

MUNICIPAL YEAR 2014/2015 REPORT NO. 51

MEETING TITLE AND DATE:

Cabinet: 17th September 2014
Council: 8th October 2014

REPORT OF:

Director of Regeneration and Environment

Contact officer and telephone number:

Head of Strategic Planning & Design
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Agenda – part one	Item: 8
Subject: Community Infrastructure Levy	
Wards: all	
Key Decision No: 3844	
Cabinet Member consulted: Cllr Alan Sitkin	

See Annexes 1-6

1. EXECUTIVE SUMMARY

- 1.1 This report summarises work undertaken to date towards the introduction of a Community Infrastructure Levy (CIL) for Enfield. It recommends that the Council proceeds with the publication of a CIL Draft Charging Schedule for public consultation and thereafter, submission to the Secretary of State for independent Examination. The proposed charging rates are detailed in the Schedule attached in Annex 1.
- 1.2 Before introducing a CIL, the Council is required to undertake two stages of consultation on its proposed CIL Charging Schedule before it is subject to independent examination. At its meeting on the 16th May last year, the Local Plan Cabinet Sub-Committee approved the Preliminary Draft CIL Charging Schedule for consultation along with the draft Infrastructure Delivery Plan.
- 1.3 The consultation period lasted for 6 weeks, ending on the 19th July 2013. A total of 23 responses were received concerning the draft Charging Schedule and an additional 10 comments related to the draft Infrastructure Delivery Plan. This report summarises the responses received to this earlier consultation and details the further viability work undertaken to address the representations received.
- 1.4 This additional viability work also looked at the potential for the Council to set a levy for a range of commercial uses, including new hot food takeaways and betting shops in the borough. This report sets out the additional planning powers available to the Council to control such uses.
- 1.5 Government regulations which will restrict the Council's ability to collect funds received through S106 Agreements are due to come into effect from April 2015. From this date the pooling of S106 Agreements will be limited to five developments and CIL will replace such agreements as the main source of securing developer contributions for infrastructure to support planned growth in the borough. However affordable housing and other site specific mitigation measures will continue to be required through Section 106 agreements.

2. RECOMMENDATIONS

That the Cabinet:

- 2.1 Agree the Enfield Community Infrastructure Levy Draft Charging Schedule and recommend it proceed to Council for approval, and thereafter a six week consultation and submission to the Secretary of State for public examination. A copy of the Schedule is attached in Annex 1;
- 2.2 Agree the Cabinet Member for Economic Development be authorised to agree the publication of the CIL Supporting Information Document to provide further guidance to applicants for planning permission on the justification and operation of Enfield's CIL;
- 2.3 Note the publication of the revised Infrastructure Delivery Plan (2014) following consultation;
- 2.4 Agree that the Director of Regeneration and Environment, in consultation with the Cabinet Member for Economic Development, agree appropriate changes to the Draft Charging Schedule and undertake any further consultation required, in the run up to and during the public examination process into the document, in response to representations received, requests from the Planning Inspector and any emerging evidence, guidance or legal advice. Changes of a substantive nature may be considered by the Local Plan Cabinet Sub Committee.

3. BACKGROUND

- 3.1 The Community Infrastructure Levy (CIL) was introduced under the Planning Act (2008) as a tariff based approach to raising funds for new infrastructure. Funds can be pooled from CIL liable developments across the borough to contribute to essential infrastructure such as roads, rail, schools and flood defences. Once adopted CIL would largely replace contributions for infrastructure arising from Section 106 Agreements associated with specific planning consents.
- 3.2 Pooling restrictions for Section 106 Agreements set out in the Government's CIL Regulations (2010) (as amended) are due to come into effect from April 2015. From this date the pooling of Section 106 Agreements will be limited to five developments and CIL will replace such agreements as the main source of securing developer contributions for infrastructure to support planned growth in the borough.
- 3.3 Before introducing a CIL, the Council is required to undertake two stages of public consultation on a draft CIL Charging Schedule before the Schedule is submitted for independent Examination.

- 3.4 Following Local Plan Cabinet Sub-Committee approval on the 16th May 2013, the CIL Preliminary Draft Charging Schedule was published for public consultation for six weeks alongside the Council's Draft Infrastructure Delivery Plan. The consultation ran from the 7th June – 19th July 2013.
- 3.5 In total 23 comments were received concerning CIL, these are summarised in Annex 2. The list of organisations which made representations is contained in Annex 3. The Consultation Statement (copy is available in the Members' library) sets out in detail the comments received together with the Council's response.
- 3.6 10 comments were received regarding the Council's Draft Infrastructure Delivery Plan and these have been considered in finalising the document. A copy of the final version of the Infrastructure Delivery Plan (2014 Review) is available in the Members' library.
- 3.7 Further viability work was undertaken in light of the representations received on the Preliminary Draft Charging Schedule. This is summarised in Annex 4 and a copy of the CIL Supplementary Viability Report prepared by specialist consultants the Dixon Searle Partnership is available in the Members' Library.
- 3.8 Comments received on the Preliminary Draft Charging Schedule, together with the recommendations from the further viability work were considered and used to inform the proposed levy rates in the CIL Draft Charging Schedule

4. PROPOSED CIL LEVY RATES IN THE DRAFT CHARGING SCHEDULE

- 4.1 The recommended CIL charging rates for inclusion within the Draft Charging Schedule are set out in Tables 1 & 2 overleaf. The figures are in addition to the Mayoral CIL which is set at £20 per square metre for Enfield. The proposed levy rates and formulae that will be used to calculate CIL on CIL liable developments are provided in the Schedule attached in Annex 1.

Table 1: Residential CIL Rates (Comprising all the C3 ¹ Residential Use Class ²)	
Zone	Rate
Meridian Water Masterplan area	Nil rate
Lower rate Eastern corridor (to include the following Wards: Turkey Street, Enfield Lock, Enfield Highway, Southbury, Ponders End, Jubilee, Lower Edmonton, Upper Edmonton, Edmonton Green, Haselbury and parts of the Bush Hill Park and Chase Wards).	£40 per square metre.
Intermediate rate Area south of the A406 and A110 Bowes Road, Bowes Ward and part Southgate Green. Enfield Town (with parts of adjacent Chase and Highlands Wards).	£60 per square metre.
Higher rate Remainder of the Borough.	£120 per square metre.

- 4.2 The proposed boundaries of the above residential charging zones are illustrated on the map attached at Annex 5.

Table 2 : Non Residential and Commercial CIL Rates	
Retail (A1), financial and professional services including betting shops (A2), restaurants and cafes (A3), drinking establishments (A4) and hot food takeaways (A5).	A borough wide rate of £60 per square metre.
All other uses – (including offices, industrial, hotels, leisure facilities, community and other uses).	£0 per square metre.

¹ CLASS C3 Dwelling Houses - Use as a dwelling house (whether or not as a sole or main residence): -
a) by a single person or by people living together as a family, or b) by not more than 6 residents living together as a single household (including a household where care is provided for residents).

² The Use Classes Order for England 1987 (With amendments; 2005, 2006 & 2010) puts uses of land and buildings into various categories known as 'Use Classes'.³ CLASS C3 Dwelling Houses - Use as a dwelling house (whether or not as a sole or main residence): -

- 4.3 Although there is no prescribed life for a Charging Schedule, a Charging Schedule is usually expected to run for approximately 2- 3 years post adoption; as for longer periods the evidence base and or changing circumstances such as the introduction of changes to the Building Regulations may deem the Schedule out of date.
- 4.4 Government guidance is clear that CIL rates must be supported by viability evidence. To set rates at variance with the evidence presents a risk of the Charging Schedule being found unsound at the CIL Examination. Delays in the adoption of the CIL Charging Schedule could impact on revenue from developer contributions this is discussed further in Section 7 below.
- 4.5 The Preliminary Draft Charging Schedule published for consultation last year proposed higher charging rates (£85 per square metre) for hot food takeaways and betting shops to that now proposed at £60 per square metre. However in their response to this consultation, officers from the GLA highlighted the lack of viability evidence to support such a charge. The consultants in undertaking further viability work to support the Draft Charging Schedule reconfirm in their Supplementary Viability Report (June 2014) that there is no viability evidence to support a higher charge for betting shops and hot food takeaways and that these uses should be incorporated within the general retail rate as illustrated in Table 2 above.
- 4.6 The rates in the Charging Schedule must be based on the viability evidence and the Schedule cannot be used as a policy tool to deter new development even in those cases where this might be considered desirable. However the Council, as Local Planning Authority, does have a range of other tools and powers available to it in order to restrict certain type of development where appropriate.
- 4.7 The Development Management Document sets out the Council's approach for the consideration of planning applications for new development in the borough. It contains detailed planning policies by which planning applications will be determined, including those for commercial developments such as hot food takeaways and betting shops. The DMD was subject to an independent examination by a Planning Inspector earlier this year and following its successful conclusion it is programmed to be formally adopted by the Council in the Autumn as part of the statutory local plan.
- 4.8 DMD policies 32 and 33 set out the Council's approach to managing the impact of food and drink establishments and betting shops. For applications for new food and drink establishments, Policy 32 sets out criteria against which such applications will be determined. This includes restricting them to town centre locations, protecting the amenity of neighbouring residents, preventing the clustering of such uses and requiring conditions to control issues such as hours operation, noise and fumes. Developments involving hot food takeaways are not permitted within 400m of an existing or proposed secondary school entrance.

- 4.9 It is recognised that food and drink establishments provide an important and valued service in the borough, generating employment and supporting the vibrancy and vitality of town centres. However the policy addresses the potential negative impacts, particularly associated with hot food takeaways, which must be considered. There is increasing concern over the rising levels of obesity in the borough, especially among young people. The proliferation of takeaway outlets in the borough in recent years, frequently selling fried and fatty foods, has increased the availability of such food. Restricting new hot food takeaways in close proximity to secondary schools is designed to reduce the opportunities for consumption, in accordance with Enfield's Childhood Healthy Weight Strategy (2011).
- 4.10 DMD Policy 33 seeks to control the negative aspects associated with betting shops in a similar way. It includes criteria against which new proposals will be judged and prevents the clustering of uses to ensure there is no harm to the vitality and viability of town centres, or harm caused by anti social behaviour.
- 4.11 However the majority of betting shops in the borough arise from the conversion of a building previously in use as a bank, building society, restaurant or pub, and do not require planning permission under current planning legislation. In 2011, the Portas Review recommended the creation of separate use class for betting shops and earlier this year the Government announced it was considering creating a "much wider 'retail' use class, excluding betting shops and payday loan shops" and would consult during the summer. This consultation is still awaited.

5. REGULATION 123 LIST

- 5.1 Regulation 123 of the CIL Regulations provides for charging authorities (Enfield Council) to set out a list of projects or types of infrastructure that it intends to fund through the levy. The intention of the list is to provide transparency and prevent developers being charged twice through CIL and s106 for the same item of infrastructure. A Draft Regulation 123 infrastructure list must be prepared for the Examination of the Draft Charging Schedule. A copy of the Draft Regulation 123 List is attached in Annex 6.
- 5.2 The infrastructure list can be changed at any time, but Government guidance indicates that any such changes have to be clearly explained and subject to appropriate local consultation.
- 5.3 On the introduction of the CIL Charging Schedule, or from April 2015, s106 requirements are to be scaled back. From this date, pooled S106 Agreements will be limited to five developments for planning obligations entered into since April 2010; and CIL will replace such agreements as the main source for securing developer contributions for infrastructure to support planned growth in the borough.

5.4 A planning obligation can only be taken into account when determining a planning application for a development, if the obligation meets all of the following legal tests:

- Necessary to make the development acceptable in planning terms;
- Directly related to the development; and
- Fairly and reasonably related in scale and kind to the development.

5.5 Whilst it is the Government's intention to replace planning obligations with CIL for general types of community infrastructure, planning obligations will still be used for site specific mitigation measures that are required to make a development acceptable in planning terms.

5.6 At the CIL examination the Council will have to set out how its s106 policy will be amended to take account of the introduction of CIL for the area. The Council's s106 Planning Obligations Supplementary Planning Document (SPD) (adopted November 2011) will be amended and is expected to cover the following matters:

- Affordable housing
- Employment skills and training
- Transport infrastructure specific to the development required to make the development acceptable in planning terms.
- Sustainable transport (Travel plans, etc.)
- Carbon fund
- Decentralised Energy Network (DEN) (on site DEN ready works)
- Public art
- Community safety
- On site open space and recreation provision
- Biodiversity

5.7 A draft revised Section 106 Planning Obligations SPD will be the subject of a future report to the Local Plan Cabinet Sub Committee. Subject to the Committee's approval it is anticipated that this draft document will be published for public consultation along with the CIL Draft Charging Schedule later this year.

6. NEXT STEPS

6.1 The current production timetable is summarised below:

- Local Plan Sub Committee - 15th July 2014
- Cabinet - August/September 2014
- Full Council - October 2014
- Publish for 6 week consultation final Draft Charging Schedule week commencing end Oct to mid December 2014
- Independent examination February/March 2015
- Adoption Spring 2015

- 6.2 Once introduced, the Council is required to monitor and review how CIL operates in the borough taking account of changing circumstances in build costs, the economic climate and other policy changes that may affect viability. The Council is required to produce an annual report detailing the monies accrued for the previous year, CIL spend and the priorities for CIL spend in the forthcoming year.

7. ALTERNATIVE OPTIONS CONSIDERED

- 7.1 The intention to prepare a CIL Charging Schedule is set out in the Council's Local Development Scheme and adopted Core Strategy. To solely continue with section 106 Agreements as the main source of developer contribution after the imposition of section 106 pooling restrictions, in April 2015, will significantly reduce the revenues that can be raised to help deliver the growth and regeneration objectives proposed in the Borough, as contained within the Local Plan
- 7.2 The option of delaying publication of the Draft Charging Schedule has been considered. Further delay would mean that s106 pooling restrictions as described in paragraph 5.4 would have a significant impact on S106 revenue. It would also mean that the base evidence contained in the viability study to support a CIL charge would become dated and would need to be revised to support the examination of the Charging Schedule.

8. REASONS FOR RECOMMENDATIONS

- 8.1 Significant investment in infrastructure is needed to support the regeneration and growth planned in the Council's Local Plan (Core Strategy). With the introduction of restrictions on the pooling of contributions collected via Section 106 agreements in April 2015, CIL will become the main source of securing developer contributions for significant infrastructure improvements. Publication of the Draft Charging Schedule is crucial to advancing CIL and maintaining developer contributions. The proposed CIL rates have been developed with appropriate regard to planning policy and the need to ensure the continued viability of development in the borough.

9. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS

9.1.1 Financial Implications

- 9.1.1 The proposed charging rates have been informed by an independent assessment of development viability undertaken by specialist consultants Dixon Searle Partnership. The recommended rates differ according to land use, and in the case of residential development, also by location.

- 9.1.2 The charging rates in Tables 1 and 2 above have been amended to take account of the further viability work undertaken by Dixon Searle Partnership. (Please note that the CIL rates expressed in the tables exclude the Mayor's CIL of £20 per square metre.)
- 9.1.3 The Table in Annex 6 includes a draft list of the type of infrastructure and projects that the Council intends will be partly or wholly funded through Community Infrastructure Levy. Under the CIL Regulations the role of S106 agreements will be scaled back to those matters that directly relate to a specific site and are not set out on the infrastructure list, this will apply on the introduction of CIL or by April 2015.
- 9.1.4 S106 pooling restrictions will also impact on the level of developer contributions that the council receives so the revenue raised from S106 will be significantly reduced from April 2015. CIL will replace most S106 agreements in funding infrastructure associated with new development and CIL will be the main mechanism for collecting funds to support new infrastructure.
- 9.1.5 It should be noted that the estimated amounts of CIL is dependent on the planning applications submitted and these can vary for a number of factors such as the economic climate.

9.2 Legal Implications

- 9.2.1 The legislative framework for CIL is contained in sections 205-225 of the Planning Act 2008, following which the Secretary of State published the CIL Regulations 2010 (as amended), which came in to force 6 April 2010.
- 9.2.2 Regulation 13(1) authorises the Council (being a 'charging authority') to set differential rates (a) for different zones in which development would be situated; (b) by reference to different intended uses of development.
- 9.2.3 Regulation 13(2) provides that a charging authority may set supplementary charges, nil rates, increased rates or reductions.
- 9.2.4 Regulation 12(2)(c) requires a charging authority (LBE), where it sets differential rates to provide a map identifying the location and boundaries of the zones and an explanation of how the chargeable amount will be calculated. The recommendations in this report accord with the Council's powers and duties.
- 9.2.5 Regulation 16 sets out the obligations on the authority with regards the publication of the draft charging schedule following the consultation and consideration of the Preliminary Draft Charging Schedule. Where consultation is undertaken the Council is under a duty to give conscientious consideration to any representations received.
- 9.2.6 Regulations 122 and 123 place limitations on the use of s.106 contributions after the CIL charging schedule is adopted or in any event after April 2015 as set out in the body of the report.

9.2.7 The recommendations contained in this report are in accordance with the Council's powers and duties.

9.3 Property Implications

9.3.1 Property Services was consulted on the originally drafted geographical boundaries for the proposed charging bands, and agreed that the suggested boundaries reflect three broad categories of property value across the Borough.

9.3.2 CIL enhances transparency in viability assessment and in the provision of future infrastructure requirements, and is welcomed. The inflationary effect of CIL charges on property transactions is potentially cancelled out, as it is a substitute for an existing instrument. Whilst it will be a factor in the location for new development, it will be one of many other factors and the CIL rates are not expected to distort market activity.

9.3.3 As stated above, the revised Government Guidance on CIL, issued in February 2014, recommends a sharper focus on strategic sites on which the local plan relies, where the impact of the levy is likely to be most significant. As a result of further viability work undertaken by consultants, it is apparent that residential development proposals within the Meridian Water Masterplan (MWM) area are constrained by the significant site preparation and infrastructure costs, and the intention to provide affordable housing at levels compliant with the Core Strategy policy.

9.3.4 Consequently, the intention to include the whole of the MWM area as a nil band for CIL contributions is justified in terms of viability, and will act as a stimulus to help bring forward development. However, it should be recognised that many of the infrastructure costs and other expenditure for Meridian Water set out in the Regulation 123 list, will need to be borne by development elsewhere in the Borough through the wider application of CIL payments. The Mayor's CIL of £20 per square metre will still be paid on new market housing within the Meridian Water Masterplan area.

9.3.5 Government guidance makes it clear that planning obligations (under Section 106) cannot be sought for infrastructure intended to be funded by the levy, and that closer scrutiny to such obligations will apply to ensure that they are fairly and directly related to the development proposed. Similar scrutiny will apply to Section 278 agreements, dealing with highway improvements, to ensure there is no 'double counting'.

9.3.6 The decision not to impose CIL on industrial and office development is welcome, given the importance of business premises to the local economy. The absence of CIL also reflects the relatively limited section 106 contributions paid by new business development through current arrangements.

9.3.7 The non-residential CIL for retail (A1) and other uses appropriate to a shopping centre will only apply to new development in excess of 100 square metres. In view of the contraction of retail uses generally, it is anticipated that

this will not yield substantial CIL payments for the foreseeable future. The retail units that are Council owned, are generally small units, proposals generally relate to changes of use (not liable for CIL) rather than re-development and expansion. This is a pattern that is reflected in respect of small shop units throughout the Borough. Government amendments to the Permitted Development regulations in April 2014 enable more flexible changes of use without the need for planning permission.

10. KEY RISKS

- 10.1 Risk:** Under the CIL Regulations the pooling of Section 106 developer contributions will be restricted to five developments on the establishment of CIL or by April 2015 (whichever is earlier). Contributions for infrastructure currently collected as part of Section 106 agreements will be significantly reduced under this regime. The timetable in paragraph 6.1 may be difficult to achieve due to pressures on the Planning Inspectorate nationwide to approve charging schedules by this deadline.

Mitigation: Timely completion and adoption of the CIL charging schedule prior to April 2015 is therefore critical to the pooling of funds to help deliver the infrastructure required to support the growth proposed in the Borough as detailed in the Local Plan. Transitional arrangements will need to be put in place for the operation of s106 post April 2015, if the delays in adopting an Enfield CIL are deemed likely to impact on revenue from developer contributions.

- 10.2 Risk:** In setting CIL charging rates there is a need to strike an appropriate balance between contributing to local infrastructure funding needs and development viability.

Mitigation: The wider costs of development, ongoing uncertain market conditions, affordable housing implications and variable land value levels require that very careful consideration is given to the setting of the CIL charging levels. The Council has engaged expert viability consultants to advise on the appropriate CIL charging rates for the borough.

- 10.3 Risk:** Although under the CIL regulations affordable housing is not liable for CIL charging, if CIL rates were to be set too high there would be a danger that in order for schemes to remain economically viable the affordable housing component will be squeezed and the number of affordable homes delivered could fall.

Mitigation: The proposed CIL rates have been set to take into account the need for development to provide affordable housing to comply with the adopted Core Strategy and Development Management Document. This will ensure that the affordable housing target is met, reducing the risk to the delivery of affordable housing in the borough.

11. IMPACT ON COUNCIL PRIORITIES

11.1 Fairness for All

CIL as a charging regime will be fairer to more in the Borough. The Charging Schedule will ensure fairness for all as from the outset a person applying for planning permission for a CIL liable development will know how much that they are expected to pay in developer contributions.

11.2 Growth and Sustainability

The levy will be instrumental in achieving sustainable growth in the Borough through pooling developer contributions and spending monies accrued on the Borough's regeneration infrastructure priorities.

11.3 Strong Communities

The CIL Amendment Regulations (2013) propose that a proportion of CIL monies be passed to neighbourhoods this is set at 25% uncapped of CIL receipts in an area with a Neighbourhood Plan, and 15% capped at £100 per existing dwelling in an area where there is no Neighbourhood Plan in place. For local authorities without Parish Councils such as Enfield, the spending of this proportion will be in consultation with the community, aiding the development of stronger communities. Communities concerned will not have direct control of the money.

12. EQUALITY IMPACT IMPLICATIONS

- 12.1 An initial Equalities Impact Assessment (EQIA) was carried out for the Preliminary Draft CIL Charging Schedule to ensure that equal opportunities were promoted in all aspects of consultation and production of the schedule. Representations received to the Preliminary Draft Charging Schedule have been used to inform the Draft Charging Schedule. The impact of any changes made will be evaluated in the EqIA which will be published and made available alongside the Draft CIL Charging Schedule as supporting documentation.

13. PERFORMANCE MANAGEMENT IMPLICATIONS

- 13.1 The CIL Charging Schedule will provide clear guidance on the levy to be paid on CIL liable developments on the implementation of planning permission. Preparation of the CIL and its collection will help to deliver the Council's Infrastructure Delivery Plan and contribute towards the achievement of the following priorities in the Council's Business Plan (2012 – 2015): Serve the whole borough fairly and tackle inequality, a clean, green and sustainable environment, bring growth, jobs and opportunity to the borough, listen to the

needs of local people and be open and accountable, encourage active citizenship and work in partnership with others to ensure Enfield is a safe and healthy place to live.

14. PUBLIC HEALTH IMPLICATIONS

14.1 Public health care facilities are identified on the draft Regulation 123 Infrastructure List. The Infrastructure Delivery Plan Review 2014 also sets out the local commissioning priorities that are proposed to be delivered in partnership with the Council and NHS to support growth within the Borough to 2026; this includes new health care facilities at Meridian Water.

Annexes

Annex 1: Draft Charging Schedule.

Annex 2: Community Infrastructure Levy (CIL) Preliminary Draft Charging Schedule Summary of Consultation Responses.

Annex 3: Responses Received to the Preliminary Draft Charging Schedule.

Annex 4: Summary Further Viability Work Undertaken by Dixon Searle Partnership.

Annex 5: Community Infrastructure Levy Residential Charging Zones.

Annex 6: Draft Regulation 123 Infrastructure List.

**Enfield Council
Community Infrastructure Levy**

Draft Charging Schedule

Enfield Council Community Infrastructure Levy:

Draft Charging Schedule, October 2014

ENFIELD'S PROPOSED DRAFT CIL CHARGING SCHEDULE

Enfield Council is the charging authority for the Community Infrastructure Levy for the purposes of Part 11 of the Planning Act 2008 (as amended).

Schedule of Rates

Taking into account the economic viability study findings and the Government guidance on charge setting, Enfield Council proposes to charge CIL in respect of development across the Borough at the following rates (expressed as pounds per square metre net additional floorspace, gross internal area):

Table 1: Residential CIL Rates (Comprising all the C3 ³ Residential Use Class ⁴)	
Zone	Rate
Meridian Water Masterplan area	Nil rate
Lower rate Eastern corridor (to include the following Wards: Turkey Street, Enfield Lock, Enfield Highway, Southbury, Ponders End, Jubilee, Lower Edmonton, Upper Edmonton, Edmonton Green, Haselbury and parts of the Bush Hill Park and Chase Wards).	£40 per square metre.
Intermediate rate Area south of the A406 and A110 Bowes Road, Bowes Ward and part Southgate Green. Enfield Town (with parts of adjacent Chase and Highlands Wards).	£60 per square metre.
Higher rate Remainder of the Borough.	£120 per square metre.

The boundaries of the proposed charging zones are illustrated on the map below in Figure 1.

³ CLASS C3 Dwelling Houses - Use as a dwelling house (whether or not as a sole or main residence): -
 a) by a single person or by people living together as a family, or b) by not more than 6 residents living together as a single household (including a household where care is provided for residents).

⁴ The Use Classes Order for England 1987 (With amendments; 2005, 2006 & **2010**) puts uses of land and buildings into various categories known as 'Use Classes'.

Table 2 : Non Residential and Commercial CIL Rates	
Retail (A1), financial and professional services including betting shops (A2), restaurants and cafes (A3), drinking establishments (A4) and hot food takeaways (A5).	A borough wide rate of £60 per square metre.
All other uses – (including offices, industrial, hotels, leisure facilities, community and other uses).	£0 per square metre.

Mayoral CIL

In accordance with Regulation 10 of the Community Infrastructure Levy Regulations 2010 (as amended), Enfield Council is a collecting authority for the Mayoral CIL. This is currently set at a level of £20 per square metre (as adjusted for inflation) and will be levied in addition to the Enfield Council CIL rates expressed above.

Calculation of the CIL Charge

The amount to be charged for each development will be calculated in accordance with Regulation 40 of the Community Infrastructure Levy Regulations 2010 (as amended). For the purposes of the formulae in Regulation 40 (set out in Annex A), the relevant rate (R) is the rate for each charging zone shown in Tables 1 and 2.

Inflation and Indexation

As set out in Part 5 of the Community Infrastructure Levy Regulations 2010 (as amended), the above CIL rates shall be tied to the Royal Institution of Chartered Surveyors “All In Tender Price Index”; the rate of CIL charged will therefore alter depending on the year planning permission for the chargeable development is first granted.

Scope of CIL

CIL will be chargeable on the net additional floorspace (gross internal area) of all new development apart from those exempt under Part 6 of the Community Infrastructure Levy Regulations 2010 (as amended). Those exempt from the charge are as follows:

- Developments where the gross internal area of new build on the relevant land will be less than 100 square metres (does not apply where development will comprise one or more dwellings);

- Buildings into which people do not normally go, or go into only intermittently for the purpose of inspecting or maintaining fixed plant or machinery;
- Residential annexes or residential extensions*;
- Self-build housing or self-build communal development*;
- Buildings owned by charities and used wholly or mainly for a charitable purpose*;
- Those parts of a development used for social housing*.
- Part of a building which has been in continuous lawful use for at least six months within the three years prior to the granting of planning permission would exempt an entire building.

Applications for charitable, self-build, residential annexes or extensions, or social housing relief must be submitted to the Council in accordance with Part 6 of the Community Infrastructure Levy Regulations 2010 (as amended).

Payment Instalments

In accordance with Regulation 70 of the Community Infrastructure Levy Regulations 2010 (as amended), payment of the Enfield and Mayoral CIL should be made in full at the end of a period of 60 days from the end of the intended date of commencement, or in accordance with any instalment policy which is applied by the Mayor.

Discretionary relief

Although the Community Infrastructure Levy Regulations 2010 (as amended) provides for discretionary relief from CIL for exceptional circumstances, the Council does not propose to offer any other discretionary or exceptional relief from CIL. However, this matter will be kept under review through regular monitoring of the operation of CIL.

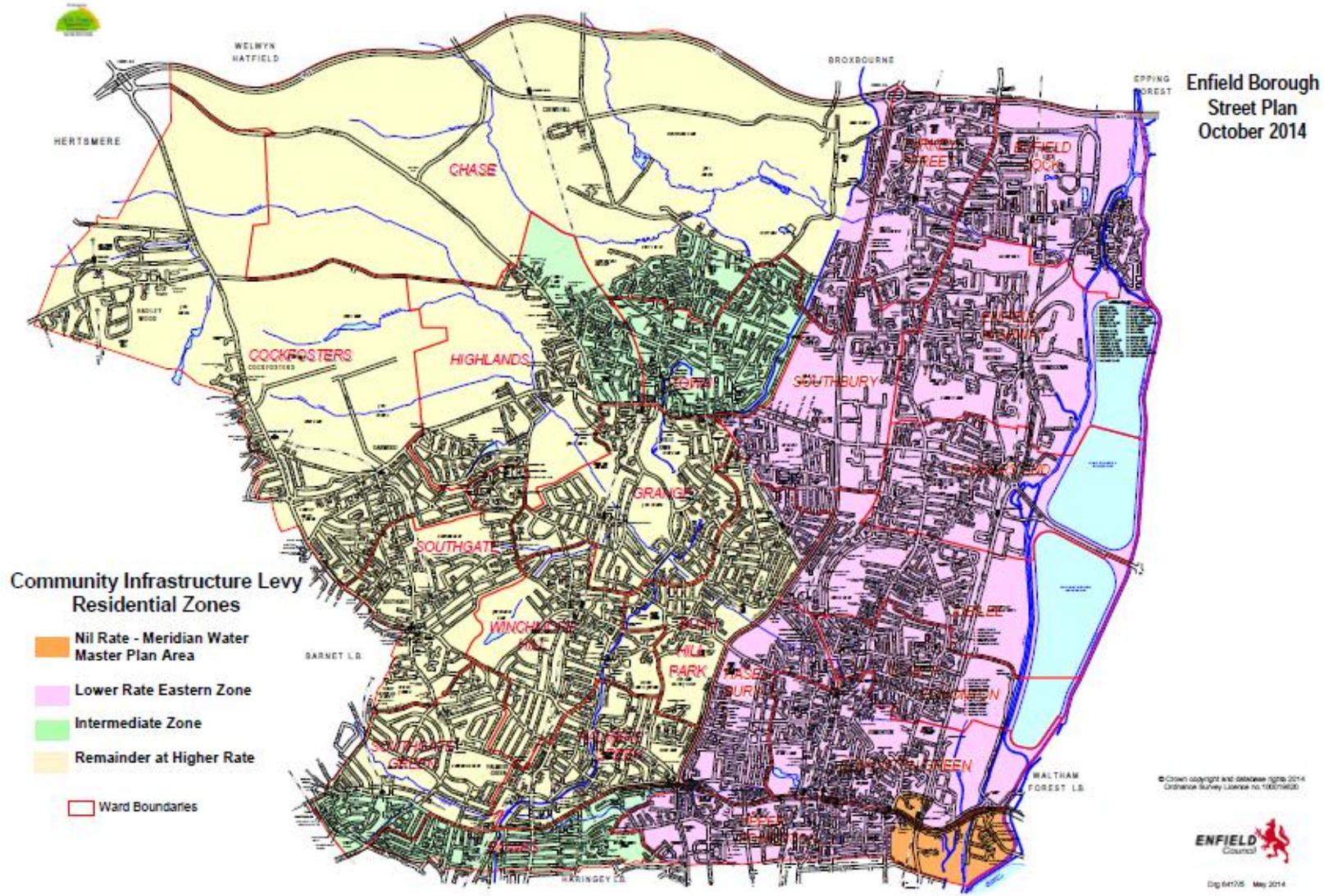
Statutory Compliance

This Charging Schedule has been issued, approved and published in accordance with the Community Infrastructure Levy Regulations 2010 (as amended) and Part 11 of the Planning Act 2008.

This Schedule was approved by Enfield Council at a meeting of the full Council held on2015

This Schedule takes effect on2015

Figure 1 Proposed CIL Residential



Zones

Annex A

Extract from the Community Infrastructure Levy Regulations 2010 (as amended)

40. Calculation of chargeable amount

(1) The collecting authority must calculate the amount of CIL payable (“chargeable amount”) in respect of a chargeable development in accordance with this regulation.

(2) The chargeable amount is an amount equal to the aggregate of the amounts of CIL chargeable at each of the relevant rates.

(3) But where that amount is less than £50 the chargeable amount is deemed to be zero.

(4) The relevant rates are the rates, taken from the relevant charging schedules, at which CIL is chargeable in respect of the chargeable development.

(5) The amount of CIL chargeable at a given relevant rate (R) must be calculated by applying the following formula—

$$\frac{R \times A \times I_p}{I_c}$$

Where —

A = the deemed net area chargeable at rate R, calculated in accordance with paragraph (7);

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

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

(6) In this regulation the index figure for a given year is—

(a) the figure for 1st November for the preceding year in the national All-in Tender Price Index published from time to time by the Building Cost Information Service of the Royal Institution of Chartered Surveyors; or

b) If the All-in Tender Price Index ceases to be published, the figure for 1st November for the preceding year in the retail prices index.

(7) The value of A must be calculated by applying the following formula—

$$GR - KR \frac{(GR \times E)}{G}$$

Where—

G = the gross internal area of the chargeable development;

GR = the gross internal area of the part of the chargeable development chargeable at rate R;

KR = the aggregate of the gross internal areas of the following—

(i) retained parts of in-use buildings, and

(ii) for other relevant buildings, retained parts where the intended use following completion of the chargeable development is a use that is able to be carried on lawfully and permanently without further planning permission in that part on the day before planning permission first permits the chargeable development;

E = the aggregate of the following—

(i) the gross internal areas of parts of in-use buildings that are to be demolished before completion of the chargeable development, and

(ii) for the second and subsequent phases of a phased planning permission, the value E_x (as determined under paragraph (8)), unless E_x is negative, provided that no part of any building may be taken into account under both of paragraphs (i) and (ii) above.

(8) The value E_x must be calculated by applying the following formula—

$$E_x = EP - (GP - KPR)$$

where—

EP = the value of E for the previously commenced phase of the planning permission;

GP = the value of G for the previously commenced phase of the planning permission;
and

KPR = the total of the values of KR for the previously commenced phase of the planning permission.

(9) Where a collecting authority does not have sufficient information, or information of sufficient quality, to enable it to establish that a relevant building is an in-use building, it may deem it not to be an in-use building.

(10) Where a collecting authority does not have sufficient information, or information of sufficient quality, to enable it to establish—

(a) whether part of a building falls within a description in the definitions of KR and E in paragraph (7); or

(b) the gross internal area of any part of a building falling within such a description, it may deem the gross internal area of the part in question to be zero.

(11) In this regulation—

“building” does not include—

(i) a building into which people do not normally go,

(ii) a building into which people go only intermittently for the purpose of maintaining or inspecting machinery, or

(iii) a building for which planning permission was granted for a limited period;

“in-use building” means a building which—

(i) is a relevant building, and

(ii) contains a part that has been in lawful use for a continuous period of at least six months within the period of three years ending on the day planning permission first permits the chargeable development;

“new build” means that part of the chargeable development which will comprise new buildings and enlargements to existing buildings;

“relevant building” means a building which is situated on the relevant land on the day planning permission first permits the chargeable development;

“relevant charging schedules” means the charging schedules which are in effect—

(i) at the time planning permission first permits the chargeable development, and

(ii) in the area in which the chargeable development will be situated;

“retained part” means part of a building which will be—

(i) on the relevant land on completion of the chargeable development (excluding new build),

(ii) part of the chargeable development on completion, and

(iii) chargeable at rate R.

COMMUNITY INFRASTRUCTURE LEVY (CIL) PRELIMINARY DRAFT CHARGING SCHEDULE SUMMARY OF CONSULTATION RESPONSES

Consultation Response

A.1.1 The six week consultation period on the CIL Preliminary Draft Charging Schedule and draft Infrastructure Delivery Plan (IDP) ended on the 19th July 2013. 33 responses were received, 23 comments were received on CIL; 18 of these were substantive comments; the remaining comments solely related the IDP or had no comments. A list of organisations making representations to the Preliminary Draft Charging Schedule is attached in Annex 3.

Issues Raised

A1.2. The key matters raised that require further consideration are:

i) **Discretionary Relief**

Claims requesting that discretionary relief from payment of CIL be allowed in exceptional circumstances were made by:

- English Heritage and relate to the impact of CIL on the viability of regenerating heritage assets on the Heritage at Risk register;
- National Grid – comment that abnormal costs and the additional cost burden of CIL could jeopardise the delivery of these strategic sites within the Meridian Water master plan area;
- Enfield Disability Action - disability access features should be deducted from CIL liable floorspace.
- RPS – comment that for major retail developments involving major on and off site highway improvements and transport infrastructure improvements. S106 may in such instances be a more appropriate mechanism than the levy for this.
- Fairview Homes - discretionary relief on financial grounds should be an option based as a series of tests.
- CCIF comment that relief to address unique site costs should be made available.

ii) **Strategic Sites**

The GLA indicate that the CIL Guidance now requires evidence to be presented on strategic sites on which the Local Plan relies.

iii) **S106 & Affordable Housing Delivery out-turn figures for recent years**

The GLA highlight that the CIL guidance now requires that these details are provided when consulting on the CIL Draft Charging Schedule.

iv) **Lack of evidence to support higher rates for betting shops & hot food takeaways**

There was support from several consultees and some requests for higher rates and extending to include other uses. However, the GLA questioned the evidence source to justify higher rates for these uses.

v) **Residential Rates Set Too High**

vi) **Retirement Homes**

The viability assessment should assess this as a specific typology due nature of such developments.

vii) **Retail developments**

These should have a lower rate applied for individual units or extensions over 100 sqm as CIL may stifle development.

viii) **LBE Instalments Policy Required**

ix) **Regulation 123 Infrastructure List**

Various representations request / lobby consideration for inclusion of infrastructure items that reflect their particular interests - these include: policing facilities, waste treatment and green infrastructure facilities.

RESPONSES RECEIVED TO THE PRELIMINARY DRAFT CHARGING SCHEDULE FROM THE FOLLOWING ORGANISATIONS

- Bush Hill Park Conservation Area Study Group
- Canal & Rivers Trust*
- CCIF (Enfield)
- Enfield Age UK
- Enfield Disability Action
- English Heritage
- Fairview Homes Ltd
- GLA
- Hertsmere Borough Council*
- Highway Agency*
- Home Group
- Individual (unknown)*
- Lee Valley Regional Park Authority
- Marine Management Organisation*
- McCarthy Stone
- Metropolitan Police Service*
- Natural England
- National Grid Property Holdings
- North London Waste Authority
- Public Health
- RPS
- Thames Water
- Winchmore Hill Residents Association*

* = *No comments or comments in support*

FURTHER VIABILITY WORK UNDERTAKEN BY DIXON SEARLE PARTNERSHIP

A3.1 Further viability work responding to representations to the Preliminary Draft Charging Schedule is set out in the Supplementary Viability Report (June 2014), the findings from this work are summarised below:

Strategic Sites

A3.2 Revised Government Guidance issued in February 2014 recommends that the evidence to support a CIL charge should sample development site types across the borough and should focus on strategic sites on which the local plan relies; in particular where the impact of the levy on economic viability is likely to be most significant. Based on the revised guidance and the representation from the Greater London Authority the consultant looked at an early phase of the Meridian Water Masterplan; the period for which a first CIL charging schedule would apply. The consultants based their appraisals on the viability work undertaken by BNP Paribas, consultants for the Meridian Water Masterplan, in July 2013.

A3.3 This work confirmed that there was no scope for evidencing a local CIL for Meridian Water at the current time. This is due to the costs of decontamination and other site works, infrastructure costs and affordable housing policy compliance, coupled with current relatively low sales values for this area, which together produced poor deficit viability results.

A3.4 The proposed boundary for the Meridian Water nil charge area for residential developments is shown on the map included in Annex 5. The remainder of the east of the borough would retain the proposed residential rate of £40 per square metre. This reflects the margins of viability for this area.

A3.5 Looking ahead the consultant indicates that there may be scope in the future for charging CIL for the Meridian Water Masterplan area as part of a review of the CIL Charging Schedule. This would be based on values growth year on year as the build progresses.

Discretionary Relief in Exceptional Circumstances

A3.6 The Council has the option to offer relief from the levy in exceptional circumstances, on a case by case basis, where a specific scheme cannot afford to pay the levy. Such relief is activated by the Council publishing a notice of its intention on its website. Discretionary relief can be activated and deactivated by the Council at any time and is not subject of the CIL Examination.

A3.7 Where Councils have a discretionary relief policy in place, claims for relief are made by the landowners and are considered on a case by case basis against the following criteria, specified in the CIL regulations. These have to be met prior to the granting of exceptional circumstances relief and include;

- A section 106 must exist on the planning permission granting the development,
- The Council considers that to pay the full levy would have an unacceptable impact on the developments economic viability,
- The relief must not constitute a state aid.

A3.8 Exceptional circumstances relief is not an option being pursued at this stage due to the need for simplicity and consistency in the operation of CIL. The levy rates proposed in the charging schedule are based on viability evidence which show that there is scope to charge CIL; but could be considered as part of the monitoring and review process for CIL, once a CIL is in place.

Retirement/Sheltered Housing

A3.9 Retirement/sheltered housing specifically refer to older persons later living, age restricted, market housing. The further viability work assumes high end values and added costs for these uses but confirms that there is no differentiation for retirement/sheltered housing and that such developments should be considered as part of the wider spectrum of housing uses. This is a position supported by Planning Inspectors at recent examinations elsewhere including at Sevenoaks and West Berkshire.

A3.10 The consultants reconfirm that care homes should not be treated as residential development and that there is poor viability scope to charge CIL.

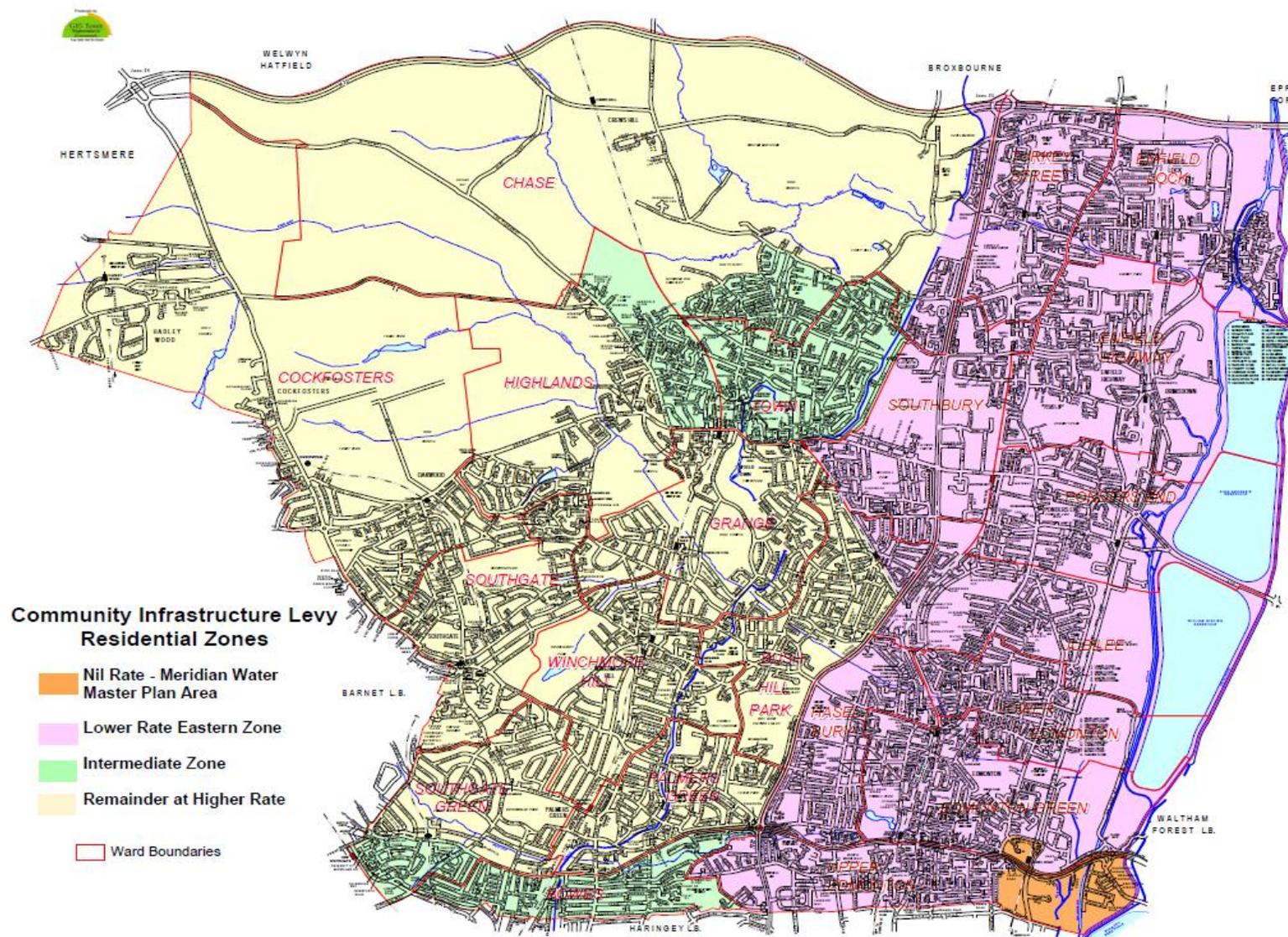
Retail

A3.11 No further retail testing was considered necessary as part of the further viability work, the consultants reconfirm the options contained within their viability report supporting the Preliminary Draft Charging Schedule. This indicates that there is the option to charge a higher rate of CIL up to £120 per square metre for large format retailing. However, the consultants indicate that for clarity, simplicity and set against the uncertain retail economic backdrop, that a single rate of £60 per square metre as set at the Preliminary Draft stage remains appropriate.

A3.12 Betting Shops and Hot Food Takeaways

The further viability work confirmed the previous advice that such uses do not present evidence to support a higher CIL charge relative to other retail related uses.

Enfield Borough
Street Plan
June 2014



**Community Infrastructure Levy
Residential Zones**

- Nil Rate - Meridian Water Master Plan Area
- Lower Rate Eastern Zone
- Intermediate Zone
- Remainder at Higher Rate
- Ward Boundaries

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Drp 6417/6 May 2014

DRAFT REGULATION 123 INFRASTRUCTURE LIST

A6.1 Table A6 below is a draft list of the type of infrastructure and projects that the Council intends will be partly or wholly funded through the Community Infrastructure Levy. The inclusion of projects in the list does not signify a commitment by the Council to fund all the projects listed, nor does the list imply any order of preference for the spending of CIL funds.

Table A6: Draft Regulation 123 Infrastructure List
Meridian Water (Rail and Causeway Infrastructure)
Strategic and local transport improvements, (except for site specific highways and associated public realm matters needed to mitigate the impact of the development and to make the development acceptable in planning terms. Transport improvements may include works remote from the development site where the need for such work is identified in the Transport Assessment).
Council funded education provision
Flood defences
Health care facilities (public)
Public open space, sports, leisure, green infrastructure and community facilities.
Emergency services and utilities infrastructure
Phase 1 Decentralised Energy Strategic Network infrastructure (on site DEN ready infrastructure funded via s106)