

Planning Obligations and Community Infrastructure Levy

Guidance Note

December 2016

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1. Introduction

- 1.1. This document is based upon the policies of the adopted Gedling Borough Aligned Core Strategy (2014), the adopted Gedling Borough Replacement Local Plan (2005) and the emerging Local Planning Document. This guidance should be read in conjunction with the Gedling Borough Council Community Infrastructure Levy Charging Schedule adopted July 2015.
- 1.2. This guidance explains how the Community Infrastructure Levy (CIL) and Section 106 will be used together to deliver planning obligations and will demonstrate that developers will not be required to pay twice for the provision of infrastructure through both a CIL charge and Section 106 contributions.
- 1.3. The guidance provides a clear and transparent system that identifies what infrastructure will be funded through CIL and in what circumstances would infrastructure be required in addition to the CIL payment as a planning obligation.
- 1.4. The document will identify how the Council will deal with CIL and Planning Obligations including the identification of clear procedures involved in the application and setting of contributions.

2. Legislative and Policy Framework

- 2.1. The legislative and policy framework for planning obligations includes the following:
 - Town and Country Planning Act 1990 (as amended);
 - Planning Act 2008 (as amended);
 - The Community Infrastructure Levy Regulations 2010 (as amended);
 - The National Planning Policy Framework (NPPF) (2012);
 - The Planning Practice Guidance (PPG) (2014);
 - Gedling Borough Aligned Core Strategy (2014);

- Gedling Borough Replacement Local Plan (2005) and
- Emerging Local Planning Document (2016)
- 2.2. Paragraph 206 of the NPPF states that planning conditions should only be imposed where they are necessary, relevant and reasonable in all other respects.
- 2.3. Planning obligations should only be used where it is not possible to address unacceptable impacts through a planning condition and where they meet the three tests set out CIL Regulation 122 and paragraph 204 of the NPPF:

'A planning obligation may only constitute a reason for granting planning permission for the development if the obligation is –

- a) Necessary to make the development acceptable in planning terms;
- b) Directly related to the development; and
- c) Fairly and reasonably related in scale and kind to the development.'
- 2.4. If a planning obligation does not meet all of these tests it cannot legally be taken into account in granting planning permission. The local authority needs to be convinced that, without the obligation, permission should be refused.
- 2.5. Planning obligations cannot be used to deliver projects which will be provided for by CIL. The Gedling Community Infrastructure Levy Regulation 123 List sets out the infrastructure projects that the Council may fund, in whole or in part, through CIL and which cannot be the subject of an obligation.
- 2.6. Regulation 123 of the CIL Regulations 2010 (as amended) limits the pooling of planning obligations towards infrastructure not on the Regulation 123 List. The pooling limit includes all planning obligations entered into since 6 April 2010. No more than five separate planning obligations may be pooled towards an infrastructure type or project. This includes planning obligations attached to applications under Section 73 of the Town and Country Planning Act 1990, which vary a planning condition. Phased payments as part of a

planning obligation collectively count as a single obligation. There are no pooling limits in relation to affordable housing and for infrastructure that is not capable of being funded by CIL

- 2.7. In the 2014 Aligned Core Strategy Policy 19: Developer Contributions identifies what all developments are expected to contribute towards in relation to the provision and maintenance of new infrastructure as consequence of development. The policy also identifies that the Council intend to introduce the Community Infrastructure Levy to secure the necessary infrastructure to meet the Core Strategy objectives.
- 2.8. The Council have prepared a number of SPDs, documents and informal guidance that provides further interpretation of the policies contained with the Gedling Borough Replacement Local Plan (2005) and Gedling Borough Aligned Core Strategy (2014). The following GBC SPDs, documents and informal guidance provides the current basis for the requirement of Planning Obligations and the Community Infrastructure Levy.

Affordable Housing

Affordable Housing SPD (2009)

http://www.gedling.gov.uk/media/documents/planningbuildingcontrol/affordab le_housing_spd_final_dec2009.pdf

Open Space and Leisure

Open Space SPD (2001)

http://www.gedling.gov.uk/media/documents/planningbuildingcontrol/open_s pace planning guidance document (final edition).pdf

Air Quality

Guidance on Air Quality and Emissions Mitigation (informal guidance) (2015)

http://www.gedling.gov.uk/media/documents/planningbuildingcontrol/GBC%20AQ%20PLANNING%20GUIDANCE%20Aug2015v2.pdf

Economic Development

Greater Nottingham Aligned Core Strategies Part 1 Local Plan (2014) – Policy 4: Employment Provision and Economic Development <a href="http://www.gedling.gov.uk/media/documents/planningbuildingcontrol/adopted-alignedcorestrategy/ACS%20Main%20Publication%20First%20Draft%20(Au alignedcorestrategy/ACS%20Main%20Publication%20First%20Draft%20(Au alignedcorestrategy/ACS%20Main%20Publication%20First%20(Au alignedcorestrategy/ACS%20Main%20Publication%20First%20(Au alignedcorestrategy/ACS%20Main%20Publication%20First%20(Au alignedcorestrategy/ACS%20Main%20Publication%20First%20(Au alignedcorestrategy/ACS%20Main%20Publication%20First%20(Au alignedcorestrategy/ACS%20Main%20First%20(Au alignedcorestrategy/ACS%20(Au alignedcores

gust%202014)%203-9-14.pdf

Primary Healthcare

Greater Nottingham Aligned Core Strategies Part 1 Local Plan (2014) – Policy 12: Local Services and Health Lifestyles

http://www.gedling.gov.uk/media/documents/planningbuildingcontrol/adopted alignedcorestrategy/ACS%20Main%20Publication%20First%20Draft%20(August%202014)%203-9-14.pdf

Community Infrastructure Levy

Community Infrastructure Levy Charging Schedule (2015)

http://www.gedling.gov.uk/media/documents/planningbuildingcontrol/cils/Charging%20Schedule%20(Adoption%20July%202015).pdf

3. Community Infrastructure Levy

- 3.1. The Gedling Borough Council Community Infrastructure Levy Charge Schedule was approved by the Council on 15th July 2015. The Charging Schedule came into effect on 15th October 2015. The Gedling Borough Council CIL Charging Schedule can be viewed at: www.gedling.gov.uk/CIL.
- 3.2. A broad definition of 'infrastructure' for the purposes of CIL funding is set out in section 216(2) of the Planning Act 2008 and includes:
 - · Road and other transport facilities;
 - Flood defences;
 - Schools and other education facilities;
 - Medical facilities;
 - Sporting and recreational facilities; and
 - Open spaces.
- 3.3. The evidence supporting the CIL Charging Schedule shows that developments would still be viable even though CIL would exceed past levels of S106 contributions.
- 3.4. The Council's approach in the supporting Viability Appraisal reflects appropriate industry costs and is set at an appropriate and realistic rate. Contingency costs and significant viability buffers are built in and provide reasonable margins for any additional costs. The viability assessments carried out as part of the preparation of the CIL demonstrate that the rates contained in the CIL Charging Schedule have been set realistically and can be borne by most developments without making projects commercially unviable. This represents a cautious but realistic approach to viability and the CIL rates in the Borough.

4. Gedling Borough Council Approach to Contributions

4.1. This section sets out Gedling Borough Council's approach towards seeking planning contributions from development schemes. It looks at the interaction between planning obligations and CIL, the process for seeking planning obligations, and the Council's approach to viability considerations. This section provides worked examples.

Interaction between Planning Obligations and CIL

- 4.2. CIL payments will be sought in line with the Borough's adopted CIL Charging Schedule. In addition to CIL, developers will still be expected to mitigate any impact on the environment or local infrastructure that arises directly as a result of the development, in line with the tests set out in CIL Regulation 122 and NPPF paragraph 204. The following will still continue to be provided through planning obligations:
 - Affordable housing (as this is outside the scope of CIL);
 - Infrastructure that is required as a result of specific development (and is not included in the Regulation 123 list);
 - Commuted sums for the maintenance of facilities/infrastructure that the developer would like another body to adopt; and
 - Mitigating the direct negative impacts of development.
- 4.3. Figure 1 below sets out a summary of what may be required from a typical development scheme. This is provided as an illustration only, and there may be specific cases which vary from this for justifiable reasons. Applicants are advised to consult the Planning Department at an early stage in the process in order to discuss requirements relating to specific development proposals.

Figure 1 Potential contributions from development schemes (illustrative only)

Type of development	Standard CIL	Potential planning
scheme	charge	obligations
Residential extension less	No	Mitigation of specific
than 100 m ²		impacts if required
Residential extensions of	Yes (Residential	Mitigation of specific
100 m ² +	Charging Zones 2	impacts if required
	and 3 only)	
1 to 14 dwellings	Yes (Residential	Mitigation of specific
 Sites > 0.4ha 	Charging Zones 2	impacts if required
	and 3 only)	On site provision of open
		space or contribution to
		off-site improvements +
		commuted maintenance
		sum (residential sites
		over 0.4 ha)
15 to 99 dwellings	Yes (Residential	Mitigation of specific
 Sites > 0.4ha 	Charging Zones 2	impacts if required
	and 3 only)	On site provision of open
		space or contribution to
		off-site improvements +
		commuted maintenance
		sum (residential sites
		over 0.4 ha)
		Affordable Housing
100+ dwellings	Yes (Residential	Mitigation of specific
• Sites > 0.4ha	Charging Zones 2	impacts if required
	and 3 only)	On site provision of open
		space or contribution to
		off-site improvements +
		commuted maintenance
		sum (residential sites

		over 0.4 ha)
		Affordable Housing
		Development-specific
		infrastructure (where
		need created by the
		development – e.g.
		primary school or
		community facility)
Retail development less	No	Mitigation of specific
than 100 m ²		impacts if required
Retail development of	Yes (Borough wide)	Mitigation of specific
100m ² +		impacts if required
		Development-specific
		infrastructure (could
		include open space,
		transport infrastructure
		or other aspects)
Other types of	No	Mitigation of specific
development		impacts if required
		Development-specific
		infrastructure (could
		include open space,
		transport infrastructure
		or other aspects)
1	1	1

4.4. Since 6th April 2015, Gedling Borough Council have only been able to pool up to five Section 106 contributions towards the implementation of a specific item of infrastructure. If such an item is to be delivered wholly or partly through CIL, this item of infrastructure must be clearly exempt from a planning obligation and are identified in the Council's Regulation 123 List, which details specific items of infrastructure to be delivered by CIL.

4.5. Figure 2 below seeks to clarify the split between CIL and Section 106 agreements, by listing the key forms of contributions likely to be sought. It should be noted that the list of infrastructure types is not exhaustive.

Figure 2 Infrastructure types delivered through CIL and Section 106

Type of infrastructure*	S106	CIL funded
	infrastructure/mitigation	infrastructure
Transport	Site-related requirements only.	Project 1- Gedling Colliery/Chase Farm Gedling Access Road to facilitate development of Gedling Colliery/Chase Farm
Drainage and flood protection	Site-related flood defence infrastructure (such as	-
	SUDS)	
Public transport	Site-related requirements only.	-
Travel behavioural change	Site-related requirements	-
measures	only.	
Affordable housing	Affordable housing	-
Education	Mitigation and	Project 3 - Gedling
	development of specific	Colliery/Chase Farm
	schools and education	Secondary School
	facilities to meet needs of new development.	Contributions
		Project 4 - Top Wighay
		Farm Secondary School
		Contributions
Open Space	Site related requirements only or replacement of open space lost through development.	-
Community facilities	Site-related requirements only.	Project 2 – Visitor Centre for Gedling Country Park
Cultural facilities	Site-related requirements	Project 2 – Visitor Centre
	only.	for Gedling Country Park
Health and social care	New health facilities within	Project 2 – Visitor Centre
facilities	large developments.	for Gedling Country Park

Emergency services	Site-related requirements	-
	only.	
Environmental	Site-related requirements	-
improvements	only.	
Waste recycling facilities	Site-related requirements	-
	only.	
Shopping facilities	Site-related requirements	-
	only.	
Green Infrastructure	Site-related requirements	-
	only	
Information and	Site-related requirements	-
Communication	only.	
Technology		
Training and employment	Site-related requirements	-
measures for local people	only.	

^{*}Infrastructure types taken from paragraph 2.19.2 of the Core Strategy (Adopted September 2014)

Process for seeking developer contributions

4.6. This section sets out the process for CIL and the seeking of developer contributions, including the collection, financial management and use of funds.

Application process

- 4.7. Developers are advised to enter into discussion with the local planning authority (and other infrastructure providers including Nottinghamshire County Council) as early as possible in the process, e.g. prior to an application being submitted.
- 4.8. The Planning Officer will consider the potential requirements for planning obligations as outlined in this document and/or CIL charges (if applicable).
- 4.9. The Planning Officer may draw on advice from other infrastructure providers and stakeholders in relation to the need for planning obligations. When dealing with outline applications, the local planning authority is able to provide an indicator of the requirements for planning obligations. CIL

- charges will only apply and be calculated on detailed planning applications (Full / Reserved Matters) when final floorspaces are known.
- 4.10. Nottinghamshire County Council has a Planning Obligations Strategy that was adopted April 2014. The strategy seeks to provide a fair, consistent and transparent basis for negotiating legal agreements throughout Nottinghamshire, thereby enabling developers to take account the potential costs of a proposed development at the earliest stage. The County Council's Planning Obligation Strategy can be accessed via the following link:

http://www.nottinghamshire.gov.uk/planning-and-environment/general-planning-obligations-strategy

4.11. If you have any queries regarding the 'Planning Obligations Strategy' please contact the County's Planning Obligations Unit, telephone 0115 9774545.

Process Diagram

4.12. The process diagrams at Figure 3, 4 and 5 set out how both planning obligations and CIL are secured, collected, monitored, reported and used and shows how these individual processes will work in parallel through the planning system.

Figure 3 Planning Obligation Process

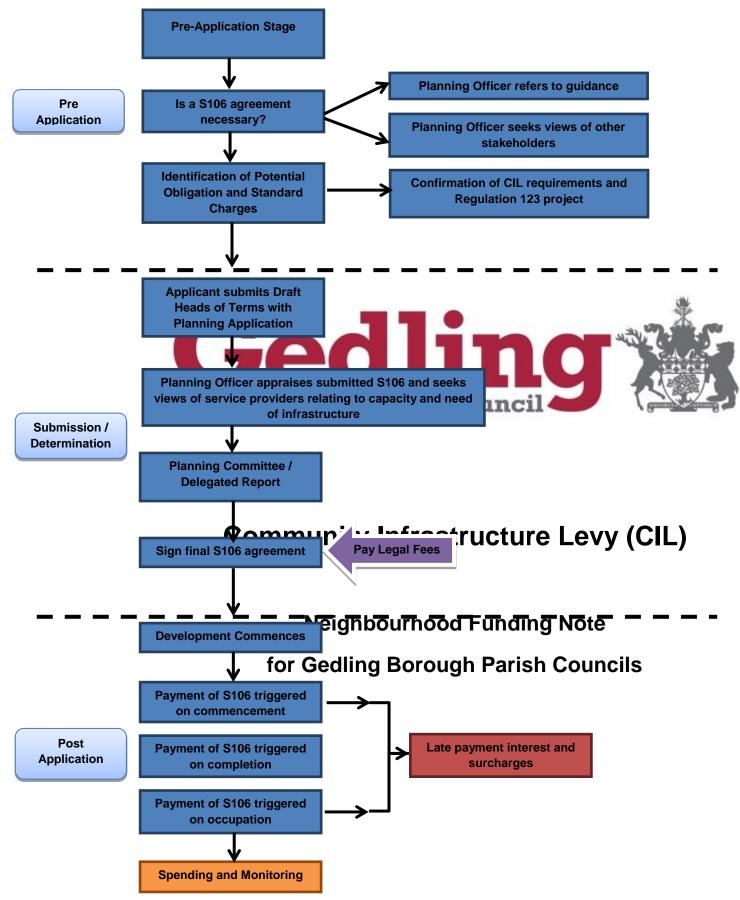
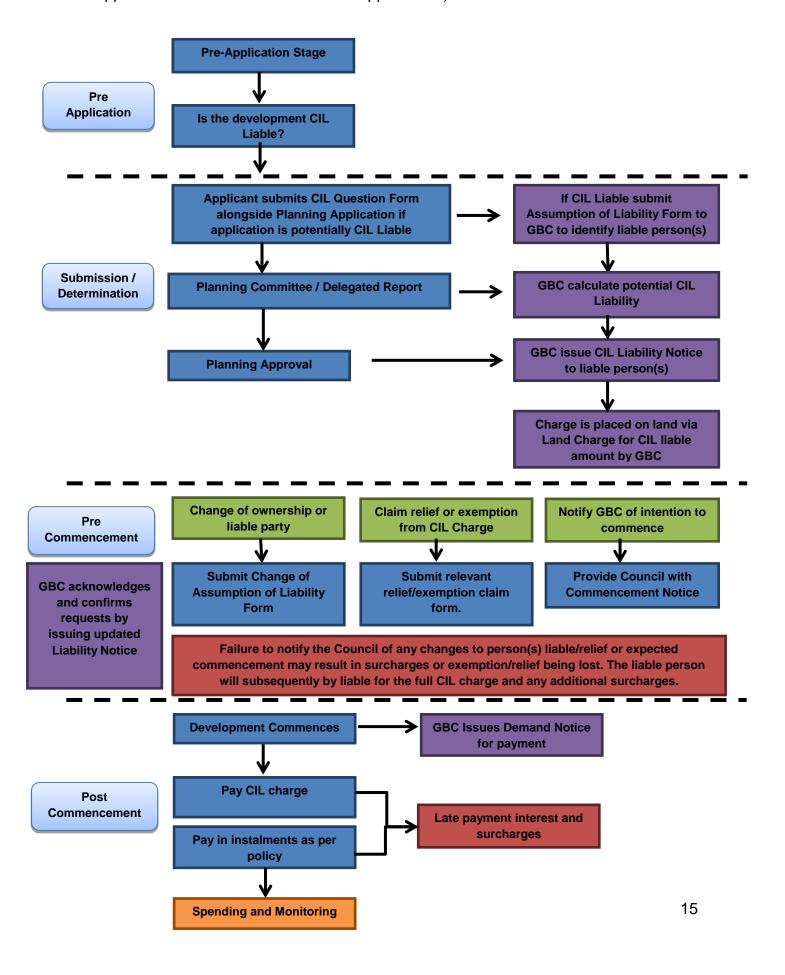


Figure 4 Community Infrastructure Levy Process (only applicable to detailed applications – Full/Reserved Matters applications)



Spending and Monitoring Receive S106/CIL S106/CIL payment payment not received **Update** and Commence Allocate CIL to Spend as per monitor recovery project S106 clause database process Community and stakeholder input as per governance arrangements Reporting **Implement** S106/CIL receipts project

Figure 5 Spending and Monitoring Process for CIL and Planning Obligations

4.13. Planning obligations are generally agreed as part of the planning application process and then secured when planning permission for a site or scheme is granted. Unlike S106, CIL is non-negotiable. When an application is received, council officers will determine if the development is eligible to pay CIL in accordance with the CIL Regulations. The CIL liability will then be calculated and the applicant will be informed of the amount due. CIL collection arrangements are covered in part 8 of the CIL Regulations (http://www.legislation.gov.uk/ukdsi/2010/9780111492390/part/8) and shown in the process highlighted in Figure 4 further information on CIL collection,

S106/CIL expenditure
Completion of schemes

enforcement, forms and templates are also available on the National Planning Practice Guidance website.

http://planningguidance.planningportal.gov.uk/blog/guidance/community-infrastructure-levy/

Forms

4.14. When applying and administering the CIL, there are a number of potential stages where forms and information are required to be supplied to the Council. All of these forms are available to access and download on the Council's website at www.gedling.gov.uk/CIL. The following table highlights these forms and their purpose:

Figure 6 CIL Forms and Purpose

CIL Form	Purpose
CIL Form 1 – Assumption of Liability	This form is used to assume liability prior
	to commencement of development.
CIL Form 2 – Claiming Exemption and or	This form should be used to claim
Relief	charitable relief, social housing relief,
	and/or exceptional circumstances relief
	prior to the commencement of
	development.
CIL Form 3 – Withdrawal of Assumption	This is used to withdraw the assumption
of Liability	of liability. It must be submitted/received
	by the Council prior to commencement of
	development.
CIL Form 4 – Transfer of Assumed	This form allows parties to transfer
Liability	liability to pay at any time up to the day
	before the date when final payment is
	due.
CIL Form 5 – Notice of Chargeable	This form should be used when a
Development	development is granted by way of

	general consent (i.e. Permitted
	Development, Prior Notification etc.) for
	additional floorspace for either a
	residential extension or retail
	development over 100 sq. m of the
	creation of a new dwelling.
CIL Form 6 – Commencement Notice	This notice must be received by the
	charging/collecting authority prior to
	commencing development. Failure to
	issue this may result in losing the ability
	to pay the levy in instalments, it may also
	nullify any claim for exemption or relief.
CIL Form 7 – Self Build Exemption Claim	The form is used to claim exemption for a
Form Part 1	self build home. It must be granted prior
	to the commencement of the
	development and a Commencement
	Notice must be received prior to the date
	of commencement of the development.
	If this is not received the applicant will
	otherwise be liable for the full levy
	charge.
CIL Form 7 – Self Build Exemption Claim	This form is used to validate the Self
Form Part 2	Build Exemption Claim. It must be
	submitted to the Council within six
	months of the completion of the
	development with the detailed supporting
	evidence. Without it the applicant may
	otherwise be liable for the full levy
	charge.
CIL Form 8 – Self Build Residential	This form is used to claim exemption for
Annex Exemption Claim Form	residential annexes. It must be granted
	prior to the commencement of the
	development and a Commencement

	Notice must be received prior to the date
	of commencement of the development.
	If this is not received the applicant will
	otherwise be liable for the full levy
	charge.
CIL Form 9 – Self Build Extension	This form is used to claim exemption for
Exemption Claim Form	a self build residential extension that is
	over 100 sq.m. This relief must be
	submitted and granted prior to
	commencement.

Relief and Exemptions

- 4.15. As detailed in the Gedling Charging Schedule a number of forms of development are exempt from paying CIL:
 - Buildings into which people do not normally go, or go only intermittently for the purpose of inspecting or maintaining fixed plant or machinery (Regulation 6);
 - Developments of under 100 sq m that do not result in the creation of 1 or more additional dwellings (Regulation 42);
 - Self-build Residential Extension and Annexes over 100 sq m. (Regulations 42A and 42B);
 - Development by a charity where the development will be used wholly or mainly for charitable purposes (Regulation 43); and
 - Self-build housing or self-build communal development (Regulation 54A).
- 4.16. In order for a relief or exemption to apply to a potential CIL liable development, relief must be applied for and confirmed by the Council prior to commencement of the following types of development:
 - Self-build residential extensions and annexes over 100 sq m;
 - Development by a charity where the development will be used wholly or mainly for charitable purposes;
 - Self-build housing or self-build communal development; and

Social housing.

The Council cannot apply relief or exemptions retrospectively to development that has already commenced.

Exceptional Discretionary Relief

- 4.17. In the Examiner's Report into the Examination of the Gedling Borough
 Council Revised Draft Community Infrastructure Levy Charging Schedule, the
 Examiner considered that having or not having a discretionary relief policy is
 "a matter for the Council".
- 4.18. At this time, although there is the legislative framework available to provide this relief through Regulations 55, 56, 57 and 58 of Community Infrastructure Levy Regulation 2010 (as amended), the Council does not envisage bringing forward a policy offering this relief.

Timing, Payment and Enforcement of Financial Obligations

- 4.19. The Borough Council will monitor planning obligations to ensure they are fulfilled with, and enforcement action will be taken where conditions or planning obligations are not complied with. Payment of financial contributions will be in line with triggers in the agreements. Late payment of more than 3 weeks will trigger a reminder letter and the Council will consider pursuing appropriate legal action to recover unpaid amounts, including interest and legal fees.
- 4.20. Payment of the CIL is due upon the commencement of development (defined by reference to section 56(4) of the Town and Country Planning Act 1990 and includes works of demolition and construction and preparatory works such as digging foundations and installing services).
- 4.21. The Council's CIL Instalment Payment Policy is shown in Figure 7:

Figure 7 Instalment Payment Policy

Chargeable Amount	Number of Instalments	Total Timescale for Instalments	Payment Periods and Amounts
Less than		IIIStaillelitS	Full payment within 90 days of
£15,000	1	90 days	development
Between			1 st Instalment (25%) within 90 days.
£15,000 and	3	360 days	2 nd Instalment (50%) within 270 days.
£50,000		-	3 rd Instalment (25%) within 360 days.
Between			1 st Instalment (25%) within 90 days.
£50,000 and	3	540 days	2 nd Instalment (50%) within 360 days.
£100,000			3 rd Instalment (25%) within 540 days.
			1 st Instalment (25%) within 90 days.
Over £100,000	4	720 days	2 nd Instalment (25%) within 270 days.
Over £100,000	4	120 days	3 rd Instalment (25%) within 540 days.
			4 th Instalment (25%) within 720 days

- 4.22. Unlike Section 106 obligations, CIL payment is mandatory and nonnegotiable. If you do not pay on time:
 - you will be subject to a penalty without further notification; and
 - any agreement for you to pay by instalments will be withdrawn.
- 4.23. There are strong enforcement powers and penalties for failure to pay, including Stop Notices, surcharges and prison terms. Further detail regarding the enforcement of CIL can be found within Part 9 of the CIL Regulations at http://www.legislation.gov.uk/uksi/2010/948/part/9/made and will be detailed further in the separate CIL Enforcement Guidance.

Monitoring

4.24. The Council will monitor Section 106 agreements closely focusing on key trigger points for payment and/or delivery of infrastructure related to development. These triggers are usually based on key stages and levels of development (e.g. prior to commencement, commencement, completion and occupation.) Signatures' of the S106 agreement are responsible for notifying the Council of when trigger points have been hit. Once the Council have been notified or have found that a trigger has been met invoices will be prepared and sent by relevant departments. The Council will monitor Section

- 106 agreements up until the discharge of the agreement once all requirements have been met.
- 4.25. The Council will publish information on an annual basis outlining the scope of planning obligations and CIL monies received and how they have been spent. This information will be detailed in the Council's Annual Monitoring Report and will be published on the Council's website.

Spending

- 4.26. Legal agreements will specify timeframes for spending monies secured through planning obligations. Where necessary the Council will refund monies where required to do so in accordance with a Section 106 agreement. Delivery of infrastructure can take time and may also be delayed due to availability of funding from other sources.
- 4.27. There is no exact timescale for the spending of CIL receipts. However, there will be a need to establish relationships with external bodies to agree a process for the requesting of appropriate funds for payment towards infrastructure identified on the Regulation 123 List.

Neighbourhood Funding

4.28. Information relating to the Neighbourhood Funding element of the CIL is contained within a separately published guidance note.

5. Keeping the CIL up to date

Updating the Regulation 123 List

- 5.1. When a charging authorities wishes to revise their Regulation 123 list, it is required that any changes are clearly explained and are subject to appropriate local consultation.
- 5.2. The National Planning Practice Guidance states that "Charging authorities (Gedling Borough Council) should not remove an item from the Regulation 123 list just so that they can fund this item through a new section 106 agreement. Authorities may amend the Regulation 123 list without revising their charging schedule, subject to appropriate consultation. However, where a change to the Regulation 123 list would have a very significant impact on the viability evidence that supported examination of the charging schedule, this should be made as part of a review of the charging schedule".
- 5.3. At this time Gedling Borough Council are not proposing to revise the Regulation 123 List. If the Council were minded to the revise the Regulation 123 List it would undergo a 6 week period of public consultation with key stakeholders and the general public.

Indexation of the CIL Rate

- 5.4. CIL payments are index linked from the year when CIL is introduced by the Council to the year when planning permission is granted. The index which is used is known as the national All-in Tender Price Index which is published by the Build Cost Information Service (BCIS).
- 5.5. This index presents forecast figures, which are updated and finalised periodically. The indexation will be applied annually (1st January) to keep the CIL responsive to market conditions.

CIL Review

- 5.6. The Examiner assessing the Council's Charging Schedule concluded in their Examiners Report dated May 2015 that the Council should review the schedule within 3 years of adoption.
- 5.7. The Examiner stated that this approach would ensure that the overall approach towards the funding the cost of new infrastructure and the potential effects on the economic viability of development across the charging area would remain viable and ensure that an appropriate balance was struck.