



# Charging Schedule

London Borough of Harrow Council

## Planning Act 2008 – Community Infrastructure Levy Regulations 2010

The London Borough of Harrow is a charging authority according to Part 11 of the Planning Act 2008 and may therefore charge the Community Infrastructure Levy on development within Harrow. The Council intends to charge differential rates of CIL to be determined by the land use of a proposed development (expressed as pounds per square metre) as set out in the following table.

### Charging Schedule - Rates of CIL

| Use   | Charge per sqm |
|---|----------------|
| Residential (Use Classes C3),   | £110           |
| Hotel (Use Class C1), Residential Institutions, except Hospitals, (Use Class C2), Student Accommodation, Hostels and HMOs (Sui Generis)   | £55            |
| Retail (Use Class A1), Financial & Professional Services (Use Class A2), Restaurants & Cafes (Use Class A3), Drinking Establishments (Use Class A4), Hot Food Take-aways (Use Class A5) | £100           |
| All other uses  | Nil            |

NB: The above local rates of CIL are exclusive of the Mayor's CIL which is an additional £35 per square metre for most development in Harrow, and has been applicable since 01 April 2012.

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

Following an Examination in Public this Charging Schedule was approved by the Council on 4<sup>th</sup> July 2013

This Charging Schedule came into effect as of **1<sup>st</sup> October 2013**.

## Additional information on the operation of the Harrow CIL

### Calculating the Chargeable CIL

CIL applies to the gross internal area of the net increase in development (Regulation 14). The amount to be charged for each development will be calculated in accordance with Regulation 40 of the Community Infrastructure Levy Regulations 2010. For the purposes of the formulae in paragraph 5 of Regulation 40 (set out below), the relevant rate ( $R$ ) is the differential rate relating to each specific use as set out in the Charging Schedule above.

#### 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 at which CIL is chargeable in respect of the chargeable development taken from the charging schedules which are in effect –
  - (a) at the time planning permission first permits the chargeable development; and
  - (b) in the area in which the chargeable development will be situated.
- (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  $R$

$I_P$  = 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 the rate  $R$  took effect.

- (6) The value of  $A$  in paragraph (5) must be calculated by applying the following formula –

$$G_R - K_R - \left( \frac{G_R \times E}{G} \right)$$

Where –

$G$  = the gross internal area of the chargeable development;

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

$E$  = an amount equal to the aggregate of the gross internal areas of all building which –

- (a) on the day planning permission first permits the chargeable development, are situated on the relevant land and in lawful use; and

- (b) are to be demolished before completion of the chargeable development.
- $K_R$  = 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 –
- (a) on the day planning permission first permits the chargeable development, are situated on the relevant land and in lawful use:
  - (b) will be part of the chargeable development upon completion; and
  - (c) will be chargeable at rate  $R$
- (7) The index referred to in paragraph (5) is 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; and the figure for a given year is the figure for 1st November of the preceding year.
- (8) But in the event that the All-in Tender Price Index ceases to be published, the index referred to in paragraph (5) is the retail prices index; and the figure for a given year is the figure for November of the preceding year.
- (9) Where the collecting authority does not have sufficient information, or information of sufficient quality, to enable it to establish –
- (a) the gross internal area of a building situated on the relevant land; or
  - (b) whether a building situated on the relevant land is in lawful use, the collecting authority may deem the gross internal area of the building to be zero.
- (10) For the purposes of this regulation a building is in use if a part of that building has 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.
- (11) In this regulation “building” does not include –
- (a) a building into which people would not normally go;
  - (b) a building into which people go only intermittently for the purpose of maintaining or inspecting machinery; or
  - (c) a building for which planning permission was granted for a limited period.
- (12) In this regulation “new build” means that part of the chargeable development which will comprise new buildings and enlargements to existing buildings.

## Collection

The process for collecting CIL is quite different from that which applies to S106 agreements. Planning applications must include a **CIL Additional Information Form**, available via the following link [http://www.planningportal.gov.uk/uploads/1app/forms/cil\\_questions.pdf](http://www.planningportal.gov.uk/uploads/1app/forms/cil_questions.pdf), which provides details on existing and new floor space. This will be used alongside information in the main application form to determine whether CIL is chargeable. Where planning permission is granted for development by way of a general consent (e.g. through ‘permitted development rights’), a notice of chargeable development must be submitted to the Council.

If the development is chargeable, one or more of the development parties must assume liability for paying CIL following the grant of planning permission by submitting an Assumption of Liability Form. Parties may also apply for affordable housing and charitable CIL relief. The

Council will issue a Liability Notice setting out the 'chargeable amount' that will be due when planning permission first permits development<sup>1</sup>.

The CIL payment will not be due until the development is implemented and therefore the developer is required to submit a commencement notice to the Council, informing them of the date the development is going to start, before this takes place. In response to the commencement notice the Council will issue a Demand Notice to the developer, detailing the payment procedure they need to follow. Once the payment is received the Council must issue a receipt.

To ensure that the CIL collection process runs smoothly, collecting authorities have been given a set of stringent enforcement powers to penalise late or non-payment of the charge which includes surcharges, putting a stop on development, recovery of assets and prison terms. Developers have the opportunity to appeal certain decisions throughout the process.

The Council is the collecting authority of the Mayor of London's CIL which the same processes apply to. The council must transfer any Mayoral CIL received to TfL by the end of the relevant financial quarter in which the money is received.

### **Administrative costs**

5% of all contributions collected will be used to pay for the costs of administering the Community Infrastructure Levy. This will support the Council in monitoring and enforcement of the charge as well as providing infrastructure planning support to manage and co-ordinate the delivery of infrastructure improvements that address the impacts resulting from development.

### **Instalments Policy**

In accordance with Regulation 69B of the Community Infrastructure Levy (amendment) Regulations 2011, the Council will allow payments of CIL by instalments according to the total<sup>2</sup> amount of the liability as follows:

| Amount of CIL Liability           | Number of Instalments | Payment Periods and Amount   |
|-----------------------------------|-----------------------|--|
| Any amount less than £100,000     | No instalments        | <ul style="list-style-type: none"><li>• Total amount payable within the 60 days of commencement of development</li></ul>   |
| Amounts from £100,000 to £250,000 | Two instalments       | <ul style="list-style-type: none"><li>• £100,000 payable within 60 days of commencement of development</li><li>• Balance payable within 120 days of commencement of development</li></ul>  |
| Amounts from £250,000 to £500,000 | Three instalments     | <ul style="list-style-type: none"><li>• £100,000 payable within 60 days of commencement of development</li><li>• Balance payable in a further two instalments of equal amount within 120 and 180 days of commencement of development</li></ul> |
| Any amount greater than £500,000  | Four instalments      | <ul style="list-style-type: none"><li>• £100,000 payable within 60 days of commencement of development</li></ul>   |

<sup>1</sup> In the case of a grant of planning permission which is not an outline planning permission; and is subject to a condition requiring further approval to be obtained before development can commence, planning permission first permits development on the day final approval is given.

<sup>2</sup> The total amount of CIL is the amount shown on the Liability Notice and may include components for London Borough of Harrow and the Mayor of London

|  |  |  |
|--|--|--|
|  |  | <ul style="list-style-type: none"> <li>• Balance payable in a further three instalments of equal amount within 120, 180 and 240 days of commencement of development</li> </ul> |
|--|--|--|

It should be noted that Mayoral CIL is subject to a different Mayoral instalments policy [https://www.london.gov.uk/sites/default/files/MAYOR%20OF%20LONDON%20INSTALMENT S.pdf](https://www.london.gov.uk/sites/default/files/MAYOR%20OF%20LONDON%20INSTALMENT%20S.pdf).

The Council's instalments policy will be subject to monitoring and may be changed at any time in accordance with CIL (Amendment) Regulations 2011.

### **Phased development**

CIL Regulation 9 (4) specifies that in the case of a grant of outline planning permission which permits development to be implemented in phases, each phase of the development is a separate chargeable development. This means that for large phased developments CIL payments will potentially be staggered, depending on when each phase is commenced.

### **In kind payments**

The CIL must be levied in pounds per square metre and will be collected, in most cases, as a cash contribution. However, the council will assess any proposals for in kind payments of CIL on its merits and in accordance with CIL Regulations.

### **CIL relief**

CIL relief means any exemption or reduction in liability to pay the levy. Applications for CIL relief must be submitted and determined before commencement of development.

The CIL Regulations 2010 (as amended) provide relief from the levy on those parts of a chargeable development which are intended to be used as affordable housing (as defined by CIL Regulation 49). A charity landowner will benefit from full relief from their portion of the liability where the chargeable development will be used wholly, or mainly, for charitable purposes.

To ensure that relief from the levy is not used to avoid proper liability for the levy, the Regulations require that any relief originating from affordable housing or charitable development must be repaid if the development no longer qualifies for the relief granted within a period of seven years from commencement of the chargeable development.

A charging authority can also choose to offer discretionary relief on:

- the investment activities of charitable institutions; and
- in exceptional circumstances:
  - the cost of complying with S106 planning obligation is greater than the chargeable amount payable by a developer;
  - there is an unacceptable impact on the economic viability of a development
  - that the granting of relief would not constitute state aid.

The Council will not expect to implement any discretionary exemptions. The Council believes the charge is viable and will monitor the charge to ensure it remains viable. Should

circumstances change the Council will seek to revise the levy rather than provide any discretionary relief from the charge.

For further details on CIL relief please see the Community Infrastructure Levy Relief: Information document<sup>3</sup>.

## Regulation 123 List

The following table comprises Harrow Council's Regulation 123 List. It includes the strategic infrastructure that the Council currently considers it is likely to apply CIL revenues to. The Regulation 123 List will be kept under review and may change depending upon the following:

- Changes to local or national funding streams in respect of CIL eligible infrastructure; and
- The requirements of the regulations governing the level of the "meaningful proportion" of CIL that is to be passed to local communities.

| Infrastructure currently considered likely to benefit from the application of CIL funding |  |
|---|--|
| Education facilities  | Early years, primary and secondary schools   |
| Health services   | GPs, acute healthcare  |
| Social care   | Supported accommodation  |
| Emergency services  | Police, Ambulance and Fire Services  |
| Cultural and community facilities   | Libraries and community halls  |
| Improvements to public open space   | Parks, natural green space, civic space and green corridors and green grid                         |
| Improvements to biodiversity  |  |
| Public recreation and leisure facilities  | Neighbourhood and Youth Play space, sports and leisure centres, swimming pools and playing pitches |
| Cemeteries and burial space   |  |
| Strategic transport facilities  | Roads, buses, cycling, rail and underground  |
| Strategic flood mitigation  |  |

<sup>3</sup> Communities and Local Government (2011), Community Infrastructure Levy Relief Information Document: <http://www.communities.gov.uk/documents/planningandbuilding/pdf/19021101.pdf>