

## Community Infrastructure Levy

# Preliminary Draft Charging Schedule

Consultation document



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# 1 Preliminary Draft Charging Schedule

- 1.1 Community Infrastructure Levy (CIL) is charged in pounds per square metre on the net additional increase in gross internal floor area. The amount to be charged is calculated in accordance with Regulation 40 in the CIL Regulations 2010 (as amended).
- 1.2 The proposed rate of CIL that is being published for consultation in this Preliminary Draft Charging Schedule is set out in figure 1 below. Chapter 3 contains maps of the CIL charging zones that show the areas within which the charges apply.

**Figure 1: Preliminary Draft Charging Schedule**

Type of development	Rate (£ per square metre)
All development at Cranbrook	£0
General residential development in Sidmouth and Budleigh Salterton	£200
General residential development in the rest of East Devon	£150
Sheltered housing, extra care housing and care homes <sup>1</sup>	£0
Rural Exception Sites	£0
Strategic allocated sites <sup>2</sup> in East Devon	£100

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<sup>1</sup> Retirement housing - This is often known as “Sheltered Housing” or “Retirement Living”. Retirement Housing usually provides some facilities that you would not find in completely independent accommodation. These can include (secure main entrance, residents’ lounge, access to an emergency alarm service, a guest room. Extra facilities and services are paid for through a service charge on top of the purchase price or rent. To move into retirement housing, occupants are assumed to be independent enough not to need care staff permanently on site.

Supported housing - This is often known as “Extra Care Housing” or “Assisted Living”. Everyday care and support will be available. Facilities will include those available in retirement housing plus others (such as a restaurant, communal lounges, social space and leisure activities, staff on site 24 hours a day). Service charges are likely to be higher than in retirement housing but this reflects the more extensive range of facilities.

‘Care homes’ are defined as residential care homes or nursing homes where integral 24 hour personal care and/or nursing care are provided together with all meals. A care home is typically a residential setting where a number of older people live, usually in single rooms and people occupy under a licence agreement.

<sup>2</sup> Rate only applies to residential development of 150 dwellings or more on strategic sites allocated in the Local Plan.

<b>Type of development</b>	<b>Rate (£ per square metre)</b>
Retail (out of town centre) <sup>3</sup>	£84
All other non-residential uses	£0

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<sup>3</sup> Applies to qualifying floor space outside of Town Centre Shopping Areas as defined in the East Devon Local Plan 2013 to 2031, and to all retail development within planning use class 'A'.

## 2 Explanatory text

### Introduction

- 2.1 The Community Infrastructure Levy (CIL) is a tool to help deliver infrastructure to support development. CIL is payable on development that creates net additional floor space, expressed as pounds per square metre. However, there are several exemptions which mean that some development will not need to pay CIL.<sup>4</sup> Government guidance explains what CIL is and how it operates.<sup>5</sup> Guidance on the council operate CIL is available on our website.<sup>6</sup>
- 2.2 The rate of CIL is set out in a “charging schedule”. East Devon District Council is a “charging authority” and adopted its charging schedule in April 2016, and has been charging CIL on new development approved since 1 September 2016. The current charging schedule includes a CIL charge for residential and retail development.<sup>7</sup> There are three ‘zones’ for residential development, with differing CIL rates; whilst only retail development outside town centre shopping areas and Cranbrook needs to pay CIL.
- 2.3 The “regulation 123 list” sets out those projects or types of infrastructure that the council intends to fund, or may fund, through the levy<sup>8</sup> - as noted later, the Government propose removing these lists.
- 2.4 The council is revising its charging schedule to reflect updated national policy and guidance, latest evidence on development costs and values in the district, and to align with development being proposed in the emerging Cranbrook Plan.
- 2.5 This Preliminary Draft Charging Schedule is the first consultation stage in revising the charging schedule.<sup>9</sup> Future stages may take place under amended CIL regulations – if this

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<sup>4</sup> Exemptions include: development of less than 100 sq m (apart from new dwellings), dwellings built by ‘self builders’, residential annexes and extensions, social housing, charitable development, and vacant buildings brought back into the same use.

<sup>5</sup> Community Infrastructure Levy Planning Practice Guidance, Ministry of Housing, Communities and Local Government: <https://www.gov.uk/guidance/community-infrastructure-levy>

<sup>6</sup> East Devon District Council Community Infrastructure Levy guide: <http://eastdevon.gov.uk/planning/planning-services/planning-development-management/community-infrastructure-levy-cil/>

<sup>7</sup> East Devon District Council Community Infrastructure Levy Charging Schedule, April 2016: <http://eastdevon.gov.uk/media/1680258/adopted-charging-schedule.pdf>

<sup>8</sup> The current adopted Regulation 123 list can be seen here: <http://eastdevon.gov.uk/media/1680413/adopted-reg-123-list.pdf>

<sup>9</sup> The council is aware that draft CIL regulations remove the requirement for consultation on a preliminary draft charging schedule, but this process cannot be followed until the final regulations are published.

is the case, the council will follow provisions that will enable a transition into any new process for preparing charging schedules.<sup>10</sup>

## Consultation details

- 2.6 In accordance with CIL Regulation 15,<sup>11</sup> this Preliminary Draft Charging Schedule is being published for consultation from xx February to xx xxxx 2019. Consultation responses must be submitted in writing by email to [planningpolicy@eastdevon.gov.uk](mailto:planningpolicy@eastdevon.gov.uk) or by post to Planning Policy, East Devon District Council, Blackdown House, Border Road, Heathpark Industrial Estate, Honiton EX14 1EJ. Responses will usually be made public on our website, subject to redaction of some personal information and any inappropriate content. Further detail, including information on data protection, can be seen on the consultation web page: **INSERT WEB LINK**

## Background evidence

- 2.7 In setting a CIL rate, the council must strike an appropriate balance between:
- The desirability of funding from CIL (in whole or part) the estimated cost of infrastructure required to support the development of its area, taking into account other funding sources; and
  - The potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.<sup>12</sup>
- 2.8 Regarding point a), the scale, type and location of future development in East Devon is set out in the adopted East Devon Local Plan 2013 to 2031.<sup>13</sup> In addition, the emerging Cranbrook Plan outlines how this town will develop, allocating land for its future growth. The infrastructure requirements to support this development are detailed in the Infrastructure Delivery Plan (IDP),<sup>14</sup> with further, updated information in the Cranbrook Plan itself.<sup>15</sup> The IDP identifies a significant infrastructure cost of some £350m to deliver the Local Plan and emerging Cranbrook Plan, with a funding gap of £270.9m. It was previously estimated (based upon the currently adopted CIL charging schedule) that CIL would generate £30.8m

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<sup>10</sup> Draft amended CIL regulations were subject to a technical consultation from December 2018 – January 2019. Draft Regulation 16 sets out transitional provisions:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/767292/CIL\\_Amendment\\_Regulations\\_Consultation\\_Paper.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/767292/CIL_Amendment_Regulations_Consultation_Paper.pdf)

<sup>11</sup> The Community Infrastructure Levy Regulations 2010 (as amended), Regulation 15:

<https://www.legislation.gov.uk/uksi/2010/948/contents/made>

<sup>12</sup> The Community Infrastructure Levy Regulations 2010 (as amended), Regulation 14:

<https://www.legislation.gov.uk/uksi/2010/948/contents/made>

<sup>13</sup> East Devon Local Plan 2013 to 2031, adopted January 2016: <http://eastdevon.gov.uk/planning/planning-policy/local-plan-2013-2031/>

<sup>14</sup> East Devon Infrastructure Delivery Plan review (November 2017): [http://eastdevon.gov.uk/media/2270747/idp-review-2017\\_report.pdf](http://eastdevon.gov.uk/media/2270747/idp-review-2017_report.pdf)

<sup>15</sup> The infrastructure requirements for the 'publication' Cranbrook Plan are detailed in the accompanying viability study, chapter 6: **INSERT WEB LINK**

for the council to spend on infrastructure over the Local Plan period – this figure is likely to be lower in the future if, as proposed, development at Cranbrook is not charged CIL. These figures demonstrate the need to levy CIL.

- 2.9 For point b), the potential effects of CIL on the economic viability of development is considered in detail in the accompanying viability assessment.<sup>16</sup> This study assesses the viability of typical sites envisaged to come forward, considering Local Plan policy requirements and other costs (as well as providing a viability assessment of the Cranbrook Plan). This has informed a recommendation on the amount of CIL that residential and non-residential development can support, including whether there are differences in viability across East Devon or between different types of development that are sufficient to justify different CIL rates.
- 2.10 In general, the viability study recommends an increase in residential CIL rates compared to the current adopted charging schedule (as indexed), although rates are still comfortably within the viability headroom. The exception is Cranbrook, which is not able to support CIL due to the level of section 106 planning obligations and other costs associated with that development. Outside Cranbrook, the study recommends differing charging zones for general residential development at Sidmouth and Budleigh Salterton (£200 per square metre), and elsewhere (£150 per square metre). This rate reduces for strategic allocated sites, due to additional infrastructure costs provided through section 106 planning obligations. It is recommended that CIL is not charged on rural exception sites, to reduce the level of market housing that may be required to subsidise the provision of affordable housing. CIL is also not viable for sheltered housing, extra care housing and care homes.
- 2.11 For non-residential development, the evidence shows that only retail development would be viable with CIL, but at a lower rate than the current charging schedule due to a weaker retail sector than previously. It is recommended that the rate applies to all retail development within use class A and outside of town centres. As already noted, all development at Cranbrook, including retail, would not be charged CIL.
- 2.12 The viability study considers a range of other non-residential uses, noting that most share similar characteristics for the purposes of viability so are covered by the same rate. A couple of examples to highlight given the characteristics of East Devon are farm shops and holiday accommodation. Farm shops and garden centres are considered to be out of centre retail, meaning that small-scale ventures using existing buildings would not be liable for CIL, but larger complexes in new permanent buildings would pay the out of centre retail rate. The rate for holiday accommodation will depend on whether it is a standard dwelling that the purchaser intends will be used for holiday accommodation (standard residential charge), or on a holiday park which will be part of all other non-residential uses category with no CIL charge.

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<sup>16</sup> CIL Review and Cranbrook DPD viability study, Three Dragons with Ward Williams Associates, January 2019:  
[INSERT WEB LINK](#)



- 2.13 The recommendations from the viability assessment are reflected in the [preliminary draft charging schedule](#) in chapter 1.

### Instalment policy (phased payments)

- 2.14 CIL regulations<sup>17</sup> allow payment of the levy by instalments, defined from when development has commenced. This can assist the viability and delivery of development, as in most cases developments only generate value when they are complete (in whole or in phases).<sup>18</sup> Where no instalment policy is in place, the full amount of CIL is due 60 days after development has commenced.
- 2.15 The current instalment policy (known as “phased payment policy”) requires payment in five instalments, regardless of the total CIL liability,<sup>19</sup> with three instalments of 10% over the first year, 30% within 540 days, and the remaining 40% within 720 days. As there are no thresholds for the CIL liability, it means that developments with a relatively small amount of CIL to pay (e.g. for a single dwelling) are subject to the same proportions as those with a large liability (e.g. several hundred dwellings).
- 2.16 Given that small sites are generally completed (and therefore generate value) more quickly than larger sites, the council now consider it is reasonable to introduce thresholds for development, depending upon the amount of CIL to be paid (the “liability”). This would reduce administration (for the council and applicants), and also mean that the council receives CIL from the smaller schemes more quickly.
- 2.17 Therefore, a revised instalment policy is presented for consultation below (figure 2).

**Figure 2: Draft Instalment policy**

Total CIL liability	Number of instalments	Amount payable	Payment period (due from commencement)
Less than £15,000	1	100%	90 days
Between £15,000 and £75,000	2	50% 50%	90 days 180 days
Between £75,001 and £300,000	3	25% 25% 50%	90 days 180 days 360 days

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<sup>17</sup> The Community Infrastructure Levy Regulations 2010 (as amended), Regulation 69B.

<sup>18</sup> Planning Practice Guidance 25-055-20140612: <https://www.gov.uk/guidance/community-infrastructure-levy#spending-the-levy>

<sup>19</sup> East Devon CIL Phased Payment Policy, August 2016: <http://eastdevon.gov.uk/media/1879937/phased-payment-policy.pdf>

Total CIL liability	Number of instalments	Amount payable	Payment period (due from commencement)
Between £300,001 and £800,000	3	25% 25% 50%	180 days 360 days 540 days
Over £800,000	4	20% 20% 20% 40%	180 days 360 days 540 days 720 days

### Government consultation on removing regulation 123 lists and the pooling restriction

- 2.18 The current CIL regulations require charging authority's to prepare a list of those projects or types of infrastructure that it intends to fund, or may fund, through the levy (the "regulation 123 list") – anything on this list cannot be funded through section 106 contributions. However, draft regulations<sup>20</sup> remove regulation 123 lists, and instead require local authorities to prepare an annual Infrastructure Funding Statement by 31 December each year. This statement will set out how developer contributions have been spent, and anticipated revenue and spend for future years.
- 2.19 In addition, the draft regulations remove the pooling restriction that prevent local authorities from using more than five section 106 obligations for a single infrastructure project. This will allow local authorities to use both CIL and section 106 to fund the same item of infrastructure, providing greater funding flexibility in relation to infrastructure delivery.
- 2.20 The council are working on the basis that revised CIL regulations will be published in due course, which will confirm the removal of regulation 123 lists and the section 106 pooling restriction as proposed in the draft regulations. Therefore, we have not proposed a revision of the regulation 123 list for this consultation.

### Next steps

- 2.21 Following this consultation on the Preliminary Draft Charging Schedule, responses will be considered and used to inform a draft charging schedule that should be published for consultation in early summer 2019. The Draft Charging Schedule will then be submitted for Examination by an independent inspector, who will assess the schedule and accompanying evidence, before it can be adopted and brought into effect.

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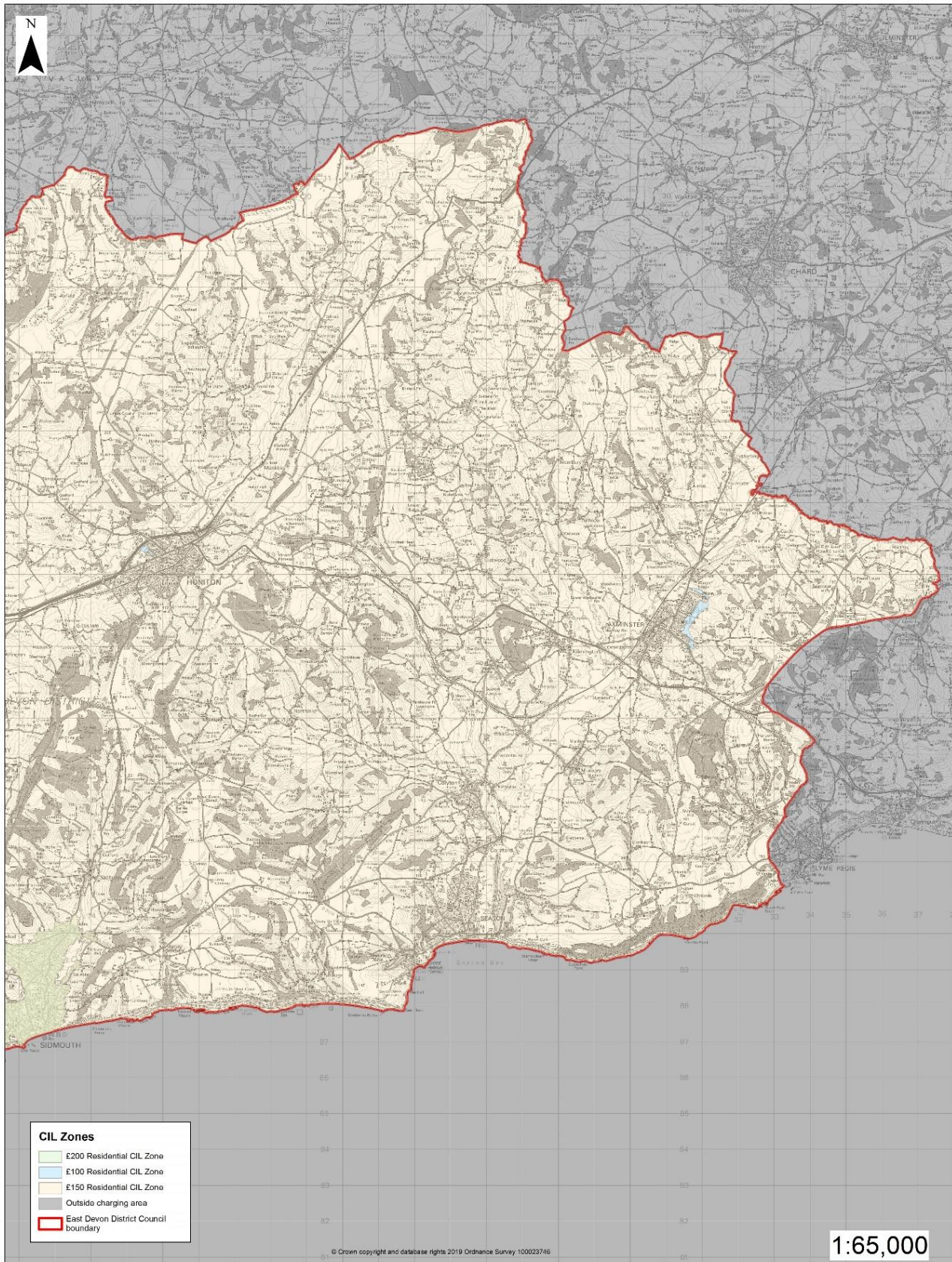
<sup>20</sup> Reforming developer contributions – technical consultation on draft regulations, Ministry of Housing, Communities and Local Government, December 2018:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/767292/CIL\\_Amendment\\_Regulations\\_Consultation\\_Paper.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/767292/CIL_Amendment_Regulations_Consultation_Paper.pdf)

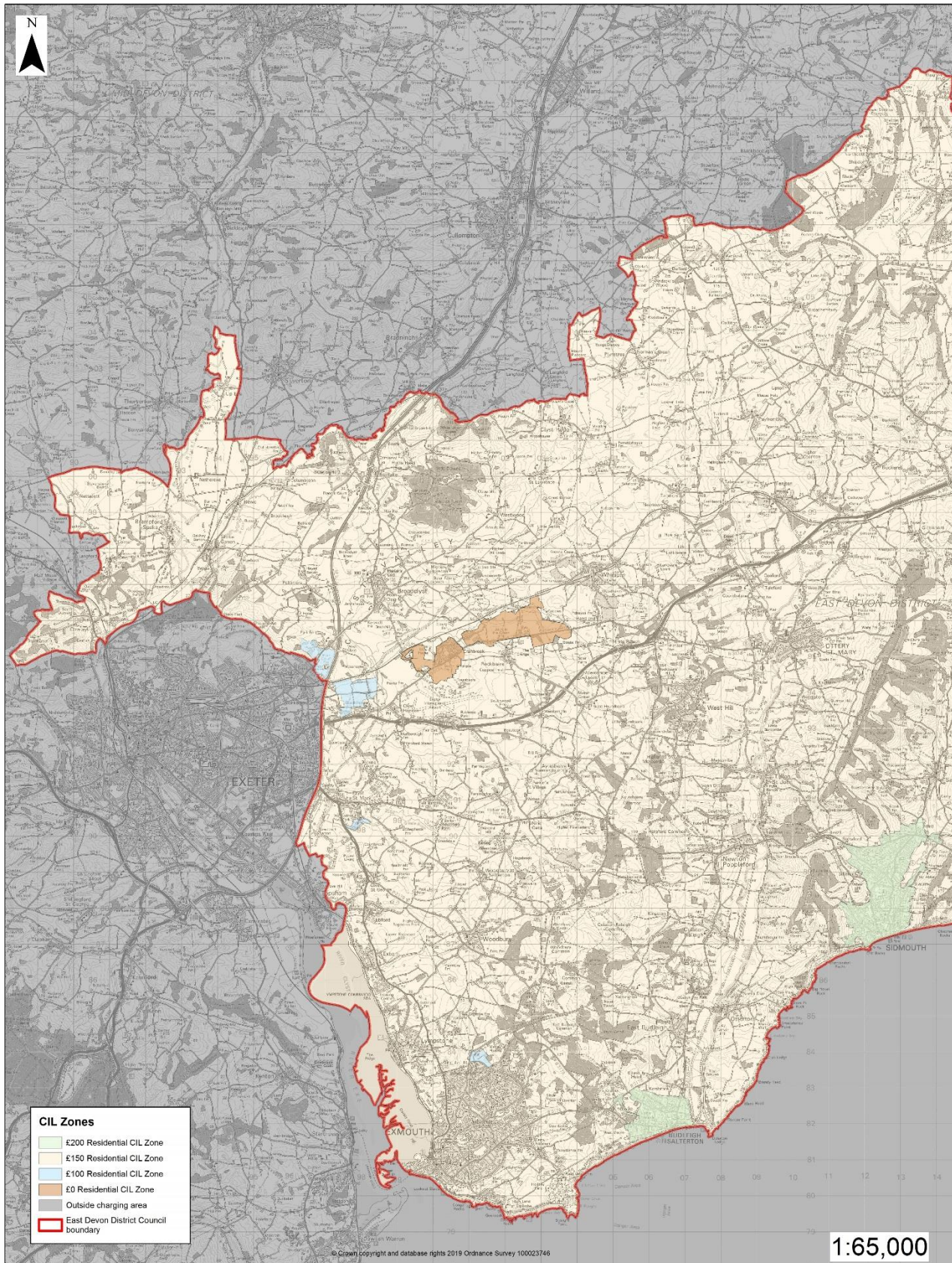
### 3 Maps of Charging Zones

3.1 The following pages show a series of maps with the CIL charging zones for residential and retail development across East Devon. The maps are ordered as follows:

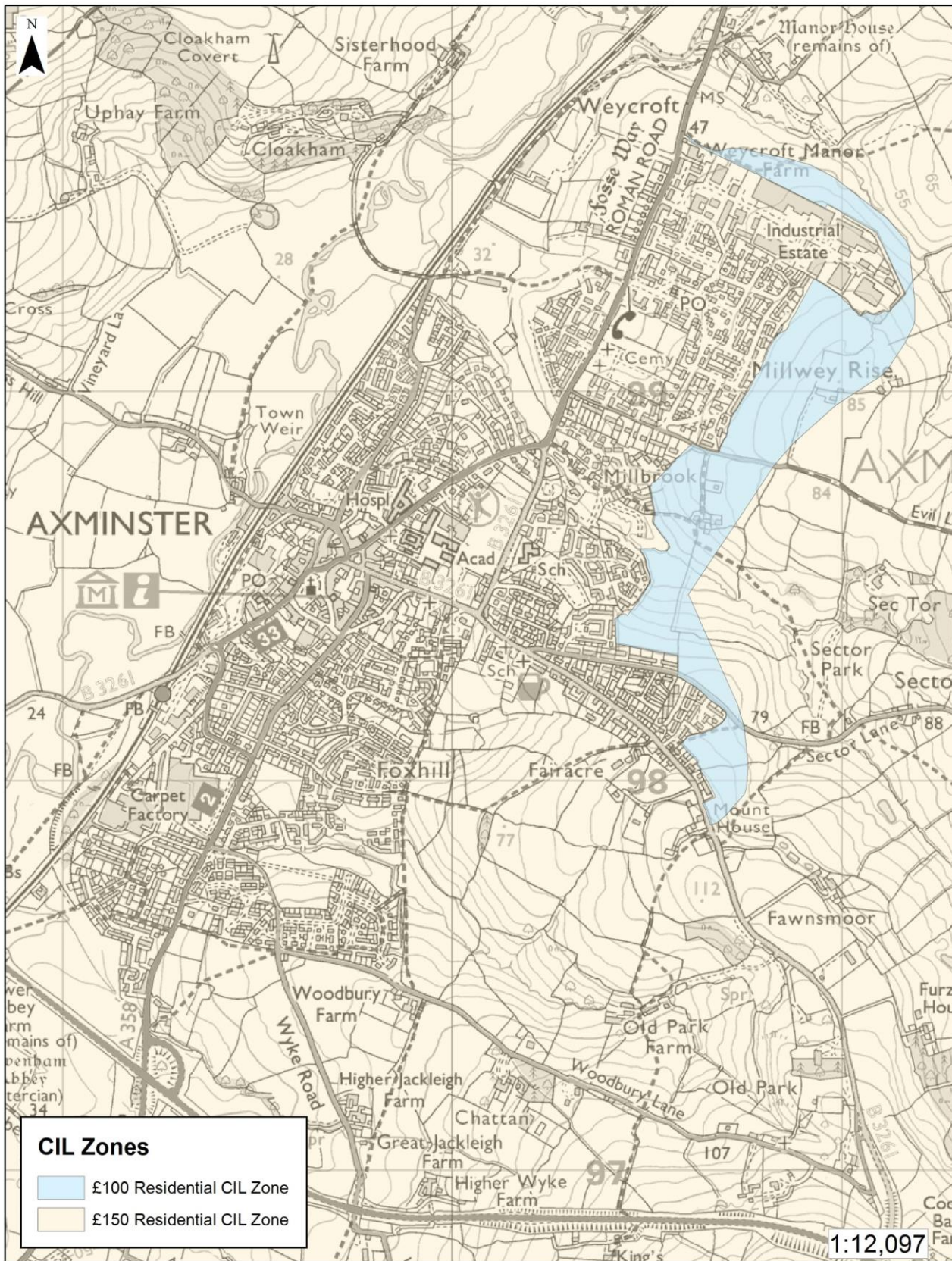
- East of District – Residential CIL charging zones
- West of District – Residential CIL charging zones
- Axminster – Residential CIL charging zones
- Budleigh Salterton – Residential CIL charging zones
- Cranbrook – Residential CIL charging zones
- Edge of Exeter – Residential CIL charging zones
- Exmouth – Residential CIL charging zones
- Honiton – Residential CIL charging zones
- Ottery St Mary – Residential CIL charging zones
- Seaton – Residential CIL charging zones
- Sidmouth – Residential CIL charging zones
- East of District – Retail CIL charging zones
- West of District – Retail CIL charging zones
- Axminster – Retail CIL charging zones
- Beer – Retail CIL charging zones
- Budleigh Salterton – Retail CIL charging zones
- Colyton – Retail CIL charging zones
- Cranbrook – Retail CIL charging zones
- Exmouth – Retail CIL charging zones
- Honiton – Retail CIL charging zones
- Ottery St Mary – Retail CIL charging zones
- Seaton – Retail CIL charging zones
- Sidmouth – Retail CIL charging zones



## East of District - Residential CIL charging zones



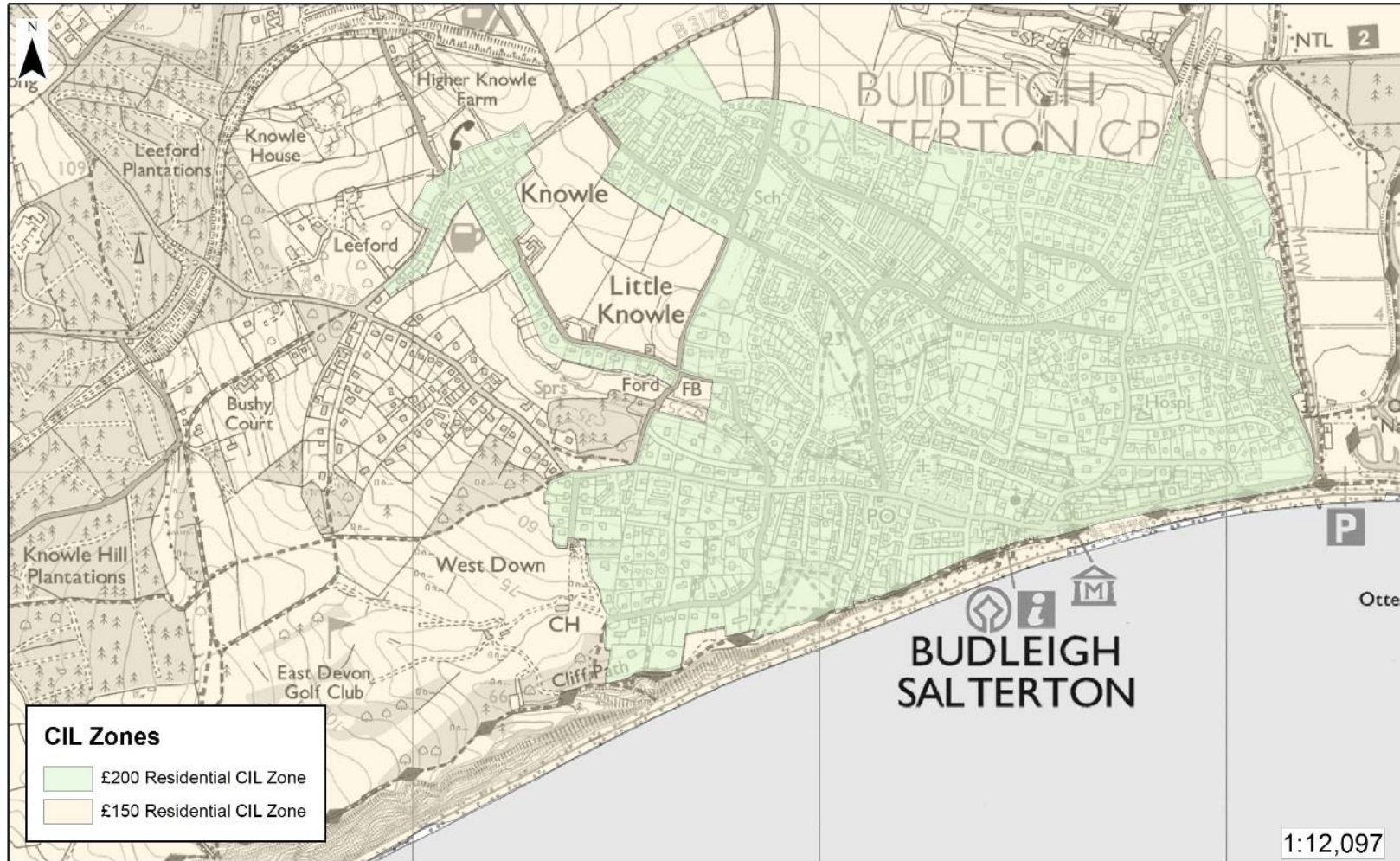
## West of District - Residential CIL charging zones



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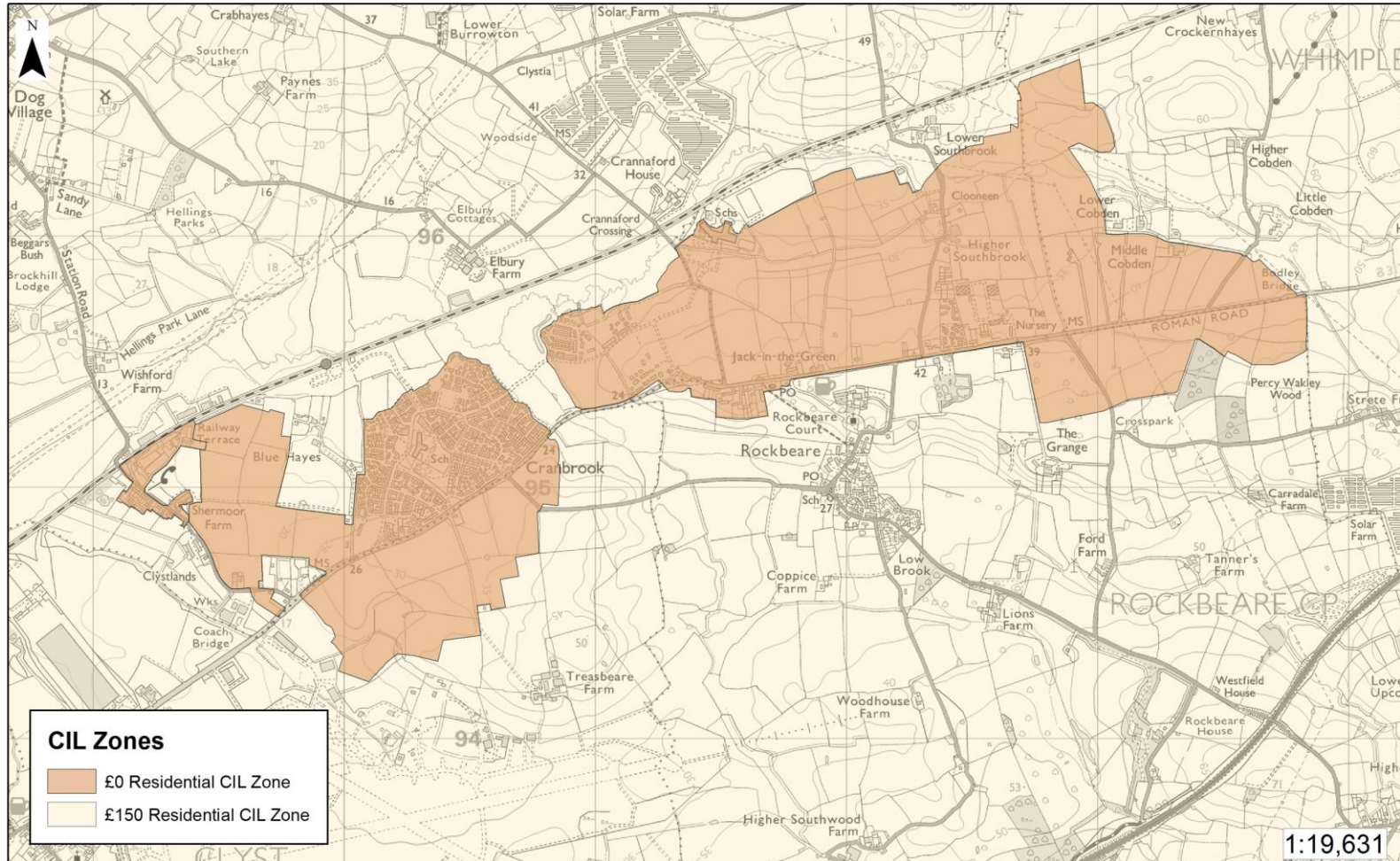
## Axminster - Residential CIL charging zones

## Budleigh Salterton - Residential CIL charging zones



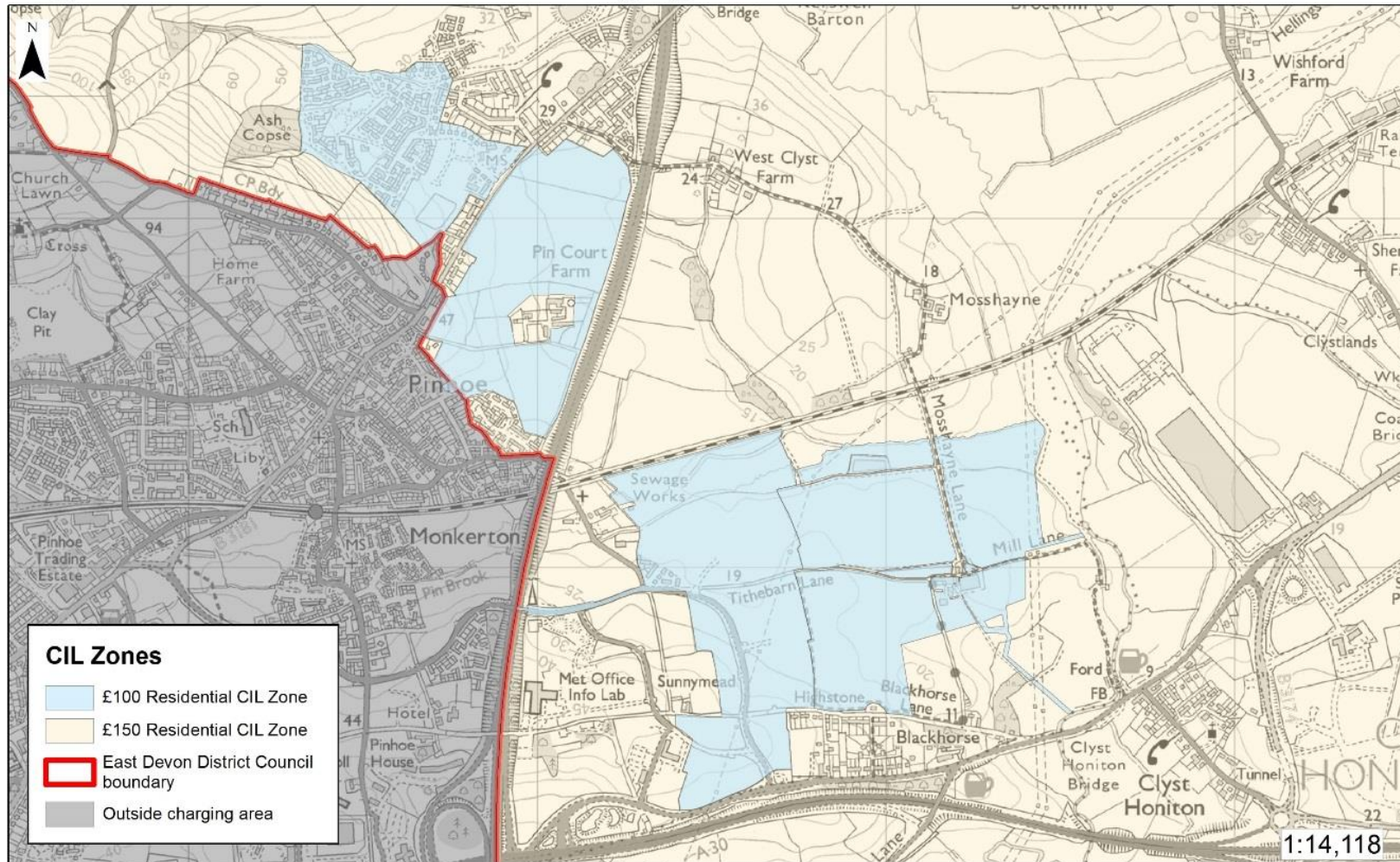
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### Cranbrook - Residential CIL charging zones





### Edge of Exeter - Residential CIL charging zones



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## Exmouth - Residential CIL charging zones

## Honiton - Residential CIL charging zones

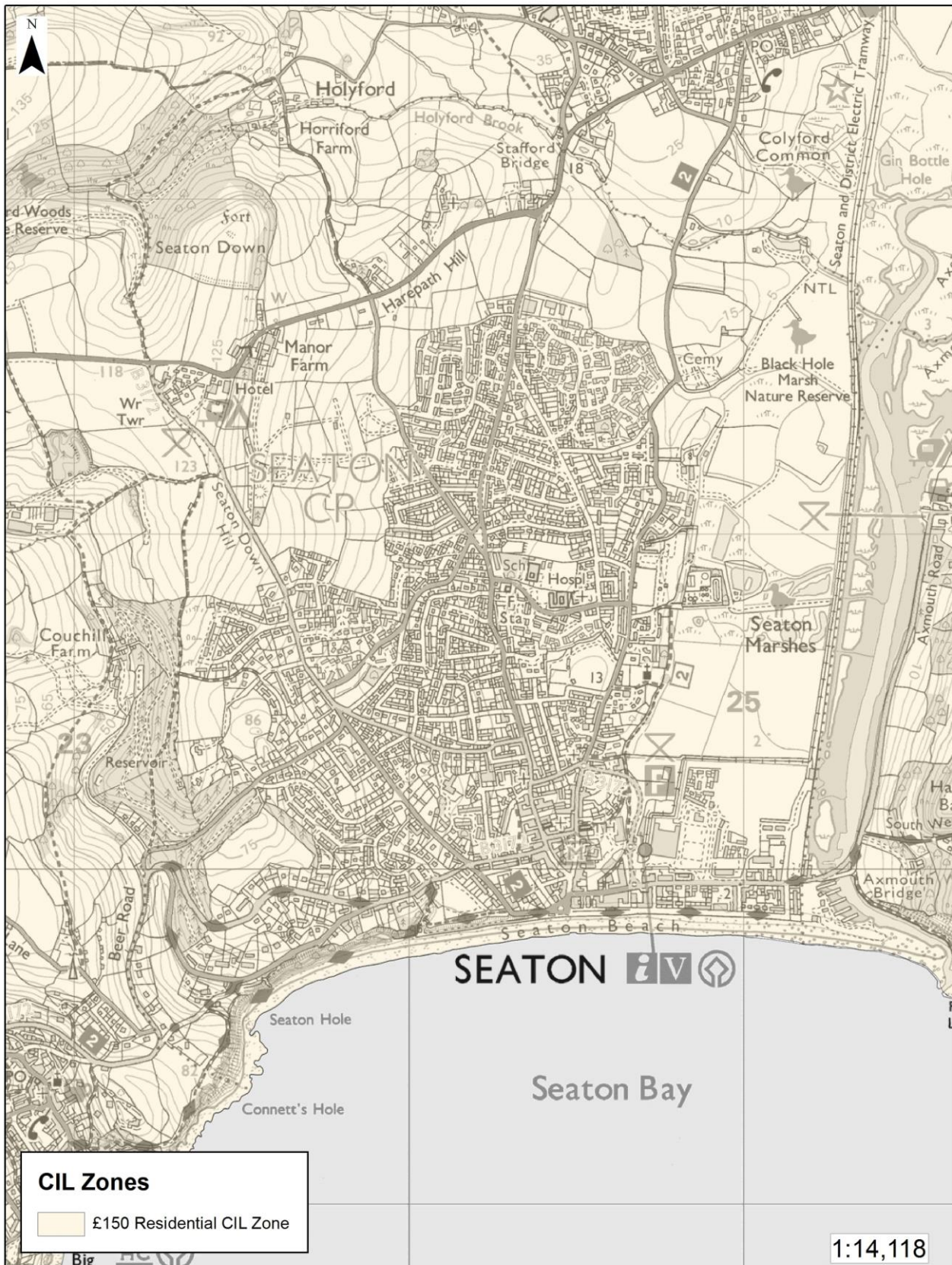


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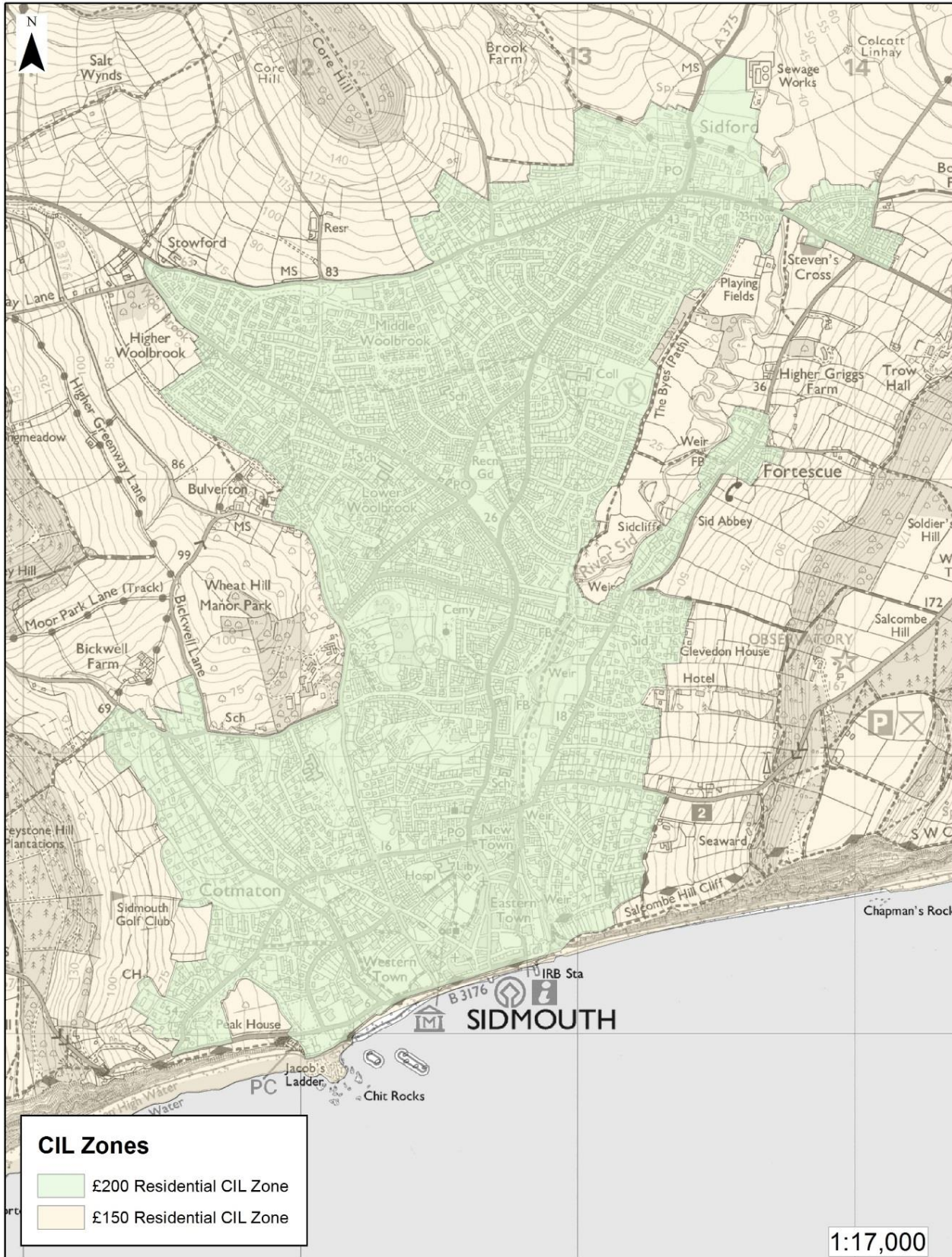
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### Ottery St Mary - Residential CIL charging zones



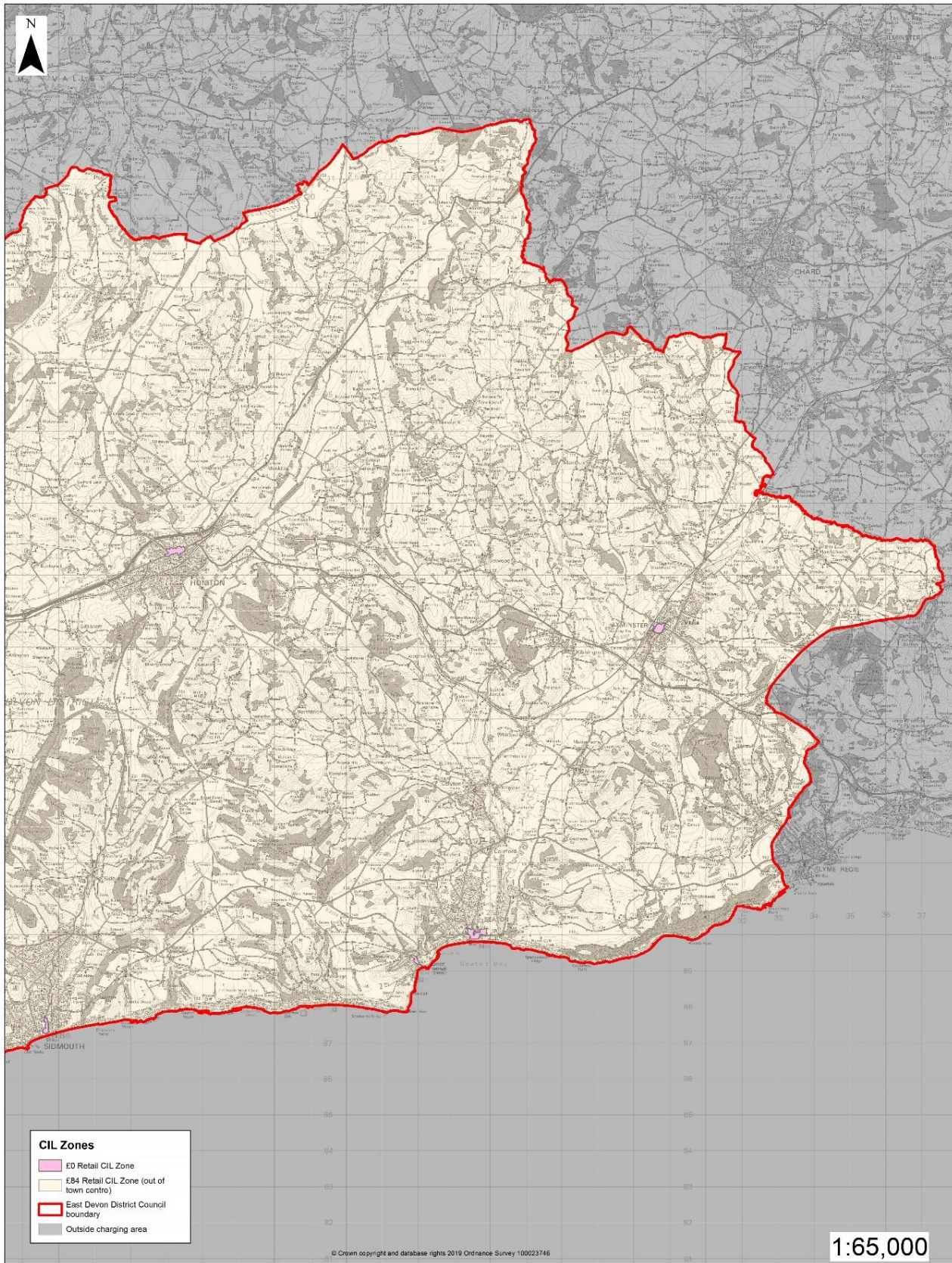
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## Seaton - Residential CIL charging zones

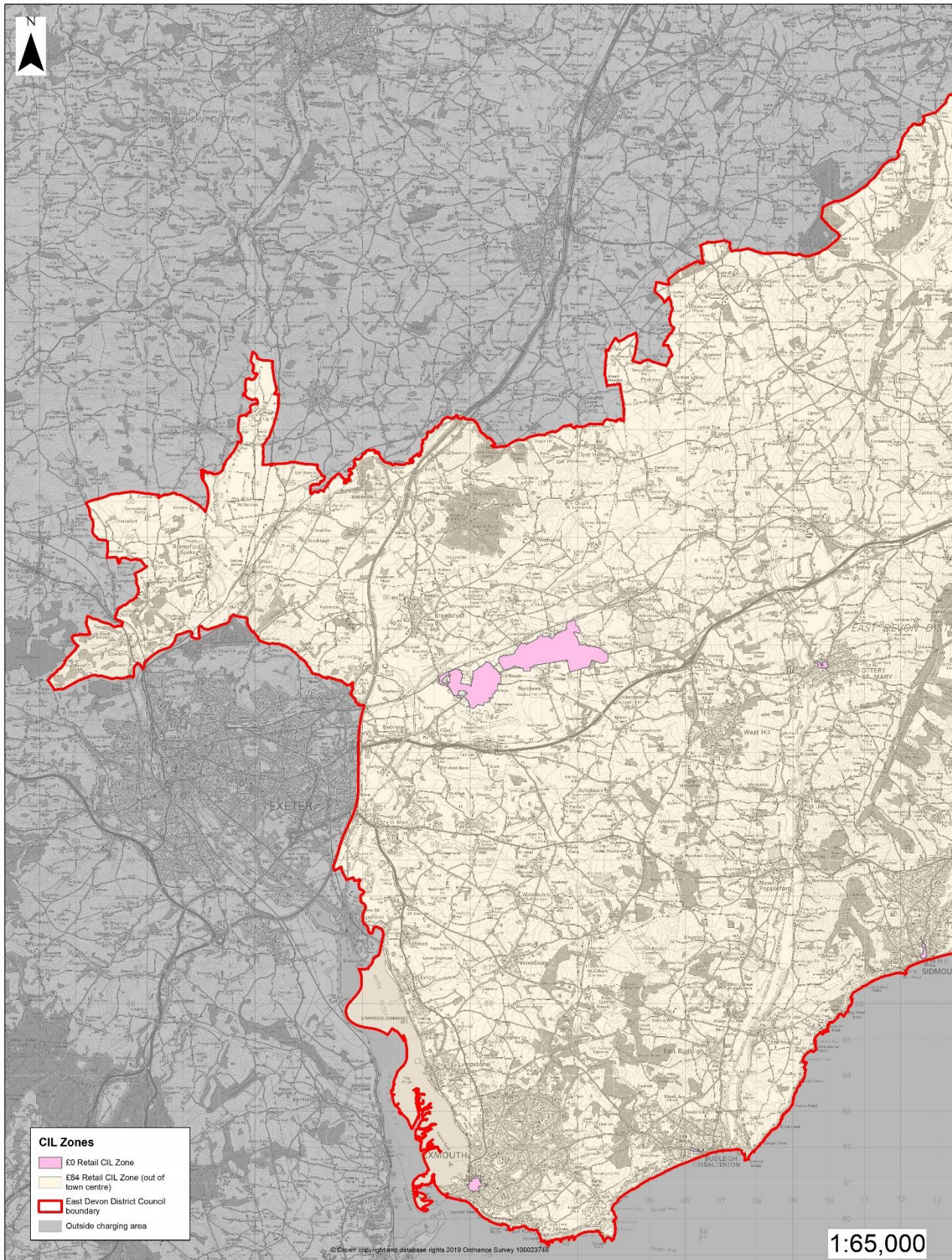


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## Sidmouth - Residential CIL charging zones



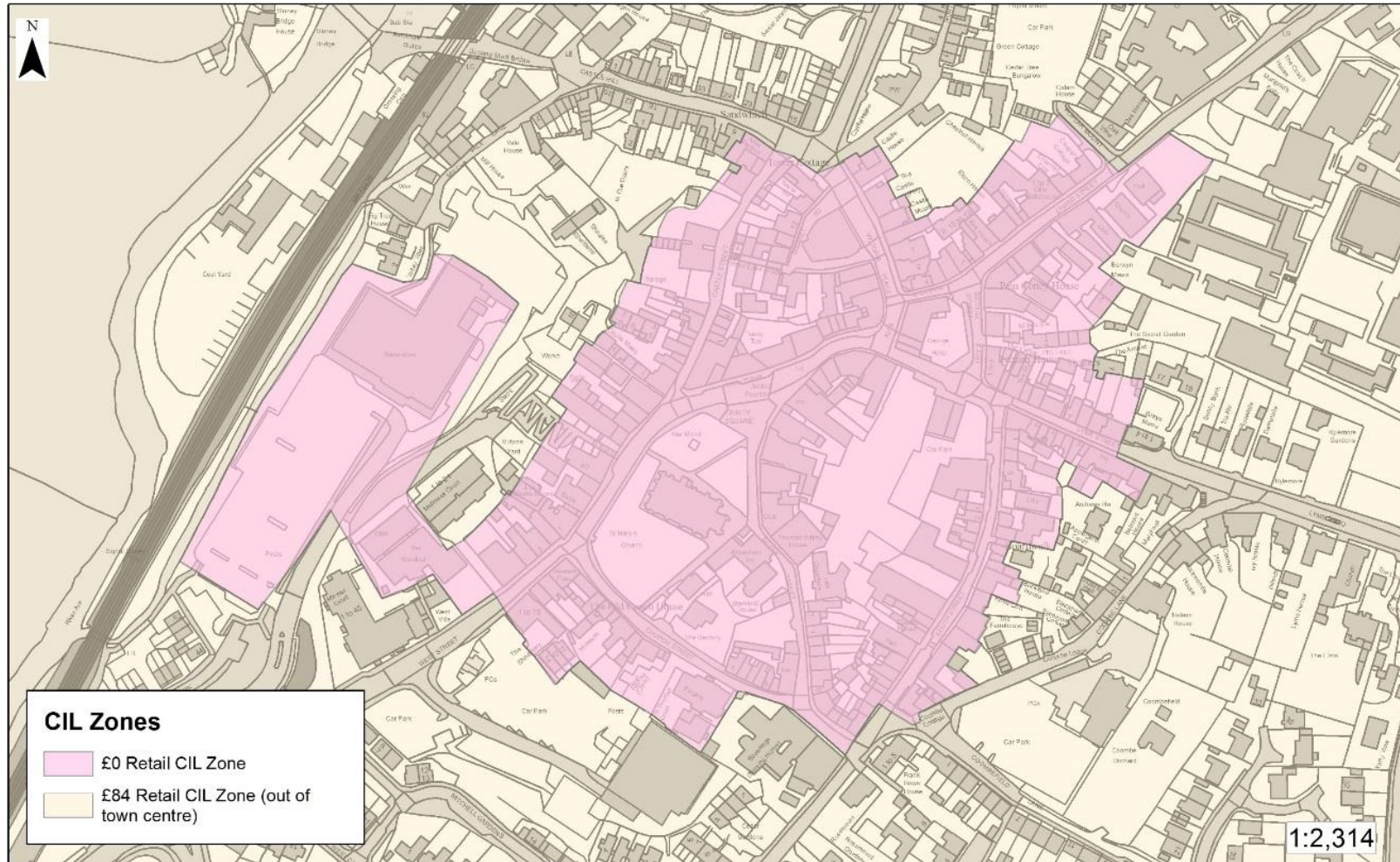
## East of District - Retail CIL charging zones



## West of District - Retail CIL charging zones



### Axminster - Retail CIL charging zones



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### Beer - Retail CIL charging zones



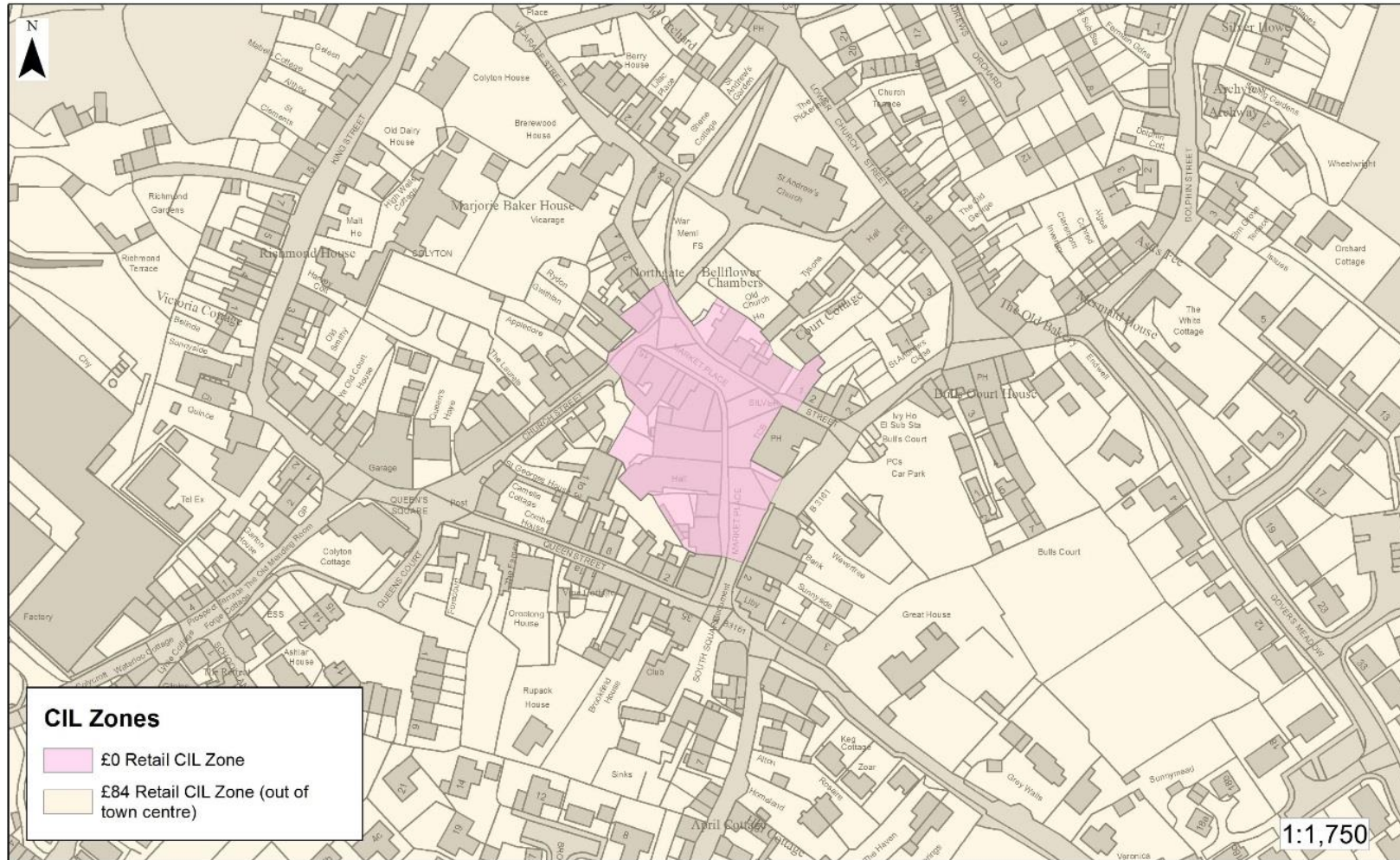
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### Budleigh Salterton - Retail CIL charging zones



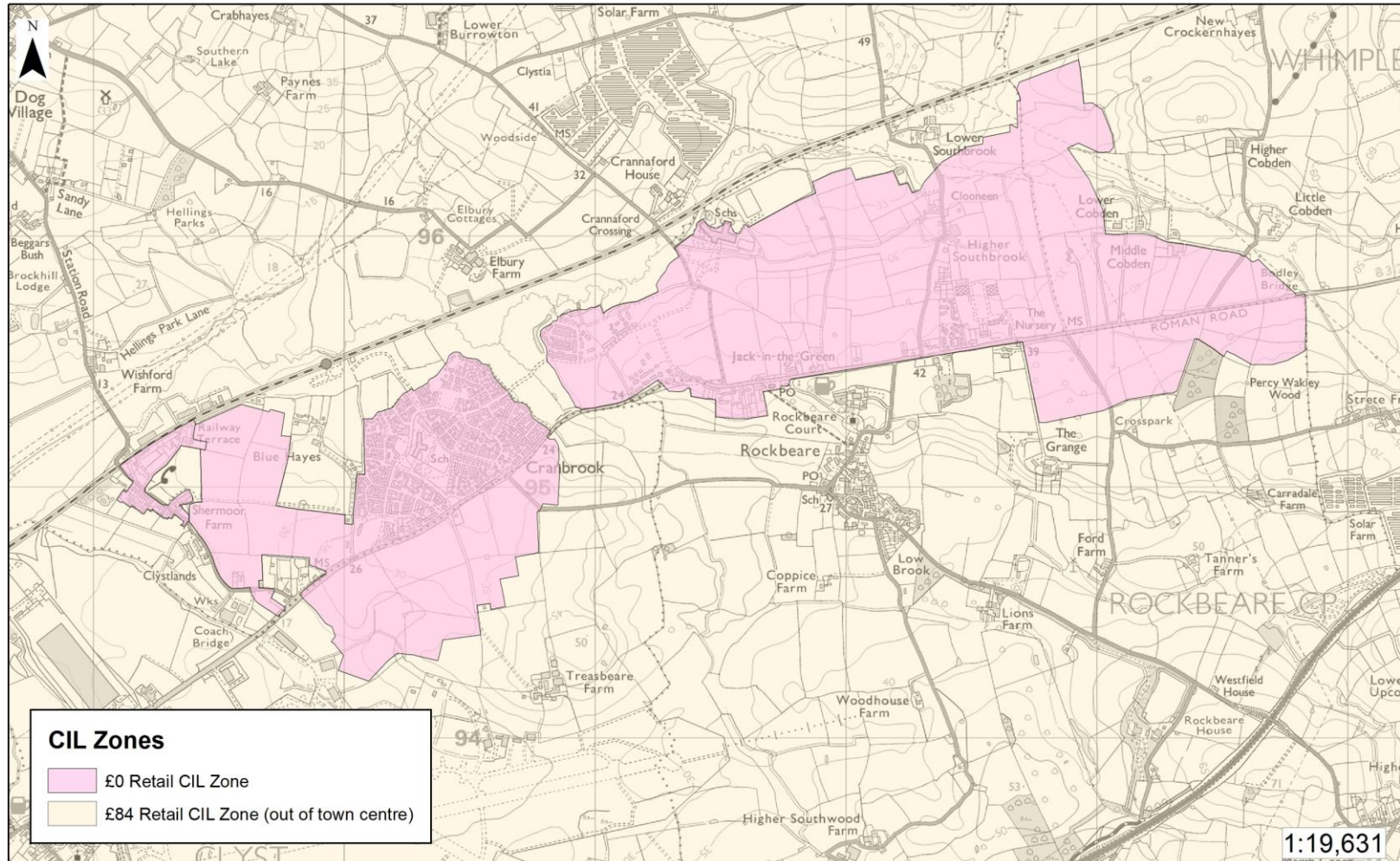
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### Colyton - Retail CIL charging zones

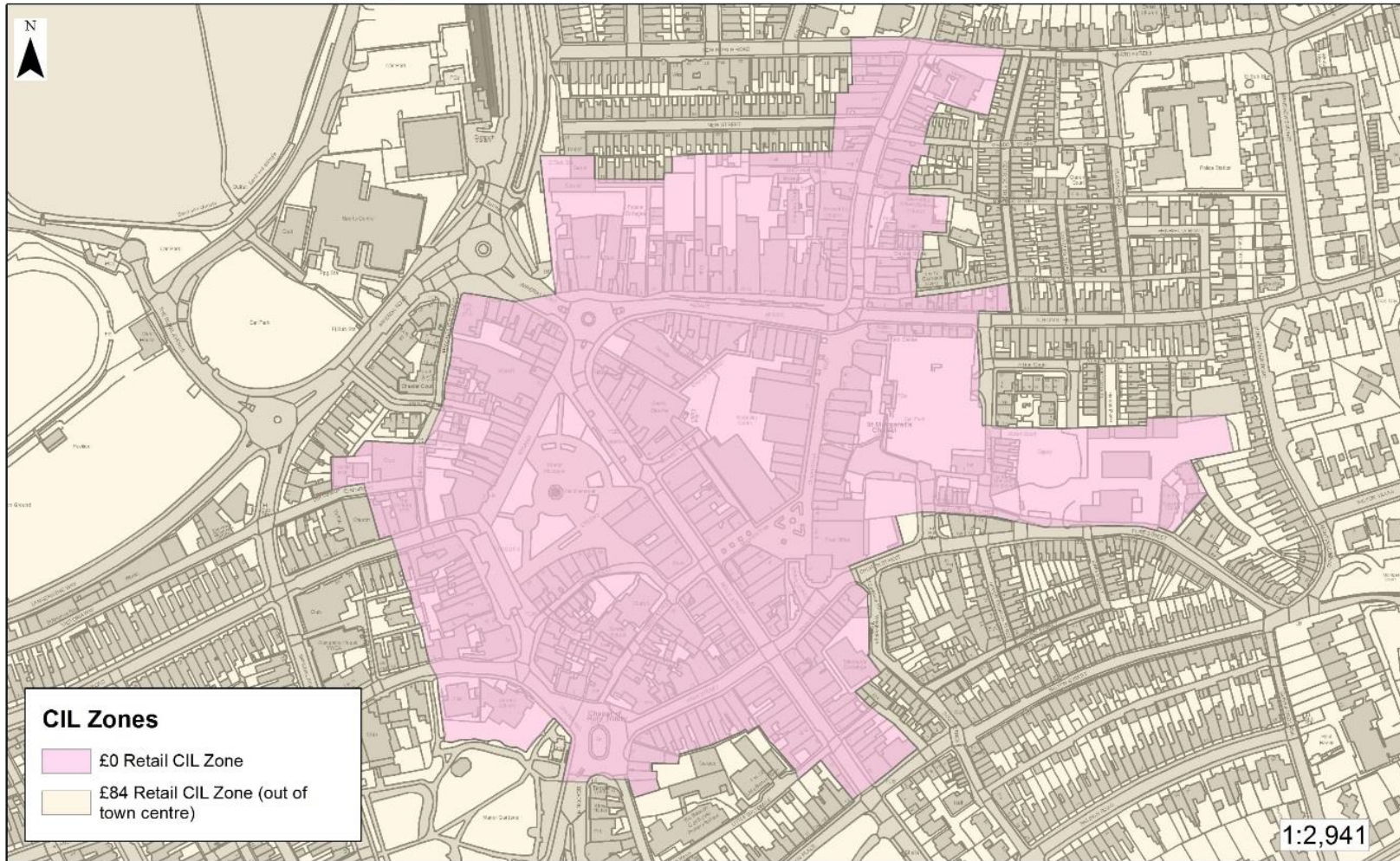


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## Cranbrook - Retail CIL charging zones

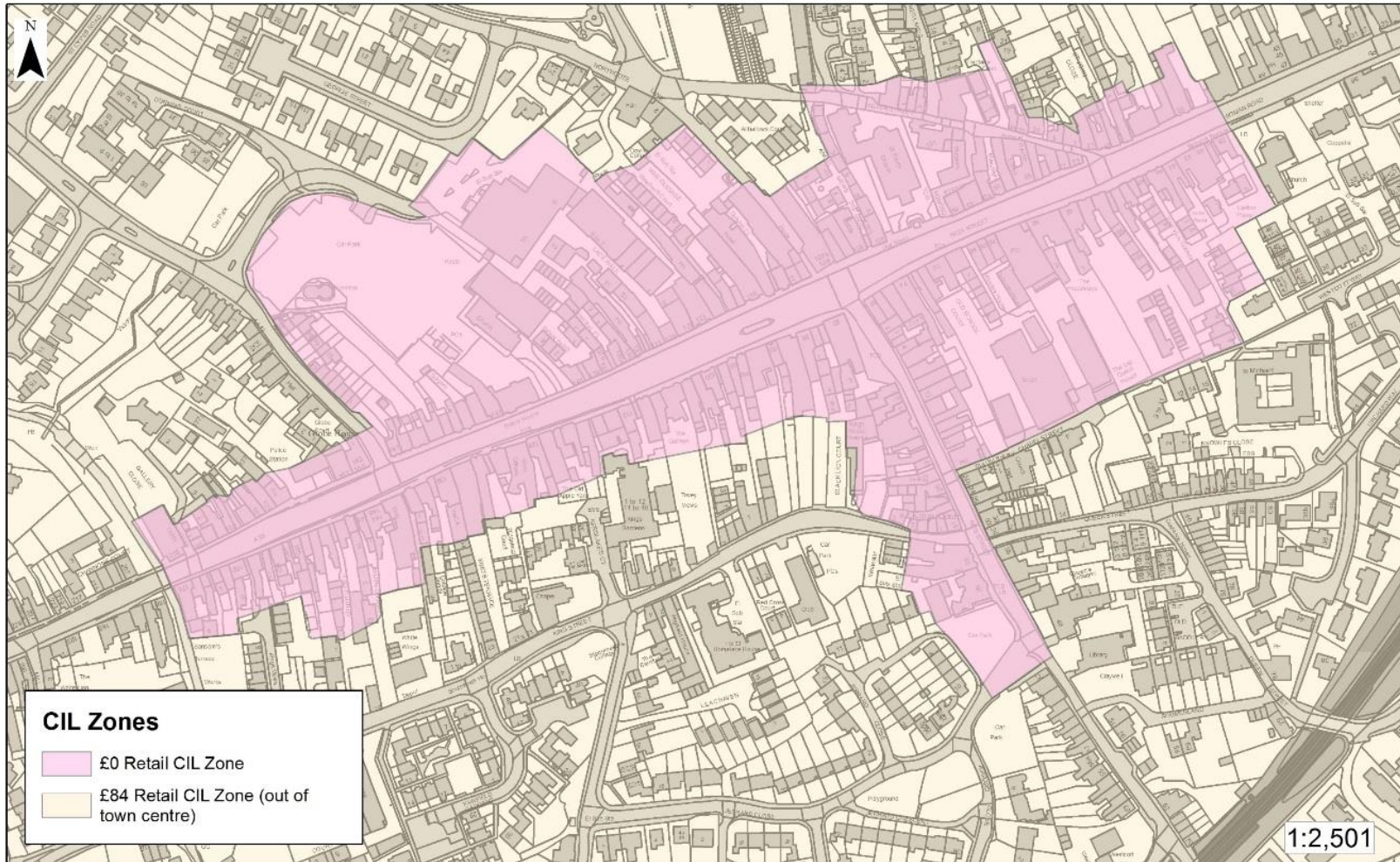


### Exmouth - Retail CIL charging zones



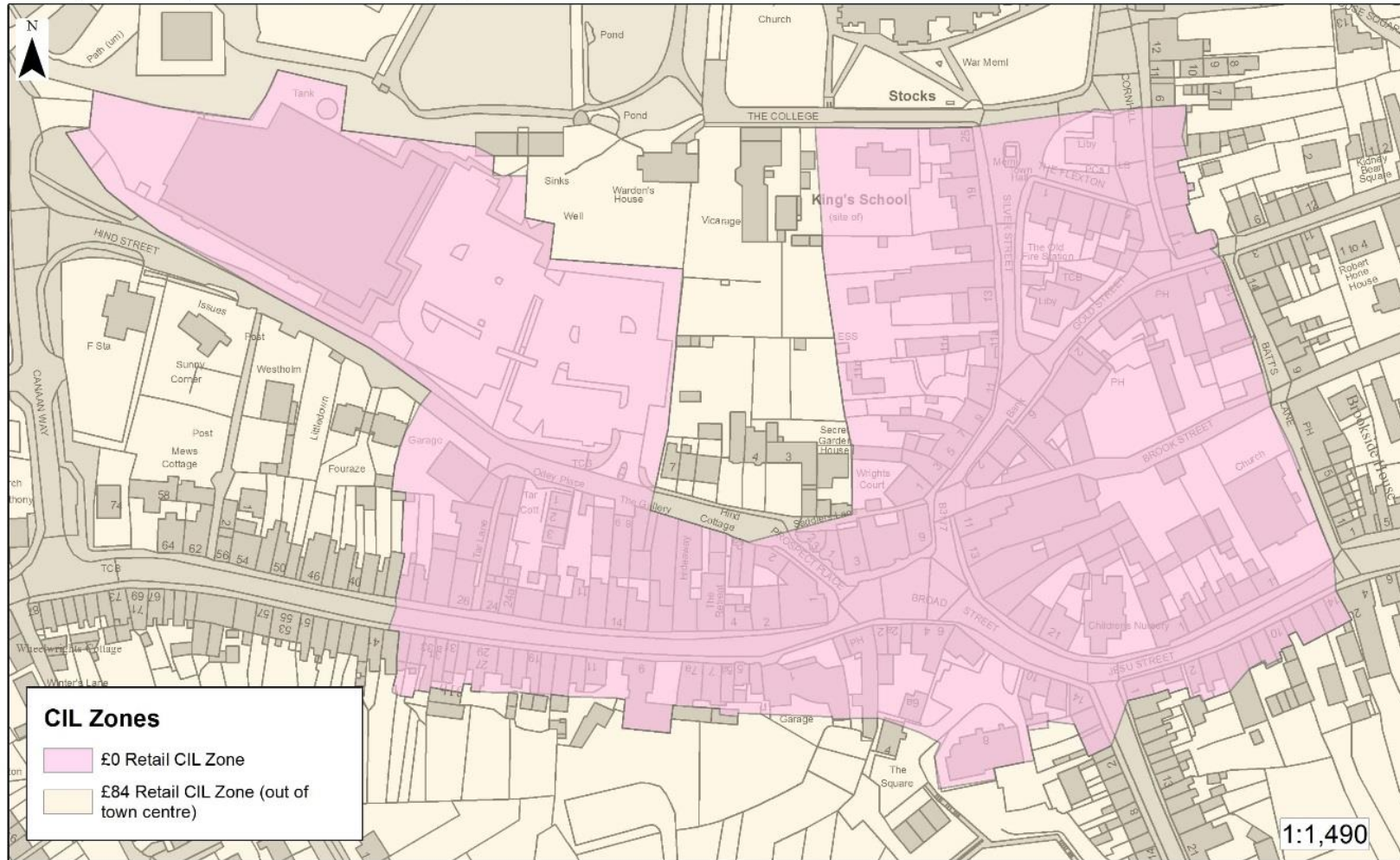
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### Honiton - Retail CIL charging zones



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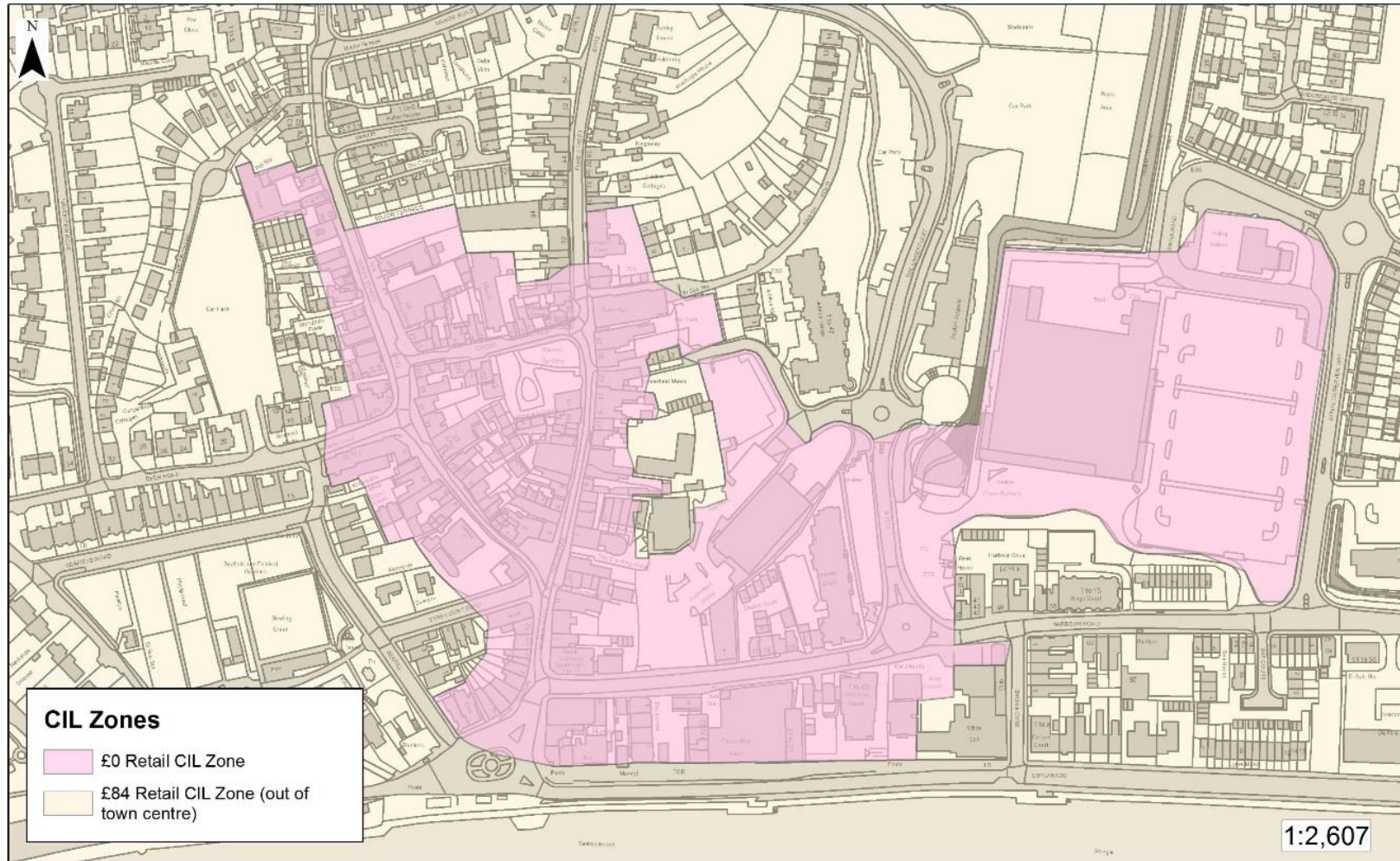
### Ottery St Mary - Retail CIL charging zones



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### Seaton - Retail CIL charging zones



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## Sidmouth - Retail CIL charging zones

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