



**Woking Borough Council
Local Development Framework**

Community Infrastructure Levy

Charging Schedule

October 2014



Produced by the Planning Policy Team.
For further information please contact:
Planning Policy, Woking Borough Council, Civic Offices, Gloucester Square,
Woking, Surrey, GU21 6YL.
Tel: 01483 743871. Email: planning.policy@woking.gov.uk

Strategic Environmental Assessment and Habitats Regulations Assessment

This document has been subject to a Strategic Environmental Assessment (SEA) and Habitats Regulations Assessment screening process¹. The Council consulted the relevant statutory environmental bodies on a draft screening report and concluded that an SEA and Appropriate Assessment under the Habitats Regulations are not required². The Community Infrastructure Levy Guidance published by the Department for Communities and Local Government in December 2012 also confirms that a Sustainability Appraisal will not be required for a CIL Charging Schedule.

¹ In accordance with Regulation 9(1) of the SEA Regulations 2004 and the Conservation of Habitats and Species Regulations 2010

² Screening report

Contents

Section 1: Introduction	4
What is the Community Infrastructure Levy?	4
How is CIL calculated and charged?	4
Section 2: Process for adopting CIL at Woking	6
Section 3: Setting the Charge	7
Infrastructure funding gap	7
Economic Viability Assessment	10
Affordable housing and Thames Basin Heath	12
How much income can be generated?	13
Section 4: Explanation of how much development will actually pay	14
Section 5: Administering the charge	15
Calculating the chargeable amount	15
Paying the charge	15
Administrative costs	16
Exemptions	16
What will CIL be spent on?	16
Use of CIL money to mitigate development impacts on SPA	17
Update on amount raised through Section 106 Agreements	18
Monitoring and review	19
Appendix A: Calculating the chargeable amount	20
Appendix B: Map illustrating the differential zones	

Section 1: Introduction

What is the Community Infrastructure Levy?

- 1.1 The Planning Act 2008 introduced the Community Infrastructure Levy (CIL) as a new mechanism to enable infrastructure requirements arising from growth to be funded through developer contributions.
- 1.2 CIL is a standardised non-negotiable local levy that is charged to new development for the purpose of helping to raise funds to deliver infrastructure that is required to support new development. The Council has chosen to adopt CIL because it provides a more consistent and transparent mechanism to secure developer contributions than Planning Obligation. It provides certainty to developers and allows scope for contributions to be pooled. It is not intended to be used to address existing deficiencies in infrastructure provision. It is important to note that Section 106 Agreements will continue to be used to secure some aspects of infrastructure provision that are specifically necessary to enable site specific requirements to be delivered and affordable housing. This is likely to apply to large scale developments.
- 1.3 The CIL Regulations require the Council to have an up to date development plan for the area before CIL can be introduced. The Council has an up to date adopted Core Strategy (October 2012). Policy CS16 (Infrastructure delivery) and section 6 (Implementation and Monitoring) of the Core Strategy emphasises the Council's commitment to introduce CIL and highlights the significant contribution that it will make to infrastructure provision in the Borough.
- 1.4 It is important that CIL is introduced by April 2015. After this date, the use of Planning Obligations will be significantly scaled back and the Council's ability to secure sufficient developer contributions on the back of Section 106 Agreements will be severely restricted. For example, pooling of contributions will be limited to no more than five developments. Consequently, securing sufficient contributions to deliver infrastructure such as Suitable Alternative Natural Greenspace (SANGs) which relies on pooling many contributions will be difficult.

How is CIL calculated and charged?

- 1.5 The regulations require two distinct aspects to be considered. Firstly, a 'charging authority' (the Local Authority) needs to demonstrate that new development necessitates the provision of new or improved infrastructure. The Core Strategy makes provision for the delivery of 4,964 new homes, 28,000 sq m of office floorspace, 93,000 sq m of retail floorspace and 20,000 sq m of warehouse floorspace. An Infrastructure Delivery Plan has been prepared to identify the necessary infrastructure to support this development. This has been costed, and other sources of funding have been identified. There is a clear funding gap that contribution from the CIL levy will contribute. Details of the funding gap are set out in the Council's Funding Gap Topic Paper (2013). The Funding Gap Topic Paper is on the Council's website (www.woking.gov.uk). Secondly, the rate of the levy should not make development proposals unviable when the burden of other requirements of the Core Strategy has been taken into account. To ensure that the charging Schedule is set at a reasonable level the Council had engaged consultants to carry out a viability assessment to ensure that an effective balance is struck between the need to provide

infrastructure to support development and the viability of development. Details of the viability assessment are set out in the Council's Community Infrastructure Levy Viability Assessment (2013). (See the Council's website for a copy of the Viability Assessment).

- 1.6 The levy is charged as pounds per square metre on the net gain of floor space³ and collected on the commencement of development. However, the Council has introduced an instalment policy as part of this document to enable CIL payment to be spread over a long period of time. .
- 1.7 CIL is to be charged on the 'gross internal floor space' of proposed development. However, some developments are exempted from CIL. This includes minor development of less than 100 sq m of net internal floorspace unless the development will comprise one or more dwellings, new affordable housing and development for charitable purposes.
- 1.8 The Council is the charging authority. However, in setting the charge, it has ensured that it is justified by robust evidence base, in particular, evidence of viability.
- 1.9 There is a direct relationship between CIL and the Woking Core Strategy. The CIL Regulations require a charging authority to have an up to date development plan for the area before CIL can be introduced. The Council now has an adopted Core Strategy, which provides a statutory policy basis for introducing CIL. The sustainable development of the requirements of the Core Strategy will depend on how well it is supported by adequate infrastructure. Contributions from CIL will contribute significantly towards this objective.

³ If a building has not been in use for a continuous period of at least six months within the period of 12 months ending on the day planning permission first permits the chargeable development will be for the gross floor space of development.

Section 2: Process for adopting CIL at Woking

2.1 Policy CS16: Infrastructure of the Core Strategy (2012) emphasises the Council's commitment to adopt CIL. The CIL Regulations sets out a prescribed process for adopting CIL. The process towards the adoption of a CIL charging schedule is set out below in Figure 1:

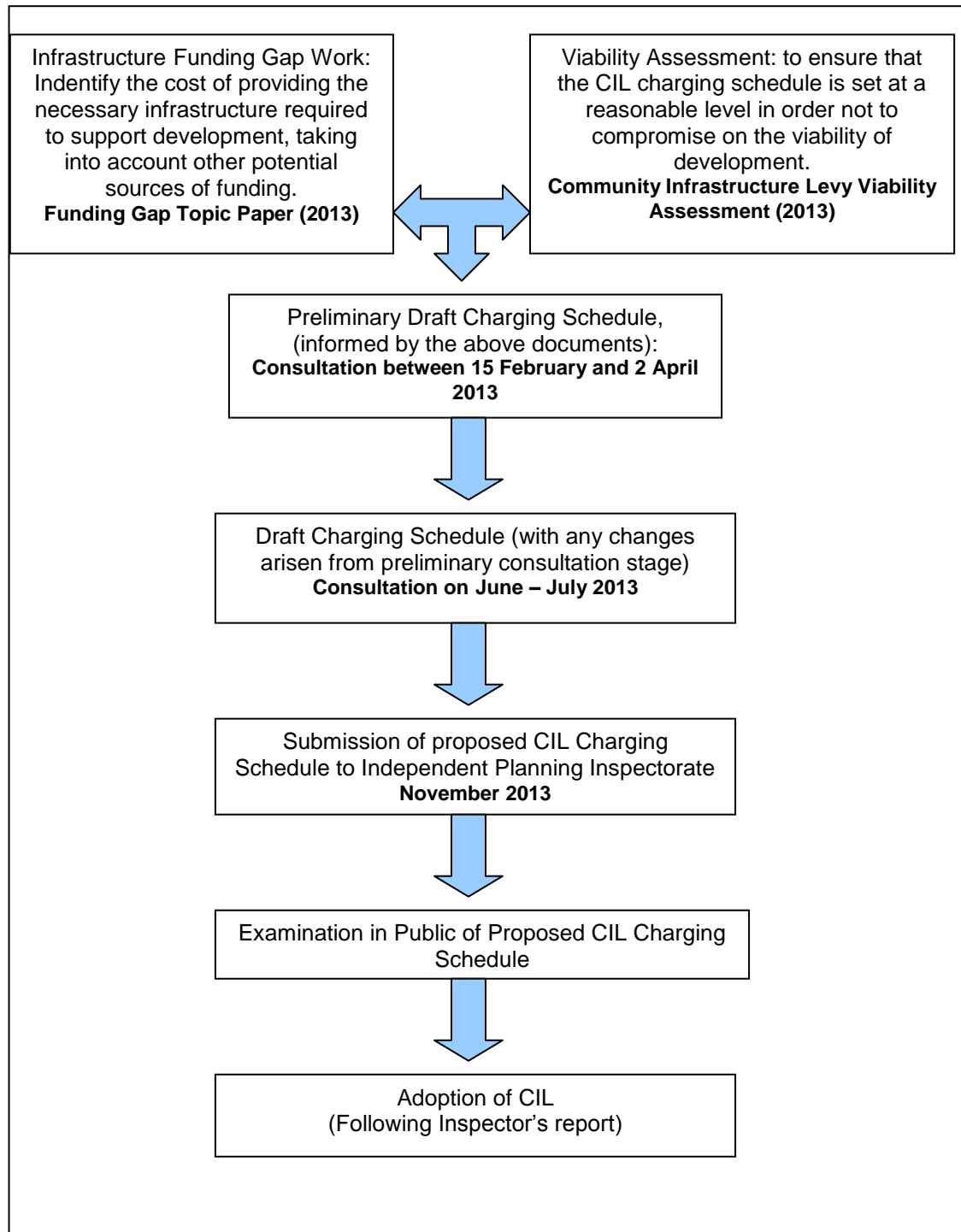


Figure 1: Process for adopting CIL

Section 3: Setting the Charge

- 3.1 The Council is committed to the comprehensive delivery of the requirements of the Core Strategy. In achieving this objective, the Council has been concerned to strike an effective and an appropriate balance between:
- The desirability of funding from CIL the actual and expected estimated total cost of infrastructure required to support development of the area; and
 - The potential effects of the imposition of CIL on the economic viability of development across the area.⁴
- 3.2 The Council therefore needs to make a reasoned judgment as to the appropriate and reasonable level at which to charge CIL. The Council's Infrastructure Delivery Plan and the viability assessment evidence base have been useful information to inform this judgment. The following section outlines how the Council had approached the setting of the CIL rate using the available evidence.

Infrastructure funding gap

- 3.3 Woking Borough and Surrey residents as a whole have one of the highest quality of life within the UK. The Borough is home to a relatively affluent, healthy population, although there are some pockets of deprivation. Woking is in a highly accessible location with good transport links to London and the wider South East of England. 60% of the Borough is covered by Green Belt. There are also sensitive sites of European designation status. The need to balance development with protection of the natural environment continues to be a critical issue. The Borough enjoys a buoyant economy which has led to a growing demand for new homes and jobs to meet the needs of the community. To ensure the sustainable development of this growth, most of the development will be directed to the Town, District and Local centres to maximise the efficient uses of existing facilities and services and to minimise the need to travel. The Borough's status as an area of economic growth combined with its natural population growth means that some of the Borough's infrastructure is at capacity and any further growth will either require new infrastructure or improvements to existing facilities.
- 3.4 The Core Strategy makes provision for the delivery of 4,964 net additional homes, 93,000 sq m of retail floorspace, 20,000 sq m of warehouse floorspace and 28,000 sq m of office floorspace to meet the needs of the community between 2010 and 2027. The delivery of these proposals will have to be supported by adequate infrastructure. Part of the evidence base to support the Core Strategy (2012) included the preparation of an Infrastructure Delivery Plan (IDP). The IDP sets out what new infrastructure is required to meet the levels of growth proposed in the Core Strategy, including details of where and when the infrastructure will be provided, who it will be provided by and how it will be funded. To set the Charging Schedule, it is a key requirement to establish the total cost of the infrastructure required to support the proposed development, identify other sources of funding and determine the funding gap that CIL will contribute. As part of the funding gap work required to inform the CIL Charge Schedule, the Council used and updated the IDP to highlight the key areas of infrastructure required to support development over the next 10 years. **Full**

⁴ Regulation 14, the CIL Regulations 2010.

details of how the funding gap has been derived are set out in the Council's Infrastructure Funding Gap Topic Paper (2013). This is on the Council's website www.woking.gov.uk

- 3.5 The funding gap work had focused on the following key infrastructure needed to meet the demands of the growing population. It should be clearly emphasised that there are other types of infrastructure that are also essential which the Council will be working with other infrastructure providers to deliver to support development. This includes drainage, flood alleviation, health, community facilities and indoor sports. At this stage, there is limited information to quantify the total cost of providing these types of infrastructure. However, the unavailability of this information will not have any impact on the Charging Schedule as total cost of the identified infrastructure is significantly more than what can realistically be secured by CIL based on evidence of viability.

Education: Based on projected future housing growth Surrey County Council (SCC) have identified a need for 19 primary school classrooms and 13 secondary school classrooms and ancillary spaces over the next ten years, as well as Early Years places.

Transport and highways: Studies undertaken for the preparation of the Core Strategy shows that there will be an increase in traffic as a result of new development highlighting a number of hotspots where congestion will occur. Road improvements will be required across the borough, particularly schemes within or adjacent to Woking Town Centre in order to mitigate against the impact of future development. Improvement to cycle and pedestrian infrastructure will also be needed to offer a real choice in the mode of travel.

Leisure and recreation: The Core Strategy requires a minimum average housing requirement of 292 dwellings per year, with the emphasis on the overall need for family housing. This will inherently result in a growing demand for formal play space, leisure facilities and sports pitches across the Borough. This will require both new facilities and works to increase the capacity at existing facilities.

Suitable Accessible Natural Greenspace (SANG): The Council is required to mitigate the impacts of all development within 5 km of the Thames Basin Heaths Special Protection Area (SPA) by providing and maintaining areas of Suitable Accessible Natural Greenspace (SANGs). To mitigate expected levels of development within 5 km of the SPA requires the provision of 31.34 ha (for the next 10 years) and 39.40 (15 years) ha of SANG.

- 3.6 The approximate total cost of providing the above infrastructure to address the impacts of the Core Strategy's proposed development over 10 years is set out in Table 1 below. The Table also highlights the total amount that could be secured from other sources and the funding gap that will be left for CIL to contribute. The funding gap highlighted will need to be met through a combination of funding streams one of which will be CIL.

Table 1: Summary of Infrastructure Requirements

Infrastructure	Infrastructure required	Total funding required	Existing from other sources	Funding gap
Thames Basin Heaths	Future Improvements to green areas to deliver SANG for future growth (excluding existing Planning permission)	£5,492,090	£0	£5,492,090
Transport	New roads, improved junctions, crossings, cycle improvements	£23,050,000 - £34,050,000 (Average £28,550,000)	£3,200,000	£19,850,000 - £30,850,000 (Average £25,350,000) – (£100,000) £25,250,000
Education	19 primary school classrooms and ancillary spaces. 13 secondary school classrooms and ancillary spaces Early year provision	£16,088,227	£0	£16,088,227
Open Space	Outdoor Sports	£5,474,000	£0	£5,474,000
	Allotments	£266,304	£115,000	£151,304
	Child Play Space and Teenage Play Space	£1,120,000	£0	£1,120,000
Total		£56,990,621	£3,315,000	£53,575,621

3.7 CIL is not intended to replace main stream funding from public sector sources. CIL will be used to reduce the gap between the cost of providing the required infrastructure to support a growing population and the amount of money available from other mainstream sources such as from central government and the local authority's own capital receipts. The Council will also in consultation with partners and the community seek to prioritise the delivery of infrastructure, ensuring that essential infrastructure⁵ is delivered in the first instance. Furthermore, it will seek to always maximise the efficient use of limited resources.

3.8 The principle sources of funding for local services come from central government, in the form of revenue and capital grants, and from local council

⁵ Essential infrastructure is defined as infrastructure without which development would not take place. The only essential infrastructure for the Borough of Woking is the mitigation required to protect the Thames Basin Heaths SPA

tax. In establishing the funding gap, the Council has, where possible identified alternative sources of funding, including:

- Long term strategic delivery plans, such as the Local Transport Plan;
- Financial forward plans of delivery agencies;
- Specific evidence provided by delivery agencies, such as Surrey County Council on spending plans; and
- Outstanding S106 contributions from new permissions from 2010/11.

3.9 Alongside the above sources, funding can also be released from the sale of capital assets, from interest on savings/ investments and from one off grants for specific projects, such as the funding from the Local Sustainable Transport Fund for the Sheerwater Access Improvement. Where these sources are insufficient to deliver the required infrastructure to provide statutory services public sector service providers will need to finance projects through alternative means. For example, to deliver improvements to education infrastructure highlighted above will require the County Council to look to alternative funding sources to deliver these improvements, as existing budgets and government grants are insufficient.

3.10 As well as taking into account the above sources of funding the Council has also factored in the existing S106 monies identified towards certain pieces of infrastructure, for example £2.1 million attributed to funding improvements to Victoria Arch.

3.11 The gap between the need for new infrastructure and currently identified funding sources is significant. This provides clear justification for setting a CIL charge to help fund new infrastructure to support new development in the Borough.

Economic Viability Assessment

3.12 The CIL Regulations, the National Planning Policy Framework (NPPF) and the Core Strategy all emphasises the need to ensure that development is viable. In particular, investment in business should not be over burdened by the combined requirements of planning policy expectations such as the provision of affordable housing and carbon reduction. Consequently, the Council had commissioned consultants to carry out a viability assessment to ensure that the Charging Schedule is set at a reasonable level in order not to compromise the viability of development. It takes into account the requirements of the Core Strategy. The viability assessment was completed in early 2013 and also takes into account current market conditions. It is up to date to provide a robust evidence base to justify the Charging Schedule. The viability assessment is published on the Council's website. The consultants have recommended the following broad parameters for the various types of development that are likely to come forward during the period of the Core Strategy.

Table 2: Range of Charging Schedule

Types of development	Range of Charging Schedule
Residential	£0 to 150/sq m
Retail	Up to £125/sq m for large format retail

	and no more than £50 - £75/sq m for small convenience retail.
Offices	Nil
Other non residential uses	Nil

- 3.13 Because of the varying characteristics of the Borough, a differential rate for residential development is set for various parts of the Borough. In setting the differential rates, the overriding principle has been to ensure simplicity of application but without undermining the Council's ability to maximise CIL income that can be justified by viability. Based on this principle a differential rate has been set for residential development in the Town Centre, Sheerwater and Maybury and for the rest of the Borough. The Council believes that the differential rates would complement the overall spatial strategy of the Core Strategy, which seeks to concentrate most new development at the Town, District and Local Centres and the Priority Places.
- 3.14 The Council also sets a single flat rate for retail development because it is highly unlikely that there will be a significant number of proposals for superstores outside the Town Centre in the next coming years.
- 3.15 **Other development** - A range of other development types has been assessed including hotels, leisure uses and residential care homes. Such developments operate in specialist markets. The consultants recommend that there should be a nil charge for these uses as any charge will make their development unviable.
- 3.16 Where development is for the purposes of delivering a public service there is considered to be no economic gain to be had from such development and are usually unviable to built, let alone charge a CIL rate. The consultants recommend a nil rate for these types of development.
- 3.17 Other specific uses such as cafes, restaurants and public houses have not been expressly appraised but are considered to be captured by appraisals covering other broader use categories. This is because these uses will typically be located within Town/District/Local centres and as such compete for the same premises as other retail uses; thus experiencing the same viability. In most cases, they will reuse existing premises without an increase in floor space, and therefore not attract CIL. The consultants recommend a nil rate for these types of uses.
- 3.18 Furthermore, the consultants recommend a standard base charge of £0/sq m for development such as new schools, hospital extensions, and community facilities which generate no profit.
- 3.19 Based on the above broad parameters, the following specific charging rates for the Charging Schedule has been set (see Table 3).

Table 3: Charging Schedule

Type of development	Charging Schedule
Residential (Town centre, Sheerwater and Maybury)	£75/sq m
Residential (rest of the Borough)	£125/sq m
Retail (all types)	£75/sq m
All other commercial and non	Nil (£0/sq m)

residential uses	
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For the purposes of the Charging Schedule ‘residential’ means:

Use as a dwellinghouse (whether or not a main residence) by:

- (a) A single person or by people to be regarded as forming a single household;*
- (b) Not more than six residents living together as a single household where care is provided for residents; or*
- (c) Not more than six residents living together as a single household where no care is provided to residents (other than use within Class 4)*

Use of a dwelling house by 3 – 6 residents as a ‘house in multiple occupation’

3.20 The Council believes that the Charging Schedule is reasonable, easy to understand and apply and more fundamentally, will not undermine the viability of development. Furthermore, it takes into account other requirements of the Core Strategy such as affordable housing provision and the need to meet the code for sustainable construction of development. A Map illustrating where the differential rates will apply is included in Appendix B.

Affordable housing and Thames Basin Heaths

3.21 One of the key priorities of the Council is the provision of affordable housing. Whilst affordable housing is not covered under CIL, its provision would have implications on development viability. The Council is therefore concerned to ensure that the CIL Charging Schedule will not be set at a rate that would undermine the delivery of affordable housing.

3.22 In setting the Charging Schedule the Council has taken into account the need to ensure that the provision of affordable housing is not compromised. Policy CS12 of the Core Strategy requires that all residential development involving a net gain of units should provide affordable housing on site, or a contribution to support the delivery of affordable housing off site. Given that CIL is a non-negotiable charge there are concerns that a high level of CIL rate could lead to an increase in negotiations on affordable housing contributions, with the result being a reduction in the level of affordable housing provided. The Council had been cautious to ensure that there is robust viability assessment to enable the Charging Schedule to be set at a reasonable level without compromising development viability.

3.23 Another key consideration for the Council is the requirement to protect the Thames Basin Heaths Special Protection Area (SPA) from the impact of development. Residential development within 5 km of the SPA is required to contribute towards effective mitigation of the potential impacts of new development on the SPA. The entire Woking Borough falls within this radius. Without effective mitigation residential development in the Borough will be resisted.

3.24 All net additional dwellings must avoid impact to the SPA irrespective of whether they are market or affordable dwellings. The CIL Regulations however, exempt affordable housing from CIL charges. Straight change of use planning applications to residential also does not trigger CIL payments. Therefore, in order to ensure that the Borough Council complies with its legal duties to protect the SPA and comply with the Habitat Regulations, CIL tariffs have been

adjusted accordingly such that chargeable residential development absorbs the shortfall in contributions from affordable units, as well as straight change of use applications.

3.25 In setting CIL Charging Schedule a charging authority must consider all of the impacts resulting from the level of CIL rates that it sets. A charge that pushes the limits of viability has the potential to risk the level of future development in the Borough. It would also risk the amount of affordable housing that could be delivered. On the other hand, whilst setting a low charge would increase development viability it limits the Council's ability to ensure that SANG land is delivered and also reduces the amount of funding available to deliver other infrastructure improvements. A delicate balance will have to be struck between the two objectives.

How much income can be generated?

3.26 To estimate the amount of income that CIL would generate, the Council had quantified in square meters the amount of chargeable development that is likely to occur in the next ten years. The Charging Schedule is applied to the chargeable development to derive the income that will be generated by CIL. The CIL Regulations is clear to emphasise that it will be unreasonable to set a Charging Schedule that will generate more CIL income than the funding gap. Table 4 demonstrates how the total CIL income has been calculated. It is clearly evidenced that the income that is likely to be generated by CIL is significantly less than the anticipated funding gap. Other sources of funding will have to be identified to bridge the funding gap.

Table 4: Details of CIL income

Type of development	Est. Total chargeable development over 10 yrs (sq m)	Charging Schedule	Income over 10 years	Average income per year
Residential (total)	89,986	£75/sqm (Town Centre, Sheerwater and Maybury £125/sqm for the rest of Borough)	£9,301,175	£930,117
Retail	61,320	£75/sq m	£4,599,000	£459,900
Overall total	151,306		£13,900,175	£1,390,017

3.27 CIL is not intended to be the main source of funding for infrastructure delivery. Public sector funding will continue to be a significant source of funding. However CIL will play an important part in reducing the gap between the cost of providing the required infrastructure to support a growing population and the amount of money available from other mainstream sources such as from central government and the local authority's own capital receipts.

Section 4: Explanation of how much development will actually pay

- 4.1 The amount that developers will have to pay will be calculated by:
Chargeable amount = chargeable development x chargeable rate (Charging Schedule) x inflation measure.

The inflation measure will be the index figure for the year that the planning application received approval divided by the index figure for the year in which the Charging Schedule took effect.

The chargeable development will be calculated in square meters based on the gross internal floorspace of the development minus the gross internal floorspace of any existing buildings that are going to be demolished on the site, provided they have been in continuous use for at least 6 months in the last 3 years. The amount of chargeable development will be broken down by use class. Full details of how this is calculated is set out in Appendix A.

Section 5: Administering the charge

Calculating the chargeable amount

- 5.1 The Council will calculate the amount of CIL payable (the chargeable amount) by chargeable development in accordance with regulation 40 of the CIL Regulations 2010. Details of the formula used to calculate the chargeable amount are set out in Appendix 1.

Paying the charge

- 5.2 Whilst the CIL Regulations expects that the chargeable amount should be paid in full within 60 days of commencement of development, it allows scope for the charging authority to implement an instalment policy (Regulation 69B). The policy must be published on the Council's web-site and include the date on which it takes effect, number of instalment payments, amount of CIL payable in any instalment, time at which the first instalment is due and the minimum amount below which CIL may not be paid by instalment. Where no instalment policy has been implemented CIL is payable in full within 60 days of the intended commencement date as stated in the commencement notice submitted to the Borough Council by the developer (Regulation 70). The instalment policy is not subject to examination and can be amended at any time. The Council recognises the impact of the current economic situation and has decided to set out an instalment policy to enable payment to be spread over a period of time. This will be based on the amount of contributions involved. However, the instalment policy would only apply when the element of the contributions relating to SPA mitigation (SANGs) has been paid.
- 5.3 At present, the Borough Council requires payment of contributions in respect of avoidance measures (SANG) for the Thames Basin Heaths SPA on commencement of development. As such, the instalment policy will have to take this into consideration. Therefore, the Council would ensure that an amount of CIL to cover the costs of SANG would be paid on commencement (or as soon as possible thereafter) and then other CIL charges would follow in subsequent instalments. Table 5 sets out the following instalment policy after SANGs contributions have been paid on commencement.
- 5.4 The Council accepts that payment can be made in kind, in particular, by land payment. The CIL Regulations provide a formula about how this will be calculated if the Council wishes to accept that as payment. This is a matter that will be determined on a case by case basis and working in partnership with developers to achieve that. The Council is also aware that the Government has extended payment in kind by land to include payment by infrastructure. If the infrastructure used as payment is also identified in the Regulations 123 list, the Council will work with the developer to ensure that double counting is avoided.

Table 5: Instalment policy

Scale of chargeable amount	Timing of payment
Chargeable amount less than £25,000	One payment at: Full amount at commencement
Chargeable amount of between £25,000 and £100,000	Three equal instalments at: (a) One third at commencement; (b) One third at 9 months after commencement;

	<p>(c) One third at first occupation of any part of the development.</p> <p>In any event, the full amount will be paid by first occupation.</p>
Chargeable amount of over £100,000	<p>Three equal instalments at:</p> <p>(a) One third at commencement;</p> <p>(b) One third at 12 months after commencement;</p> <p>(c) One third at first occupation of any part of the development.</p> <p>In any event, the full amount will be paid by first occupation.</p>

Administrative costs

- 5.5 In accordance with regulation 14(2) of the CIL Regulations a certain amount of CIL can be taken by the Charging Authority for administering a CIL charge. This should not be more than 5% of CIL raised over the first 3 years and no more than 5% per year in subsequent years. The administration cost is reflected in the CIL charge, not in addition to it.

Exemptions

- 5.6 Part 6 of the CIL Regulations sets out the mandatory and discretionary exemptions from CIL. Development which is less than 100sqm gross internal area (net) except for new dwellings is exempt from CIL. Buildings into which people do not normally enter or only enter intermittently for the purposes of inspecting or maintaining fixed plant or machinery are also exempt. Other mandatory exemptions include affordable housing and developments occupied solely for the purpose of charitable activity by a registered charity. The charging authority also has discretionary powers to provide relief on: the investment activities of charitable institutions in very exceptional circumstances.
- 5.7 The Council do not expect to implement any discretionary exemptions. The charge has been set taking into account matters regarding viability and will monitor the charge to ensure it remains viable. Owing to the Borough Council's legal duties under the Habitats Regulations it may not be possible to grant discretionary charitable relief in all circumstances or any exceptional circumstances for residential development.
- 5.8 Should circumstances change the Council will seek to revise the levy rather than provide any discretionary relief from the charge.

What will CIL be spent on?

- 5.9 The Levy will be used to deliver the infrastructure required to support development across the borough of Woking. The amount raised from CIL will not be sufficient to address the entire infrastructure funding gap identified earlier. The Council will need to work with communities and infrastructure providers to prioritise how and where to spend CIL income as it is raised to ensure the negative impacts of development are effectively addressed. The Council's first priority will be for the provision of SANG land required to mitigate

against the impact of new development on the SPA. The Council is also committed to deliver the infrastructure listed in Table 1.

- 5.10 The Council is required to publish on its website an infrastructure list (Regulation 123 list) which sets out an indicative list of the infrastructure CIL will be spent on. Infrastructure projects or types which are not proposed to be funded from CIL can still be funded through S106. The Borough Council has prepared an indicative Regulation 123 list, which clearly sets out infrastructure which will be funded through CIL. This will be published as a standalone document on the website. It should be emphasised that the broad headings of the list with their overall costs were published as part of the Preliminary Draft Charging Schedule and the Infrastructure Funding Gap Topic Paper for public consultation between 15 February and 2 April 2013. The detailed list was published for consultation between 22 July and 30 August 2013.
- 5.11 The only infrastructure the Council is required to deliver using CIL is the mitigation of the impacts of development on the Thames Basin Heaths Special Protection Area. If CIL were not to be used to provide effective mitigation of the SPA, the Council would be in breach of the European Habitats Directive and the UK Conservation of Habitats and Species Regulations 2010.
- 5.12 The Government has said that local authorities with an adopted CIL will have to pass on 25% of the money raised from development within a neighbourhood plan area to the local community. It will be for the local community to decide how that money will be spent subject to guidance in the Localism Act. To qualify for the 25% of the CIL money, the neighbourhood should have a neighbourhood plan that has been through a referendum and adopted to take effect. A Parish or Town Council will receive the money directly. In Woking where there is no Parish or Town Council, the Council will agree with the local community how the money will be spent. Communities that do not have a neighbourhood plan will receive 15% of the CIL receipts (subject to a cap to be determined by Government). The Council will set out an approach to working with communities in distributing CIL income within their neighbourhoods in accordance with this latest Government advice.

Use of CIL money to mitigate the impacts of development on the Thames Basin Heaths Special Protection Area (SPA)

- 5.13 The Council is required under the European Union Directive to avoid harm to sensitive environmental sites of European significance such as the SPA as a result of development. A number of these sites are within Woking Borough. It has been agreed with Natural England that the provision of SANGs is the most appropriate means of mitigating development impacts on the SPA. The Government have said that SANGs are an infrastructure and should therefore be covered by the requirements of CIL. The provision of SANGs is therefore one of the priority infrastructure identified in the Infrastructure Funding Gap Topic Paper and the Regulations 123 list. It is also identified in the Infrastructure Delivery Plan as a critical infrastructure to support residential development. Natural England has expressed concern in the past about whether there will be sufficient CIL income to provide the necessary SANGs needed to support development. They had also sought assurance about the Council's commitment to use CIL income to mitigate development impacts on the SPA. The Council has an adopted Core Strategy with a robust policy, which commits the Council to mitigate development impacts on the SPA. Furthermore, it is predicted that sufficient CIL income will be generated to

deliver the required SANGs to support future development. Overall, it is expected that CIL will generate an income of about £13,900,175. Assuming a worst case scenario and predicting that all neighbourhoods in the Borough will have a neighbourhood plan in place, the Council will have to pass on £3,475,044 to local neighbourhoods (25% of CIL income). This will leave a balance income of £10,425,131. The total cost of providing SANGs is estimated at £5,492,091 leaving a residual income of £4,933,040 towards other priority infrastructure such as transport, education and open spaces.

Update on amount of money raised in recent years through Section 106 Agreements and the future use of Section 106

5.14 As background evidence the Government expect charging authorities to provide information about the amount of money raised in recent years through Section 106 Agreements, including the extent to which affordable housing and other targets have been met. In accordance with this requirement, Table 6 below provides headline figures for Section 106 contributions agreed and received between 2007 and March 2013. The Core Strategy does not identify any strategic site. Consequently, there is no specifically identified site where Section 106 requirements has been pre-determined apart from those requirements covered in the Core Strategy, which the viability assessment takes into account. However, the Council will seek to negotiate Section 106 Agreements for infrastructure requirements that are specifically necessary to enable a particular site to come forward such as an access to serve a particular site. This will be negotiated on a case by case basis taken into account the overall viability of the development. An open book approach to viability will apply in these circumstances.

5.15 Affordable housing is exempt from CIL charge and will be secured by Section 106 Agreement. A viability assessment has been carried out to inform the affordable housing thresholds set out in the Core Strategy. This has been scrutinised and supported at the Core Strategy Examination. The CIL viability assessment also takes into account the requirement for development to make affordable housing contribution in accordance with the Core Strategy. In this regard, the Council is satisfied that the CIL charging rates will not compromise the delivery of affordable housing. It is important to note that the Core Strategy allows scope for applicants to make a case based on viability evidence for the Council to consider if they felt that the affordable housing requirement will make their particular scheme unviable. The conditions under which this will be considered are set out in the Core Strategy.

Table 6 – Developer contributions agreed and received between 2007 and 2013

Category of benefits	Monies agreed	Monies received
Community safety	£50,000.00	£5,223.19
Education	£197,587.00	£102,747.95
Energy	£20,000.00	£20,000.00
Environment	£781,549.00	£0.00
Flooding	£400,000.00	£287,771.12
Highways	£539,001.00	£250,944.02
Affordable housing	£2,012,620.00	£1,068,900.08
Other	£38,900.00	£0.00
Public art	£200,000.00	£0.00
Planning infrastructure	£199,582.69	£11,997.00
Recreation/Open space	£801,300.00	£367,857.36

SAMM	£204,451.00	£90,047.67
SANG	£1,199,690.98	£982,516.43
Transport	£2,341,712.00	£387,864.55
TOTAL	£8986,393.97	£3,575,869.37

Monitoring and review

5.16 It will be important to ensure that the CIL charge remains appropriate and reflects both the funding gap set out in the IDP and the levels of viability within the Borough. To ensure that the charge remains appropriate the Council will use the following indicators:

- The level of housing development coming forward.
- The delivery of adequate SANG land to mitigate against the impact of development on the SPA.
- The level of retail development coming forward.
- The funding gap for infrastructure.
- The amount of priority infrastructure being delivered.

5.17 This will be set out in the Council's Annual Monitoring Report (AMR) and will inform a more detailed examination of infrastructure funding and viability and potentially if a review of the CIL charging schedule is required.

5.18 As a minimum the Council will review its charging schedule every five years to assess whether the level of charge should be altered to reflect any changes in the local and national economic situation, any policy or procedural implications which could further impact on viability, and the funding circumstances faced by infrastructure providers. If monitoring indicates a need for a review in advance of the five year period, the Council will take appropriate measures to review the Charging Schedule to reflect up-to-date information at the time.

5.19 In addition to the above monitoring the Council will also set out in its AMR:

- The amount of CIL collected within the monitoring year;
- The total amount of CIL collected since the adoption of the charging schedule;
- The expected income from permitted applications;
- How much has been spent; and
- The infrastructure delivered using funding from CIL charges.

Appendix A: Calculating the chargeable amount

The Council will calculate the amount of CIL payable (the chargeable amount) by chargeable development in accordance with regulation 40, part 5 of the CIL Regulations 2010 and 2011 amendments. The chargeable amount relates to the total amount of CIL chargeable at each of the relevant rates. However, where that amount is less than £50 the chargeable amount is deemed to be £0.

The formula used is as follows:

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

Where:

R = rate of CIL set by the Borough Council

A = the deemed net area chargeable at rate R

I_p = the index figure for the year in which planning permission was granted

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

The value of A is calculated as follows: -

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

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: -

- (i) On the day planning permission first permits the chargeable development, are situated on the relevant land and in lawful use*
- (ii) Will be part of the chargeable development upon completion
- (iii) Will be chargeable at rate R

C = the gross internal area of the chargeable development

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

- (i) On the day planning permission first permits the chargeable development are situated on the relevant land and in lawful use*; and
- (ii) Are to be demolished before completion of the chargeable development

†New build means that part of the development which will comprise new buildings and enlargements to existing buildings (Regulation 40(12)).

*A building is in use if a part of that building has been in use for a continuous period of at least 6 months within the period of 12 months ending on the day planning permission first permits development (Regulation 40 (10)).