

# Merthyr Tydfil County Borough Council

## Community Infrastructure Levy

### Charging Schedule

### June 2014

(Approved by Council 23<sup>rd</sup> April 2014, implemented from 2<sup>nd</sup> June 2014)

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## Introduction

The purpose of this document is to set out Merthyr Tydfil County Borough Council's Charging Schedule for the Community Infrastructure Levy (CIL) in its area. The monies generated from the CIL will be used to secure infrastructure that is required to support development in accordance with the Merthyr Tydfil County Borough Council Local Development Plan.

This Charging Schedule has been prepared in accordance with the requirements of the Community Infrastructure Levy Regulations 2010 (as amended).

## CIL Rates

Merthyr Tydfil County Borough Council is the charging authority for the purpose of charging the Merthyr Tydfil Community Infrastructure Levy. The area of Merthyr Tydfil County Borough that lies within Brecon Beacons National Park is excluded from this charge. The responsibility for setting and collecting CIL in this area will rest with the National Park Authority.

The Council intends to charge Community Infrastructure Levy in Merthyr Tydfil at the following rates (expressed as £ per square metre) in respect of all developments in the following use classes within each of the relevant zones as shown in Table 1 below.

**Table 1: Residential and Commercial Development CIL rates**

<b>Residential (C3) Development CIL rates</b>	
<b>Zone</b>	<b>CIL rate per square metre</b>
Merthyr Tydfil	£25
Mid Valleys	£0
Lower Valley	£0
<b>Commercial Development CIL rates</b>	
<b>Type of Development</b>	<b>CIL rate per square metre</b>
Retail (A1)	£100
Retail (A3)	£25

Maps illustrating the location and boundaries of the zones are attached and appendices 1 and 2.

### Calculating the CIL amount

The chargeable amount will be calculated at the time planning permission first permits the chargeable development in accordance with the formula set out in Regulation 40 as follows:

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

Where

**R** = the CIL Rate set out in the tables above

**A** = the deemed net area chargeable at rate R

**I<sub>p</sub>** = the index figure for the year in which planning permission was granted

**I<sub>c</sub>** = the index figure for the year in which the charging schedule took effect

- Regulation 40 (7) provides more information on how to calculate A and is attached to this document as Appendix 3
- The index is the All-in Tender Price Index published by the Building Cost Information Service of the RICS and the figure is for 1st November of the preceding year (Regulation 40 (6))

CIL will be charged for the net additional floorspace, that is, after the area of demolished buildings has been deducted. Where the chargeable amount is less than £50 it is deemed to be zero.

Where there is more than one use class on a development, the chargeable development in each use class is calculated separately and then added together to provide the total chargeable amount.

Where an outline planning permission permits development to be implemented in phases, each phase of the development is a separate chargeable development. In the case of outline planning applications where the floorspace of the development is not specified, the amount will be calculated at the submission of reserved matters and the liability notice will follow the approval of reserved matters.

### CIL Exemptions

CIL chargeable development does not include works to buildings into which people do not normally go or which people only go intermittently to inspect or maintain plant or machinery.

CIL is not chargeable on minor developments where the gross internal area of the new building or extension will be less than 100 square metres unless the development will comprise one or more dwellings.

CIL is not chargeable on developments where the owner of the land is a charitable institution and the development will be used wholly or mainly for charitable purposes.

Social housing (also known as Affordable Housing) and self-build housing are eligible for relief from CIL.

Regulations 49-54 of the Community Infrastructure Levy Regulations 2010 (as amended) set out the conditions and procedures under which this exemption applies for social housing. Self-build housing is also exempt subject to Regulation 54 of the Regulations 2010 (as amended).

There is also discretionary relief for exceptional circumstances if there is a Section 106 planning obligation attached to a development, and the cost of that exceeds the CIL amount levied, whereby CIL would have an unacceptable impact on the economic viability of a development. In such exceptional circumstances, the onus will be placed on the Developer to demonstrate that the development is unviable.

### **How will CIL be collected?**

CIL will become payable from the date that a chargeable development is commenced. The definition of commencement is the same as used in planning legislation, unless planning permission has been granted after commencement. When planning permission is granted the Council will issue a liability notice setting out the amount that will be due for payment when the development is commenced; the payment procedure; and the possible consequences of failure to comply with the requirements.

Where planning permission is granted retrospectively for development that has already been carried out, the commencement date for the purposes of CIL will be the day on which planning permission is granted.

The responsibility to pay CIL runs with the ownership of the land to which the development relates and is transferred when ownership is transferred. The liable party must submit a commencement notice to the Council prior to commencement of development. The Council, as charging authority, will serve a demand notice on each person liable to pay CIL in respect of the chargeable development.

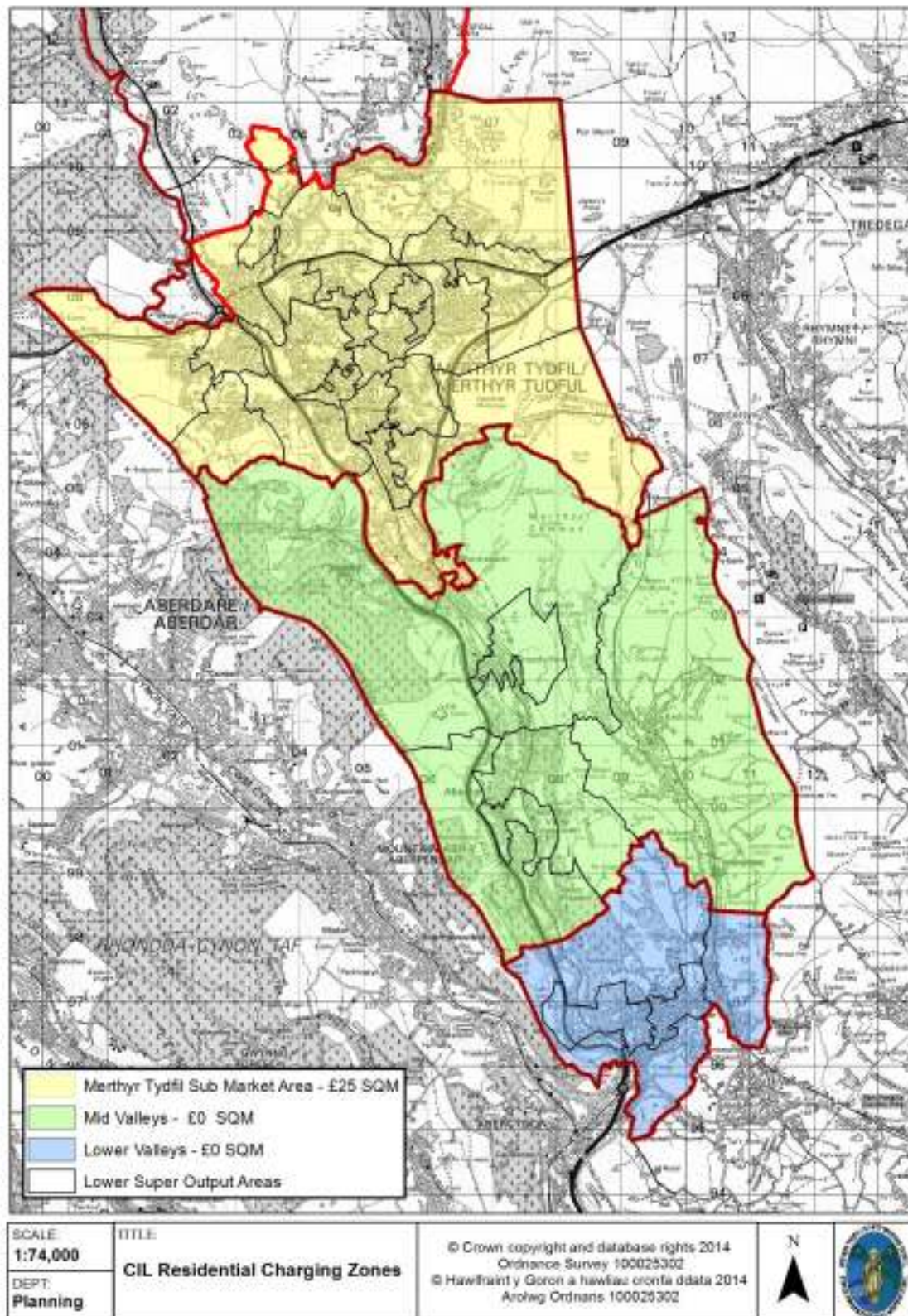
### **How will CIL be spent?**

CIL Regulation 123 requires the council to publish a list of infrastructure that CIL revenue can be used to fund. However, this list should not form part of the Charging Schedule, as it is not subject to the Charging Schedule procedure.

Merthyr Tydfil County Borough Council's Regulation 123 List of Infrastructure is available on the Council's website.

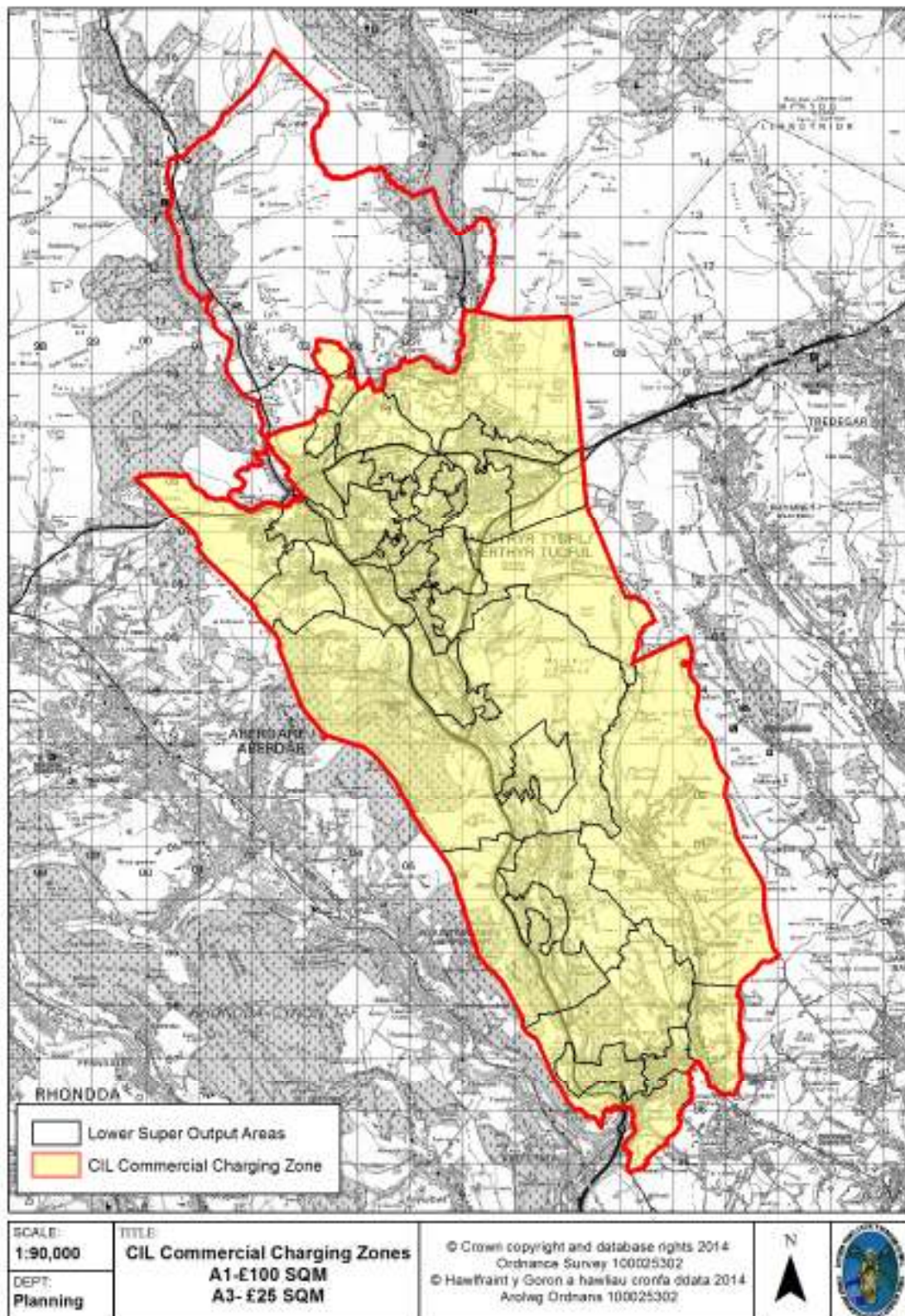
## Appendix 1

### Residential Charging Zones



## Appendix 2

### Commercial Charging Zone



## Appendix 3

### Calculating Chargeable amount

#### “Calculation of chargeable amount

40. (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<sup>(1)</sup>; or

(b) if the All-in Tender Price Index ceases to be published, the figure for 1<sup>st</sup> November for the preceding year in the retail prices index.

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

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

where—

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

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

$K_R$  = 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—

$$E_P - (G_P - K_{PR})$$

where—

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

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

$K_{PR}$  = the total of the values of  $K_R$  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  $K_R$  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.”