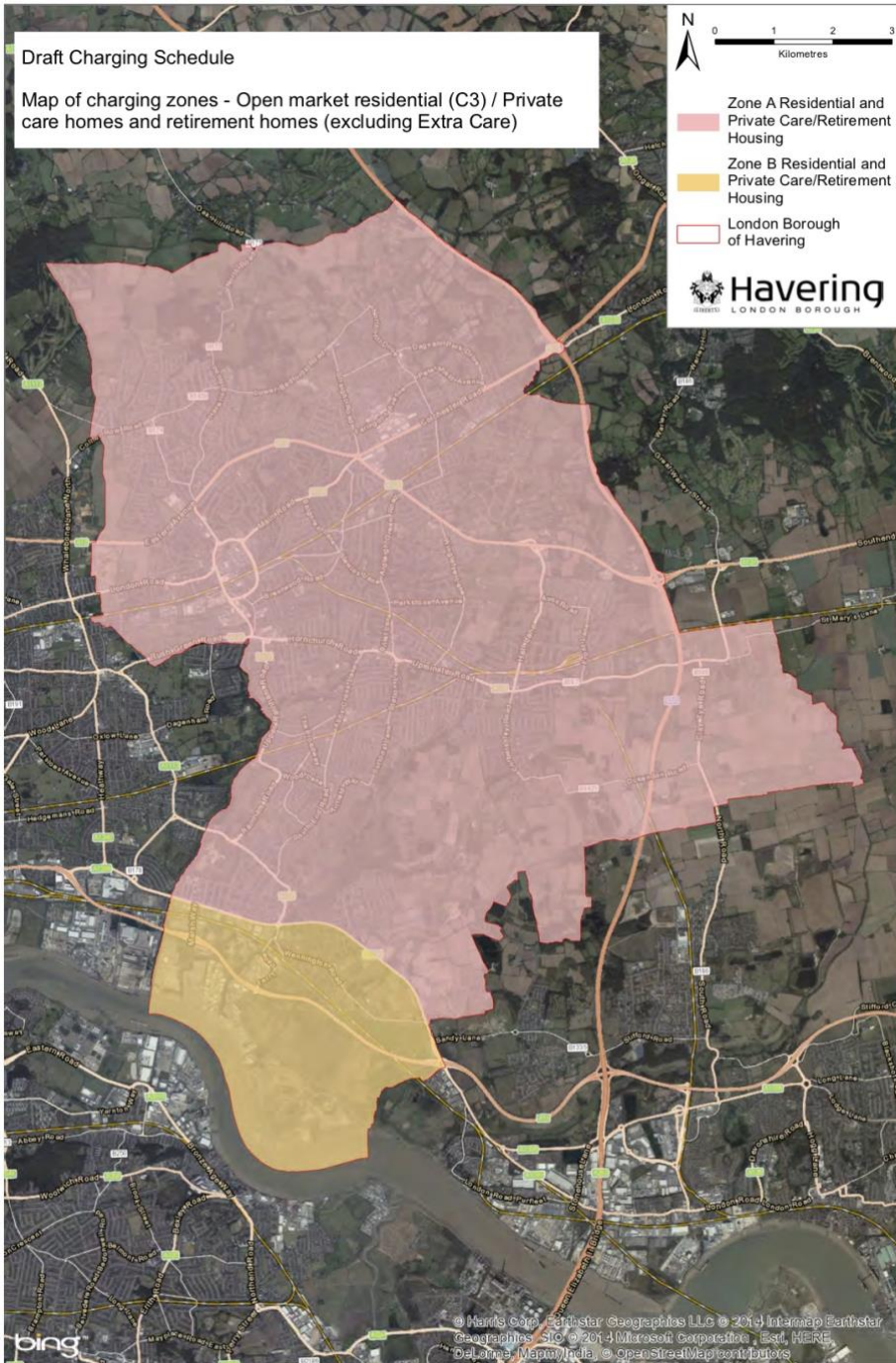
<sup>1</sup> The MCIL2 rate will rise to £25 per square metre from April 2019 (<https://www.london.gov.uk/what-we-do/planning/implementing-london-plan/mayoral-community-infrastructure-levy>)

- \*\*\* Retail Warehousing is defined as shopping destinations specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items and other ranges of goods, catering for a significant proportion of carborne customers.

### 3 CIL charging zones

As the charging authority, the Council will charge differential CIL rates for two geographical zones to reflect locational differences in viability.

The map below shows the boundary and location of the north and the south charging zones. This geographical differential rate will only apply to residential and private care/retirement housing developments in Havering. CIL rates for other forms of development apply borough-wide.



## 4 Liability to pay CIL

The levy may be payable on development which creates net additional floor space, where the gross internal area of new build is 100 square metres or more. That limit does not apply to new houses or flats, and a charge can be levied on a single house or flat of any size. See section 5 for details of exclusions, exemptions and reliefs from the levy that may be available.

## 5 Exemptions

The following do not pay CIL:

- Development of less than 100 square metres (see regulation 42 on minor development exemptions) – unless this is a whole house, in which case the levy is payable
- Houses, flats, residential annexes and residential extensions which are built by 'self-builders' where an exemption has been applied for and obtained, and, in regard to a self-build home or a residential annex, a Commencement (of development) Notice served prior to the commencement of the development (see regulations 42A, 42B, 54A, 54B and 67(1A), inserted by the 2014 Regulations)
- Social housing that meets the relief criteria set out in Regulation 49 or 49A (as amended by the 2014 Regulations) and where an exemption has been obtained, and a Commencement (of development) Notice served, prior to the commencement of the development
- Charitable development that meets the relief criteria set out in regulations 43 to 48 and where an exemption has been obtained, and a Commencement (of development) Notice served, prior to the commencement of the development
- Buildings into which people do not normally go (see regulation 6(2))
- Buildings into which people go only intermittently for the purpose of inspecting or maintaining fixed plant or machinery (see regulation 6(2))
- Structures which are not buildings, such as pylons and wind turbines
- Specified types of development which local authorities have decided should be subject to a 'zero' rate and specified as such in their charging schedules
- Vacant buildings brought back into the same use (see regulation 40 as amended by the 2014 Regulations)

Where the levy liability is calculated to be less than £50, the chargeable amount is deemed to be zero so no levy is due.

Mezzanine floors, inserted into an existing building, are not liable for the levy unless they form part of a wider planning permission that seeks to provide other works as well.

## 6 Calculating the chargeable amount

Individual levy payments are calculated by the charging authority.

The CIL charge is calculated on new Gross Internal Area (GIA) floor space in square metres. Differential rates will be charge depending on the land use of proposed development as per the CIL rates table.

In calculating individual charges for the levy, regulation 40 of the CIL (Amendment) Regulations 2014 requires collecting authorities to apply an index of inflation to keep the levy responsive to market conditions. The index is the national All-In Tender Price Index of construction costs published by the Building Cost Information Service (BCIS) of the Royal Institution of Chartered Surveyors. This index presents forecast figures, which are updated and finalised periodically.

## 7 Instalments policy

Havering's instalment policy is in line with the Mayor of London's instalment policy.

From the 1st January 2018, a new Mayoral instalments policy was implemented, which lowered the threshold from which instalments can be applied from £500,000 to £100,000. The Mayoral CIL instalments policy is set out below:

| Amount of CIL liability | Number of instalment payments | Amount or proportion of CIL payable in any instalment/time at which payments are due  |
|-------------------------|-------------------------------|---|
| £100,000 or less        | No instalments                | Total amount payable within 60 days of commencement of development  |
| £100,001 or more        | Two instalments               | <ul style="list-style-type: none"> <li>The greater of £100,000 or half the value of the total amount payable within 60 days of commencement of development</li> <li>The remainder within 240 days of commencement of development</li> </ul> |

## 8 Discretionary Matters

The Council proposes to offer 'discretionary relief for exceptional circumstances'<sup>2</sup> from liability to pay CIL. Offering exceptional circumstances relief would provide the Council with some flexibility to deal with individual sites where development is desirable, but which are proved to have exceptional costs or

<sup>2</sup> Under the provisions and limitations of Regulations 55 and 57 of the CIL Regulations 2010



other requirements which make them unviable. Exceptional circumstances relief can be activated and deactivated at any time and a notice of intention will be published by the Council.

The Council proposes, at its discretion, to allow the value of land, where the land is transferred to the Council, and infrastructure provided to be offset against the chargeable amount of CIL. The Council proposes, at its discretion, to enter into agreements for a land payment to discharge part or all of a levy liability and may also enter into agreements to receive infrastructure as payment. The value of land acquired and infrastructure provided as 'payment in kind' will be determined by the District Valuer (at the cost of the developer).

The Council proposes that it may apply CIL funds to 'administrative expenses'<sup>3</sup> incurred in connection with CIL.

The Council proposes to offer 'discretionary charitable relief for investment activities'<sup>4</sup> where a charity landowner will hold the development as an investment from which the profits are applied for charitable purposes. This discretionary relief can be activated and deactivated at any time and a notice of intention will be published by the Council.

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<sup>3</sup> Under the provisions and limitations of Regulation 61 of the CIL Regulations 2010

<sup>4</sup> Under the provisions and limitations of Regulations 44-48 of the CIL Regulations 2010