OUTCOME / BENEFITS TO THE COMMUNITY

To ensure that the Council can maximise infrastructure delivery to support growth in the Borough.

RECOMMENDATION

That the Executive:

1) Approves the Draft Charging Schedule at Appendix A for publication, a minimum six week period of public consultation, appointment of an independent Examiner and submission to the Examiner;

2) Approves the Draft ‘Regulation 123’ List of Infrastructure Projects for which CIL may be used at Appendix B for the purpose of consultation;

3) Approves the Instalment Policy at Appendix C for the purpose of consultation;

4) Agrees the use of agreements (or other mechanism) to secure CIL in relation to mitigation measures required in order to make the development acceptable and to ensure that the Council complies with the Conservation of Habitats and Species Regulations 2010 (in relation to the requirements of the Birds and Habitats Directive); and

5) Authorises the Strategic Director of Environment, in consultation with the Executive Member for Strategic Planning and Highways, to:-

   a) Produce the consultation documentation to accompany the CIL Draft Charging Schedule, and,

   b) Agree minor modifications to the Draft Charging Schedule and supporting documents as appropriate following public consultation and prior to submission to the Examiner; and,

   c) Approve the statements referred to in regulations 16 (Publication) and 19 (Submission) of the Community Infrastructure Regulations 2010.
SUMMARY OF REPORT

Part 11 of the Planning Act 2008 provided for the introduction of the Community Infrastructure Levy (CIL), the detail of which is set out in the Community Infrastructure Regulations 2010 (with subsequent amendments). In the future, CIL will be a key funding source for infrastructure required to support development in the Borough. It is effectively a mandatory charge on most development, calculated on the change in net additional floorspace (in square metres). The charge is non-negotiable in most circumstances. The CIL Regulations and CLG Guidance aim to 'scale back' the scope of Section 106 obligations to mitigating the specific impacts of a development.

To adopt CIL, the charging schedule must go through two rounds of formal consultation and an independent examination. The purpose of this report is to inform the Executive of the results of the consultation on the CIL Preliminary Draft Charging Schedule (the first formal consultation stage); summarise the findings of further viability work and to seek approval for the publication and submission of a Draft Charging Schedule. The report also seeks approval for a draft list of infrastructure projects which it is proposed will be fully or partly funded through CIL (the 'Regulation 123' List) and an instalments policy for consultation.

Taking into account the responses on the CIL Preliminary Draft Charging Schedule and further viability analysis, the CIL rates (per square metre) proposed in the Draft Charging Schedule are as follows:

- Residential – SDLs ranging from £300-£365; Rest of Borough - £365
- Residential Institutions and Extra Care Housing - £100
- Retail – Existing town/small town/district centres - £0; Rest of Borough - £50
- Other Uses - £0
Background

Part 11 of the Planning Act 2008 provided for the introduction of the Community Infrastructure Levy (CIL), the detail of which is set out in the Community Infrastructure Regulations 2010 (with subsequent amendments). CIL is intended to be used for general infrastructure contributions, whilst Section 106 obligations will continue for site-specific mitigation and other non-infrastructure planning obligations. CIL is effectively a mandatory charge on development, calculated on the change in net additional floorspace (in square metres), which local authorities can introduce. The charge is non-negotiable in most circumstances. It applies to development of 100 square metres or more of gross internal floorspace or the creation of one or more dwellings.

The CIL Regulations and CLG Guidance aim to ‘scale back’ the scope of Section 106 obligations to mitigating the specific impacts of a development. From April 2010, it has been unlawful for a planning obligation to be taken into account, as a reason for approval in granting planning permission for development, where it does not meet the tests of being ‘necessary’ to make development acceptable, ‘directly related’ to the development and ‘fair and reasonably related’ in scale and kind to the development. The Regulations also make it unlawful for a planning obligation to be taken into account, as a reason for approval, Section 106 obligations where obligations have been used in respect of the same infrastructure projects or types on more than four occasions since 6 April 2010. This has effect from the date of adoption of CIL or 6th April 2015 (date still subject to regulations coming into force), whichever is the sooner.

Section 106 contributions from new development in the Borough are currently pooled towards a number of types of infrastructure in the Borough, including the provision of Suitable Alternative Natural Greenspace (SANG) and transport infrastructure. Therefore, a CIL tariff is needed to be able to simplify the funding of these types of infrastructure, although there may still be occasions when provision needs to be made for site-specific mitigation.

The Council’s CIL Charging Schedule will set out the levels of charges to developers to help pay for the cumulative infrastructure requirements in connection with planned development in the Borough. To adopt a CIL the Council has to prepare a Charging Schedule which sets out the levy rates in pounds per square metre and can vary by land use and/or location (where there is an objective justification for doing so, i.e. viability constraints). There are four key inputs to development of a CIL Charging Schedule. These are:

(i) **An up-to-date local development plan** - the Council’s Adopted Core Strategy and Submitted Managing Development Delivery Development Plan Document (incorporating Proposed Modifications) (MDD DPD) set out the growth and distribution of new development to be built in the Borough up until 2026. CIL is intended to be spent on infrastructure to support this growth.

(ii) **An infrastructure delivery plan**, which identifies the infrastructure required to support this growth. A significant level of infrastructure planning has already taken place in producing our local Development Plan and Supplementary Planning Documents. In particular, Policies CP4, CP10 and Appendix 7 of the Adopted Core Strategy include a full list of infrastructure requirements to support housing development in the Borough. Work has also
been undertaken to identify the infrastructure funding gap (the gap between the total cost of the infrastructure and the funding available from other sources) which is relevant to the CIL setting process.

(iii) **An economic viability study**, which assesses the effect of implementing a CIL charge on the economic viability of different types of development across Wokingham Borough.

(iv) **Consultation responses**, including (where made available by third parties) information on land values, development costs and anticipated development profitability.

To adopt CIL, the charging schedule must go through two rounds of formal consultation and an independent examination. The Council consulted on its CIL Preliminary Draft Charging Schedule for a period of 6 weeks between 4th April 2013 and 16th May 2013.

**Analysis of Issues**

Timely delivery of high quality infrastructure is key to the delivery of the Council’s vision to be “A great place to live, an even better place to do business”.

The Council is required (under the Planning Act 2008 and CIL Regulations) to have regard when setting its CIL rates to the following:

- actual and expected costs of (CIL type) infrastructure;
- potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.
- other actual and expected sources of funding for CIL infrastructure

In setting its CIL rates, the Council is then required by the CIL Regulations to aim to strike what appears to it (based on appropriate evidence that is available to it) an appropriate balance between:

- The desirability of funding from CIL (in whole or in part) the actual and expected total cost of infrastructure to support the development of the area; and
- The potential effects (taken as a whole) of the imposition of CIL upon the economic viability of development across a charging authority’s area.

The changes to the CIL Regulations due to come into effect in late January will change the examination test to a more objective requirement in relation to the appropriate balance requirement, rather than the Council’s view. This is likely to lead to more forensic dispute over assumptions and judgments at Examination in Public hearings compared to the current regime.

The remainder of this report explains how the Council has met these statutory requirements in preparing the Draft Charging Schedule.
In setting CIL rates, the Council must identify the infrastructure required to support planned development in its area, the available sources of funding for that infrastructure and the funding gap that could be met by CIL. It is not intended that CIL would be the sole source of funding for infrastructure delivery but would be one element of a range of funding sources. Based on the infrastructure requirements identified in Appendix 7 of the Core Strategy and the latest available information on cost and alternative funding sources, the Council has produced an Infrastructure Planning and Funding Gap Assessment paper to accompany the CIL Draft Charging Schedule.

A funding gap for future infrastructure required to support new development in the Borough of just over £261 million has been identified. The viability evidence prepared on behalf of the Council confirms that a substantial amount of this could be funded through CIL. Based on the proposed CIL rates in the Draft Charging Schedule, the projected income generated from CIL receipts over the plan period of the Core Strategy, up to 2026, is estimated to be circa £177 million. There would still be a residual funding gap. As such, it is considered desirable that the Council sets its CIL rates at the proposed rates; anything less would result in a larger residual gap. The Council will proactively seek additional funding opportunities where they become available to address the residual shortfall. In addition the Council will have to prioritise projects recognising that developers and communities will want infrastructure to be provided early in the development process. This means that the Council may in its role as planning authority also have to impose appropriate controls on the delivery of development in tandem with necessary infrastructure.

**Development Viability**

The Council must have regard to evidence on economic viability and the CIL Guidance (CLG, 2103) recommends that rates should not be set at a level that threatens the ability to develop viably the sites and the scale of development identified in the Local Plan. This is in line with the NPPF test of soundness in relation to the adoption of Local Plan policies. The CIL rates proposed in the Draft Charging Schedule are based on recommendations from consultants, GL Hearn, who have undertaken the viability testing for the Borough. The full viability assessment is available to download at:

http://www.wokingham.gov.uk/planning/developers/cil/

Government guidance advises that CIL rates should not be set right up to the margin of viability across the vast majority of sites in Charging Authorities’ areas. The Examiner will expect the Council to be able to show that the proposed charging rates will contribute positively towards (and not threaten delivery of) the Core Strategy as a whole at the time of charge setting and throughout the economic cycle. The economic viability work undertaken by GL Hearn has been undertaken to ensure that this can be demonstrated on the basis of evidence that is considered appropriate in light of the information available to the Council at the point of publishing the Draft Charging Schedule.

However, it is not necessary to demonstrate that all development in the Borough will be viable with CIL but that the Council’s general strategy for development delivery will not be significantly affected. It is also well understood and reflected in CIL Examination reports already issued that it is acceptable (and normal) for the adoption of CIL to have
an effect on land values (as expectations adjust to the requirements, which is recognised as part of the purpose of the CIL regime).

The viability study undertaken by GL Hearn was bespoke to Wokingham and based on specific and up-to-date research of market conditions, using wider industry-standard assumptions as appropriate. The viability assessment modelled a range of benchmark land values (i.e. the minimum reasonable expectation of return for selling landowners) and residential sales values. The viability testing also took into account development costs arising from existing regulatory requirements, including requirements set out in local planning policies, including the requirements for affordable housing at the adopted level.

Based on the viability assessment, the Council consulted on a single residential rate of £365 per square metre in its Preliminary Draft Charging Schedule. Following the consultation, further sensitivity testing has been done on the appraisals, particularly around density assumptions. The Council’s consultants have concluded that even at lower densities (which will reduce the ability to viably bear CIL), the residential rate of £365 is still easily viable for most development scenarios.

In response to comments made on the Preliminary Draft Charging Schedule and the publication of revised CIL Guidance on 25 April 2013 (half way through the Preliminary Draft stage consultation), the Council commissioned further viability work focused specifically on the four Strategic Development Location (SDL) sites. The promoters of these sites were invited to provide financial information to assist this work and some information was received as a result. A Viability Update report, including the findings of the site-specific viability assessment work, is a supporting document to the CIL Draft Charging Schedule.

The site-specific viability assessments have shown that different CIL rates are viable for the SDLs ranging from £300 per square metre at South of M4 SDL to £365 per square metre on the Arborfield SDL. This is confirmed by the Viability Update report. The two primary reasons for these differences are variations in expected future sales values across the SDLs and the residual Section 106 obligations to be funded alongside CIL (varying from circa £4,000 to £6,000 per unit in the Viability Update report). The Viability Update report also reflects the higher costs of delivering on-site and required infrastructure and other obligations at each SDL.

The Council also received various representations on the CIL Preliminary Draft Charging Schedule on the impact of the proposed CIL residential rate on older people’s accommodation. Therefore, the Council commissioned the Valuation Office Agency (VOA)/District Valuer Services (DVS) to work alongside GL Hearn to model the viability of three types of older people’s accommodation – care homes, Extra Care housing and enhanced sheltered housing. In line with Policy TB09 of the MDD DPD, increased emphasis was placed on the viability outputs of the latter two forms of accommodation, which are key to the delivery of the Council’s Local Plan policy. As a result, based on the viability appraisals, a lower CIL rate of £100 per square metre is proposed in the Draft Charging Schedule for “Residential Institutions and Extra Care Housing”. For the purposes of CIL, the Council will define “Extra Care Housing” as “purpose built accommodation in which varying amounts of care and support can be offered and where some services and facilities are shared (including a minimum of 30% of GIA provided as communal facilities).”
In terms of commercial development, the viability assessment indicates that the only use class of development capable of contributing CIL payments (without having an unacceptable impact on viability) is retail. Even then, there is a significant difference in the viability characteristics of the various retail scenarios that were modelled – town centre retail is relatively marginal whilst out of centre development (food stores) is theoretically capable of contributing a significant CIL payment. A charging authority may impose differential CIL rates on different retail uses where the uses can robustly be identified for planning purposes and there is a clear difference in viability characteristics. Because there are difficulties in clearly identifying different retail uses and/or different levels of viability, a rate of zero was proposed in the Preliminary Draft Charging Schedule.

A number of respondents to the consultation felt that retail uses should be liable to a CIL charge and subsequently, the Council has revisited this. Based on the viability evidence, the Draft Charging Schedule now proposes an “out of town” retail CIL rate of £50 per square metre. “Out of town” is classified as being outside the existing town/small town/district centres defined in Policy CP13 of the Core Strategy and Policy TB15 of the MDD DPD. Existing town/small town/district centres are Wokingham, Woodley, Winnersh, Shinfield Road, Lower Earley and Twyford. Retail development within existing town/small town/district centres and all other uses have remained unchanged at zero due to the viability constraints identified in the viability evidence.

The Preliminary Draft Charging Schedule

Following approval by the Executive on 28th March 2013, consultation on a CIL Preliminary Draft Charging Schedule (PDCS) took place between 4th April 2013 and 16th May 2013. Many detailed comments were received from 28 different respondents. A Statement of Consultation summarising all the individual comments and an officer response to each of them has been prepared.

The main points raised during the consultation were:

- Greater clarity should be provided on what infrastructure will be funded via CIL and what will remain as S106;
- Concern that the viability modelling had not covered sites over 500 dwellings or undertaken site-specific modelling of the Strategic Development Location (SDL) sites
- Concern that the viability modelling had not reflected all of the costs associated with major strategic sites, including higher residual S106 costs reflecting the level of site-specific mitigation required for to make development at the SDLs acceptable;
- Views from some respondents that the residential rates proposed were too high (and could adversely affect delivery of housing and/or push up densities) and from others that the rates were too low (and would not be enough to fund the needed infrastructure to support growth).
- Views that retail development should be subject to a CIL charge, particularly outside of town centres.
- Concern that CIL charging for SANG will not satisfy the Habitat Regulations:
- Requests for special consideration of older people’s accommodation
- General support for an instalments policy
The following actions were undertaken to address some of the key points raised and inform preparation of the Draft Charging Schedule:

- Carried out further specific viability work on the four Strategic Development Location (SDL) sites, including seeking further information from landowners / developers. This work has resulted in different CIL rates being proposed for each SDL ranging from £300 to £365 per square metre.
- Commissioned specialist viability modelling for older people's accommodation. This has resulted in a lower CIL rate being proposed in CIL Draft Charging Schedule for “Residential Institutions and Extra Care Housing”.
- Undertaken sensitivity testing on the residential assumptions, particularly around density, to ensure the proposed rate is viable.
- Revisited our proposed retail CIL rates and introduced an “out of town centre” retail rate of £50 per square metre.
- Developed clauses to secure the provision of strategic SANG via legal agreements;
- Prepared an updated Infrastructure Delivery Plan as a supporting document to the Draft Charging Schedule.
- Prepared a Draft Regulation 123 list and Instalment Policy.

Proposed CIL Rates

The proposed CIL rates contained in the Draft Charging Schedule (set out below) have been considered by the cross-party CIL Member Group and officer project team:

<table>
<thead>
<tr>
<th>Development Type</th>
<th>Charging Zone</th>
<th>£ per square metre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Development (excluding Extra Care Housing)</td>
<td>South of M4 SDL</td>
<td>£300</td>
</tr>
<tr>
<td></td>
<td>South Wokingham SDL</td>
<td>£320</td>
</tr>
<tr>
<td></td>
<td>North Wokingham SDL</td>
<td>£340</td>
</tr>
<tr>
<td></td>
<td>Arborfield SDL</td>
<td>£365</td>
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<tr>
<td></td>
<td>Rest of Borough</td>
<td>£365</td>
</tr>
<tr>
<td>Residential Institutions and Extra Care Housing</td>
<td>Borough-Wide</td>
<td>£100</td>
</tr>
<tr>
<td>Retail</td>
<td>Existing town/small</td>
<td>£0</td>
</tr>
<tr>
<td></td>
<td>town/district centres</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Rest of Borough</td>
<td>£50</td>
</tr>
<tr>
<td>All Other Development Types</td>
<td>Borough-Wide</td>
<td>£0</td>
</tr>
</tbody>
</table>
**Draft Regulation 123 List**

The 'Regulation 123 List' is an indicative list of the infrastructure projects to which the Council intends to apply CIL. It is important because Section 106 obligations in relation to any item on the list cannot be a reason for approval at the planning stage once CIL is adopted. Consideration has been given to the scale of infrastructure proposed and whether it is appropriate to use CIL funding or seek contributions via S106 agreements. The general principle is that where a project is likely to require contributions from a large number of developments (such as a new school or major highway improvement), it should be funded by CIL.

Government guidance recommends that charging authorities should provide at the examination a draft ‘Regulation 123 List’ and set out the known site-specific matters where S106 contributions may continue to be sought. For this purpose a draft ‘Regulation 123 List’ has been prepared (Appendix B), based on the identified infrastructure requirements arising from planned development in the Borough. The Draft ‘Regulation 123 list’ does not signify a commitment by the Council to deliver the project, nor does it indicate any priority. The list will be subject to periodic review.

**Suitable Alternative Natural Greenspace (SANG)**

In order for the Borough Council to meet its legal duties under the Habitats Regulations, avoidance measures for the Thames Basin Heaths SPA must be covered in full either by Section 106 agreements or CIL. Therefore, any CIL charging schedule must set a tariff which will realise full funding for avoidance measures in the form of Suitable Alternative Natural Greenspace (SANG). New residential development in Wokingham Borough can avoid impact to the Thames Basin Heaths SPA by making a financial contribution towards the provision of SANG or by development sites providing their own SANG.

Under a CIL regime, the four Strategic Development Location (SDL) sites will still be expected to provide on-site SANG secured through planning conditions and obligations, as appropriate. An allowance for this has been made in the SDL viability modelling. For non-SDL development, it is intended that the provision of SANG in perpetuity will be funded through the CIL levy and applied to the strategic SANG at Rooks Nest Woods. Discussions have been ongoing with Natural England over the appropriate mechanism to secure this SANG provision under CIL.

All new dwellings that are likely to affect the Thames Basin Heaths SPA (either within 5km or between 5-7km of the SPA) will also need to make payment towards Strategic Access Management & Monitoring (SAMM) and this will continue to be secured through a Section 106 agreement after the introduction of CIL (as it is not deemed to be CIL infrastructure under the Planning Act 2008). Therefore, the Council plans to insert a clause within this agreement to the effect that the Council would normally covenant with the landowner to apply a specific amount of the CIL received from the development to relevant SANG provision. This CIL top slice for SANG would include the affordable housing element of each individual development (even though affordable housing does not itself generate CIL receipts, since it benefits from CIL relief). Natural England has confirmed that this approach would be acceptable.
Instalments Policy

The CIL Regulations include provisions for the charging authority to operate an instalments policy to allow staged payments of CIL. This is a means of ensuring that the cashflow impacts of CIL (which would otherwise be payable in full for each phase of development within 60 days of a start on site) are minimised. The Council sought views on this as part of its consultation on the Preliminary Draft Charging Schedule.

It would benefit the Council's infrastructure delivery agenda to receive CIL in one up front payment, but it is considered that there is a wider benefit of staging payments of adding further headroom (on top of the other assumptions in the viability evidence base) for viability - since the staging of payments has not been taken into account in the cashflow assumptions contained in the viability work. This should ensure that there is no proper viability justification that can be advanced once CIL is adopted that policy compliance in relation to policy standards for development (such as affordable housing) cannot be met in relation to specific schemes.

In line with other charging authorities' policies, it is proposed to allow payment by instalments with longer periods being allowed where larger amounts of CIL are payable. The proposed instalments policy is attached at Appendix C to this report.

Meaningful Proportion

The CIL Regulations now require charging authorities to pass 15% of CIL receipts to local neighbourhoods (Town and Parish Councils in Wokingham Borough) subject to a cap of £100 per existing dwelling. Where a Neighbourhood Development Plan is in place this percentage rises to 25% with no cap. Town and Parish Councils will have a strong interest in ensuring the local community's needs are met, and it is envisaged that the majority of the CIL passed on to Town and Parish Councils will be used to help deliver the planned infrastructure. The purposes for which the CIL Regulations require the 'neighbourhood share' to be spent are wider than those for the charging authority using CIL. The Borough Council intends to engage with the Town and Parish Councils imminently to discuss the use of monies passed to them to ensure the greatest possible degree of alignment between the adopted infrastructure planning policies intended to meet identified local needs and the use of these resources.

Exceptional Relief

The CIL Regulations provide that Charging Authorities have the option to offer a process for giving relief from CIL in exceptional circumstances and where a specific scheme would be unviable if it were required to pay the levy. The guidance and regulations make it clear that this would only apply in very exceptional circumstances and where an s106 agreement was also in place and the value of this exceeds the cost of the CIL charge. In addition, any such exceptional relief must not constitute a notifiable state aid.

A Charging Authority wishing to offer exceptional circumstances relief in its area must first give notice publicly of its intention to have an exceptional circumstances policy. A Charging Authority can then consider claims for relief on chargeable developments from landowners on a case by case basis, provided the conditions are met. All claims for relief must be submitted with a viability assessment completed by a suitably qualified independent person. Given the very limited scope in the application of the relief, the
practical issues involved in assessing the claims and the fact that it militates against the efficiency, clarity and certainty of operation that are the main benefits of CIL, the Council does not propose to introduce an exceptional circumstances policy at the outset.

**Alternative Options**

It is considered that there are limited genuine alternative options to adopting a CIL Charging Schedule. Although CIL is not a statutory requirement, authorities without a charging schedule from April 2015 (date still subject to legislation coming into force) will generally not be able to take into account as a reason for approval pooled contributions towards new strategic infrastructure.

**Consultation and Engagement**

Following the consultation on the CIL Preliminary Draft Charging Schedule, it is proposed to consult on the CIL Draft Charging Schedule for a period of over 6 weeks from 29th January 2014 to 14th March 2014.

**Risk Management**

The Community Infrastructure Levy (Amendment) Regulations 2014 have been laid in parliament and are expected to come into force in late January 2014. The draft regulations include a more stringent examination regime for local authorities who have yet to publish their Draft Charging Schedule. There is a risk that the Council will not have published its Draft Charging Schedule early enough to benefit from this transition measure. The draft CIL Amendment Regulations will also confirm that the pooling restriction date will go back from April 2014 to April 2015.

Should the Council choose not to adopt CIL, there will a substantial risk to the certainty and efficiency of delivery of strategic infrastructure, due to the pooling restriction. The project has a detailed risk assessment (available on request).

**Sustainability and Strategic Environmental Assessment**

The Council has, through consultation with English Heritage, Natural England and the Environment Agency, agreed that a Strategic Environmental Assessment of the CIL Charging Schedule was not required.

**Equalities**

An Equality Impact Assessment has been prepared (available on request). The conclusion is that CIL will not have an adverse impact on any particular social group. By making communities more sustainable, CIL will facilitate economic growth and liveability and so create opportunity for all.

**FINANCIAL IMPLICATIONS OF THE RECOMMENDATION**

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.
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**Other financial information relevant to the Recommendation/Decision**

The table above sets out the specific project costs associated with implementing CIL – for example, the independent examination and evidence gathering.

Under the charging proposals going to consultation, the projected income generated from CIL receipts over the plan period of the Core Strategy, up to 2026, is estimated to be circa £177 million. This initial calculation is based on the Council’s Strategic Housing Land Availability Assessment (SHLAA) projections of housing development for the plan period, excluding sites with planning permission (i.e. hard planning commitments) plus 8,000 square metres of new retail space. This figure does not factor in the “meaningful proportion” of CIL receipts that will be passed to Town and Parish Councils within those areas where development will occur. This will be 25% where there is a neighbourhood development plan (uncapped) and 15% elsewhere (capped at £100 per dwelling). The Council may also use up to 5% of the CIL revenue in any year to fund the administration costs of the Levy after the first three years of operation of the charging schedule. In the first three years, the total amount of CIL that may be applied to administrative expenses incurred during those three years, and any expenses incurred before the charging schedule was published, is limited to 5% cent of CIL collected over the period of years one to three.

Based on the infrastructure requirements identified in the Core Strategy and the latest information on cost and alternative funding sources, a funding gap for future infrastructure required to support growth in the Borough of just over £261 million has been identified. Therefore, there would be a residual funding gap of circa £84 million. This figure will be kept under constant review. The Council will have to prioritise CIL expenditure recognising that, since not fully funded, infrastructure will not always be provided/funded to meet potential developer aspirations/programmes. The Council will continue to proactively seek additional funding opportunities where they become available with the aim of reducing the funding gap.

**Cross-Council Implications**

The Project has been overseen by a cross-service project team as CIL will impact on the future delivery of key infrastructure affecting a range of services areas, including highways and education.

**List of Background Papers**

CIL Preliminary Draft Charging Schedule, Executive Report on 28 March 2013 and Supporting Background Papers
CIL Viability Update, GL Hearn, August 2013
Statement of Consultation on Preliminary Draft CIL Charging Schedule, May 2013
CIL Final Strategic Environmental Assessment Screening Statement, September 2013
CIL Draft Charging Schedule, January 2014
Infrastructure Planning and Funding Gap Assessment, October 2013
Draft Regulation 123 List, October 2013
Draft CIL Instalment Policy, October 2013

<table>
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<tr>
<th>Contact</th>
<th>Louise Strongitharm</th>
<th>Service</th>
<th>Environment</th>
</tr>
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<tr>
<td>Telephone No</td>
<td>0118 974 6779</td>
<td>Email</td>
<td><a href="mailto:louise.strongitharm@wokingham.gov.uk">louise.strongitharm@wokingham.gov.uk</a></td>
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Wokingham Borough Council
Community Infrastructure Levy

Draft Charging Schedule

January 2014
Community Infrastructure Levy
Draft Charging Schedule

Statement of Representations Procedure

Wokingham Borough Council intends to submit a Community Infrastructure Levy (CIL) Draft Charging Schedule for examination, under Section 212 of the Planning Act 2008 (as amended by Section 114 of the Localism Act 2011).

In accordance with the Community Infrastructure Levy Regulations (2010), Wokingham Borough Council has published the following documents for consultation:

- The CIL Draft Charging Schedule, including this Statement of Representations Procedure
- Evidence to support the CIL Draft Charging Schedule

The consultation period runs from 29th January to 14th March 2014. All comments must be received by 5.00 pm on 14th March 2014. Representations before the start date or after the end date cannot be considered.

Comments can be submitted by e-mail to CIL@wokingham.gov.uk or in writing to:

Community Infrastructure Team,
Wokingham Borough Council,
Civic Offices,
Shute End,
Wokingham,
Berkshire RG40 1WN

Telephone: 0118 974 6779

Copies of the documents are available for inspection from Wednesday 29th January 2014 to Friday 14th March 2014 at the Council’s Shute End Offices, Wokingham, Monday to Friday 8.30am to 5pm. The documents are also available to view on the Council’s website at:

http://www.wokingham.gov.uk/planning/developers/cil/

The documents are also available to view on the Council’s website at all public libraries throughout the Borough together with the one at Crowthorne.

Organisations and individuals making representations may request the right to be heard at the examination. Such a request must be made in writing to the address above and received within the specified period for making representations.
Representations may be accompanied by a request to be notified, at a specified address, of any of the following:

- That the draft charging schedule has been submitted to the Examiner in accordance with Section 212 of the Planning Act 2008;

- The publication of the recommendations of the examiner and the reasons for those recommendations, and

- The approval of the charging schedule by the charging authority.
1. **Introduction**

1.1 Wokingham Borough Council is a Charging Authority for the purposes of Part 11 of the Planning Act 2008 and may therefore charge the Community Infrastructure Levy (CIL) in respect of development in its administrative area. The Council is both the CIL Charging Authority (CA) and Collecting Authority for its administrative area.

1.2 The Council intends to charge the Community Infrastructure Levy in its area at the rates (expressed as pounds per square metre) shown in Table 1 below. This Charging Schedule has been issued, approved and published in accordance with the requirements of Part 11 of the Planning Act 2008 (as amended) and the Community Infrastructure Levy Regulations 2010 (as amended).

1.3 This Charging Schedule was approved by the Council on *(date to be inserted following examination in public and approval).*

1.4 This Charging Schedule will come into effect on *(date to be inserted following the examination and approval).*

2. **CIL Liability**

2.1. The Council will calculate the amount of CIL payable in respect of a chargeable development in accordance with Regulation 40 of the Community Infrastructure Levy Regulations 2010 (as amended).
3. **CIL Charging Rates**

3.1. CIL will be levied in £s (pounds sterling) per square metre on net additional increase in floor space for qualifying development in accordance with the provisions of the Community Infrastructure Levy Regulations 2010 (as amended). The CIL rates to be charged by Wokingham Borough Council are set out in the Table 1 below:

<table>
<thead>
<tr>
<th>Development Type</th>
<th>Charging Zone</th>
<th>£ per square metre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Development (excluding Extra Care Housing)</td>
<td>South of M4 SDL</td>
<td>£300</td>
</tr>
<tr>
<td></td>
<td>South Wokingham SDL</td>
<td>£320</td>
</tr>
<tr>
<td></td>
<td>North Wokingham SDL</td>
<td>£340</td>
</tr>
<tr>
<td></td>
<td>Arborfield SDL</td>
<td>£365</td>
</tr>
<tr>
<td></td>
<td>Rest of Borough</td>
<td>£365</td>
</tr>
<tr>
<td>Residential Institutions and Extra Care Housing</td>
<td>Borough-Wide</td>
<td>£100</td>
</tr>
<tr>
<td>Retail</td>
<td>Existing town/small town/district centres</td>
<td>£0</td>
</tr>
<tr>
<td></td>
<td>Rest of Borough</td>
<td>£50</td>
</tr>
<tr>
<td>All Other Development Types</td>
<td>Borough-Wide</td>
<td>£0</td>
</tr>
</tbody>
</table>

3.2. For the purposes of assessing liability for CIL, the Council will define "Extra Care Housing" as "purpose built accommodation in which varying amounts of care and support can be offered and where some services and facilities are shared (including a minimum of 30% of GIA provided as communal facilities)." This is based on the definition contained in the Extra Care Housing Toolkit published by the Care Services Improvement Partnership, but expanded to include further detail on communal floor areas.

3.3. The Residential Bands (Figure 1) as well as the Existing town/small town/district centres (Figures 2 and 2a - 2f) are shown on the Ordnance Survey Map extracts contained at the end of this Charging Schedule.
4. Calculation of the CIL charge

4.1. CIL charges will be calculated in accordance with Regulation 40 of the Community Infrastructure Levy Regulations 2010 as amended by Regulation 7 of the Community Infrastructure Levy (Amendment) Regulations 2011 and Regulation 6 of the Community Infrastructure Levy (Amendment) Regulations 2012 (or any subsequent amendments to these Regulations as may apply from time to time whilst this Charging Schedule is in effect).
Community Infrastructure Levy (CIL) Draft Regulation 123 List

Infrastructure to be delivered partly or wholly by CIL

October 2013
Wokingham Borough Council Community Infrastructure Levy (CIL)

Initial Draft Regulation 123 List

Regulation 123 of the Community Infrastructure Levy Regulations 2010 (as amended) (CIL) prevents the local planning authority from taking into account as a reason for granting planning permission certain planning obligations for infrastructure that will be funded in whole or part by CIL.

This is a draft Regulation 123 list intended as a supporting document for the Draft Charging Schedule. It will be finalised and published after the Examination, prior to the adoption of CIL in Wokingham Borough.

The list does not signify a commitment by the Council to deliver the project, nor does it indicate any priority. The list will be subject to periodic review.

<table>
<thead>
<tr>
<th>Infrastructure Type or Project</th>
<th>Exclusions*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Suitable Alternative Natural Greenspace (SANG)</strong></td>
<td>On-site and off-site delivery of SANG (in accordance with the TBHSPA Avoidance and Mitigation Strategy, necessary to meet the requirements of the Habitat Regulations) in connection with the following Strategic Development Location (SDL) sites:</td>
</tr>
<tr>
<td></td>
<td>• North Wokingham SDL</td>
</tr>
<tr>
<td></td>
<td>• South Wokingham SDL</td>
</tr>
<tr>
<td></td>
<td>• South of M4 SDL</td>
</tr>
<tr>
<td></td>
<td>• Arborfield SDL</td>
</tr>
<tr>
<td>Provision and ongoing maintenance in perpetuity of SANG (part of Thames Basin Heaths Special Protection Area (TBHSPA) Avoidance and Mitigation measures) at Rooks Nest Woods</td>
<td>SPA-wide Strategic Access and Management Monitoring (SAMM) (N.B. This item is not considered to fall within the definition of infrastructure and will continue to be secured through legal agreements).</td>
</tr>
</tbody>
</table>

| **Transport** | |
| The following Local Road Network capacity improvements: | The delivery of enabling works, including site access junctions for a development and roads within an application phase red line. |
| • Improvements along the A329 | Travel Plans |
| • Winnersh Relief Road | Land for Provision on the SDLs |
| • North Wokingham Distributor Road | |
| • Improvements to Coppid Beech Roundabout | |
| • South Wokingham Distributor Road (including Road over Rail Bridge) | |
- Replacement railway bridges on the A321 Finchampstead Road
- Improvements along A321
- Arborfield Cross Relief Road
- Nine Mile Ride Extension
- Barkham Bridge Improvement
- Improvements along the A327
- Shinfield Eastern Relief Road
- A329(M) - M4 J10 to Coppid Beech improvement
- Corridor Improvements

Strategic Road Network improvements outside the Borough.

Public Rights of Way and Cycle Network improvements, including:

- Four footbridges over the Waterloo Line
- Greenways Network

Public Transport Network improvements, including:

- Thames Valley Park, Eastern Expressway

The following improvements to Parking Provision (including Park and Ride):

- Park & Ride near the Coppid Beech roundabout
- Carnival Pool Car Park Expansion
- Thames Valley Park, Park and Ride

**Education**

Nursery Schools

Primary and Secondary Education

Further and Higher Education

Special Educational Needs Provision

**Green Infrastructure**
| Allotments and Community Gardens | Amenity open space and play areas in connection with the following Strategic Development Location (SDL) sites: |
| Biodiversity Projects | • North Wokingham SDL |
| Amenity Open Space and Play Areas | • South Wokingham SDL |
| Cemeteries and Churchyards | • South of M4 SDL |
| Outdoor Sport Facilities | • Arborfield SDL |
| Country Parks | Land for Provision on the SDLs |

**Community/Social Infrastructure**

| Community Centres/Halls | Land for Provision on the SDLs |
| Libraries | |
| Outdoor Sport Facilities | |
| Culture and Heritage | |

**Public Services**

| Emergency Services facilities and equipment | Fire Hydrants |
| Health centres/GP surgeries | |

*Exclusions: projects identified in this column are expected to be delivered in kind or by developer contributions, secured through Section 106 agreements.*
Community Infrastructure Levy (CIL) Draft Instalment Policy

October 2013
Community Infrastructure Levy

Draft Instalments Policy

This policy is made in line with regulation 69B of the Community Infrastructure Levy (Amendment) Regulations 2011 and 2012. Wokingham Borough Council proposes to allow the payment of CIL by instalments as outlined in points 1 and 2 below.

1. Where the chargeable amount is less than £250,000 the chargeable amount will be required as per the following two instalments:

<table>
<thead>
<tr>
<th>1st instalment</th>
<th>2nd instalment</th>
</tr>
</thead>
<tbody>
<tr>
<td>50% within 60 days of commencement</td>
<td>50% within 120 days of commencement</td>
</tr>
</tbody>
</table>

2. Where the chargeable amount is equal or more than £250,000 the chargeable amount will be required as per the following four instalments:

<table>
<thead>
<tr>
<th>1st instalment</th>
<th>2nd instalment</th>
<th>3rd instalment</th>
<th>4th instalment</th>
</tr>
</thead>
<tbody>
<tr>
<td>25% within 60 days of commencement</td>
<td>25% within 150 days of commencement</td>
<td>25% within 240 days of commencement</td>
<td>25% within 360 days of commencement</td>
</tr>
</tbody>
</table>

Notes:

N1: When the council grants an outline planning permission which permits development to be implemented in phases, each phase of the development is a separate chargeable development and the instalment policy will apply to each separate phase.

N2: In calculating individual charges for the levy, the council will be required by the Regulations to apply an index of inflation to keep the levy responsive to market conditions. The index will be the national All-In Tender Price Index of construction costs published by the Building Cost Information Service of The Royal Institution of Chartered Surveyors.

N3: “Days” should be interpreted as calendar days, as opposed to working days.

N4: Commencement will be taken to be the date advised by the developer in the commencement notice under CIL Regulation 67.