



AGENDA ITEM: 11

SUMMARY

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| Report for: | Cabinet |
| Date of meeting: | 27 November 2012 |
| PART: | 1 |
| If Part II, reason: | |

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| Title of report: | COMMUNITY INFRASTRUCTURE LEVY (CIL) PRELIMINARY DRAFT CHARGING SCHEDULE |
| Contact: | Cllr Terry Douris, Portfolio Holder for Planning and Regeneration Heather Overhead – Strategic Planning and Regeneration Officer (Infrastructure Planning) (ext 2663) James Doe – Assistant Director, Planning, Development and Regeneration (ext 2583) |
| Purpose of report: | To recommend to Cabinet Community Infrastructure Levy (CIL) charges for inclusion in a Preliminary Draft Charging Schedule (PDCS) for public consultation. |
| Recommendations: | <ol style="list-style-type: none"> 1. To agree the CIL rates for inclusion in the PDCS. 2. To agree the structure of the PDCS for public consultation, with delegated powers to the Assistant Director for Planning, Development and Regeneration, in consultation with the Portfolio Holder for Planning and Regeneration, to finalise its content. 3. To note the timescales outlined in the report. 4. To agree to review the Charging Schedule in 2016 unless market conditions are unchanged. |
| Corporate objectives: | <p>Consultation on the PDCS is the first step in the preparation (and implementation) of a CIL, which ultimately contributes to all the corporate objectives.</p> <p><u>Affordable Housing</u> Affordable housing will be exempt from paying CIL, and the CIL revenues cannot currently be used for provision of Affordable Housing, which will continue to be provided via S106. Officers from the Strategic Housing service are involved in developing the CIL charging schedule, for which affordable housing requirements will be a key consideration. If CIL is set</p> |

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| | <p>too high then developers may not be able to meet our affordable housing policy requirements.</p> <p><u>Safe and Clean Environment</u> The infrastructure provided through CIL monies is likely to include open space and urban realm improvements to support the development of the borough, both of which contribute to a safe and clean environment.</p> <p><u>Building Community Capacity</u> CIL revenues may be used to social enterprise and local community infrastructure which supports those in the most deprived areas.</p> <p><u>Regeneration</u> CIL will be used in combination with S106 to deliver the key regeneration priorities for the Council.</p> <p><u>Dacorum Delivers</u> Developing the CIL represents Value for Money as it will become cost-neutral once it is up and running as explained below. It will lead to the delivery of infrastructure required to support new development so will improve the reputation of the Council.</p> |
| <p>Implications:</p> | <p><u>Financial</u> The cost of developing and implementing CIL is being borne by the Local Development Framework (LDF) budget, and may be repaid from future CIL receipts. Once implemented, up to 5% of CIL receipts may be used for its administration. The project is therefore expected to be cost-neutral in the long term.</p> <p>Once CIL is in place the Council will be responsible for collecting and allocating significant sums of money.</p> <p><u>Value for money</u> Where possible, technical work that supports the CIL has been jointly commissioned with adjoining authorities to ensure value for money. Also, see above regarding the project ultimately being cost neutral.</p> <p><u>Legal</u> CIL should reduce the need for involvement of the Council's planning solicitor, as it will reduce the role of s106 agreements. The Council's legal department may need to become involved in cases where liable parties do not pay CIL.</p> <p><u>Human Resources</u> A member of the Strategic Planning and Regeneration team has taken over the role of leading CIL development and associated infrastructure planning work, for an initial two year period. Any additional staff needs will be considered as the project develops.</p> |

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| | <p><u>Land</u> Once in place, CIL will be payable for any chargeable development on Council owned land.</p> |
| Risk implications: | Key risks are identified in the Project Initiation Document (PID), which was attached to the June Cabinet report on CIL. They include insufficient buy-in from infrastructure providers and key stakeholders, changes in Government policy and team capacity. |
| Equalities implications: | An Equality Impact Assessment has been carried out for CIL in support of the PID. No significant issues have arisen, largely as any expenditure from CIL monies will need to be reflective of the need to develop infrastructure in the Borough, as set out in the Borough's Infrastructure Delivery Plan. |
| Health and safety implications: | None |
| Sustainability implications: | The CIL charging schedule is intended to enable the delivery of infrastructure required to support development planned through the Core Strategy; the Core Strategy has been subject to a Sustainability Appraisal. |
| Monitoring Officer/S.151 Officer comments: | <p><u>Deputy Monitoring Officer</u></p> <p>A robust Charging Schedule is essential if the Council is to continue to meet the infrastructure requirements arising from development in the area. Approval of the PDCS for consultation is the first step towards adoption. Officers will be aware of the need to closely follow the consultation and adoption procedures to ensure that any risk of challenge to the Charging Schedule is minimised. Furthermore, robust governance procedures will need to be agreed to ensure that funds can be allocated to appropriate infrastructure in a timely and efficient manner.</p> <p><u>Section 151 Officer</u></p> <p>CIL receipts will provide significant sums of infrastructure funding once implemented in April 2014. Dacorum Borough Council will be responsible for setting the charge; collecting the charge and allocating and distributing the levy. Therefore, it is essential that there are robust and transparent Governance arrangements in place to avoid challenge from developers and public sector partners.</p> <p>When setting up the administration arrangements, officers should ensure compliance with the Council's Financial Regulations. In addition, adequate testing of systems and software should be undertaken to ensure that systems are adequate with robust internal controls.</p> <p>Budget requirements for software and set up costs should be kept under review during the implementation period.</p> <p>When setting up administration arrangements for the collection and distribution of the funding an evaluation of the impact on the council's cash flow should be undertaken.</p> |

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| <p>Consultees:</p> | <p>The rates in the PDCS have been set following discussion with the CIL Task and Finish Group (see section X of this report). A draft of this report has previously been considered by Corporate Management Team and a similar report is due to be considered by SPEOSC on 22nd November 2012. Key issues have been discussed at the Officer Working Group whose membership is outlined in the June 2012 Cabinet report.</p> |
| <p>Background papers:</p> | <ul style="list-style-type: none"> • Community Infrastructure Levy Viability Study (BNP Paribas) • Infrastructure Delivery Plan • Project Initiation Document (PID) • CIL Regulations 2010 (amended 2011 and 2012). • Examples of Preliminary Draft Charging Schedules from Chelmsford and High Wycombe Councils. |

BACKGROUND

1. Introduction:

- 1.1 The Community Infrastructure Levy (CIL) is a new way of collecting contributions from development towards the provision of infrastructure required to support growth. The CIL Regulations 2010 (as amended) state, under regulation 59, that a charging authority must apply CIL to funding infrastructure to support the development of its area...(it) may apply CIL to funding infrastructure outside its area where to do so would support the development of its area. It will be applied as a charge per square metre on development and may vary by use and by geography. The level of charge must be informed by evidence of infrastructure need and development viability, and once set it will be mandatory for developers to pay.
- 1.2 Dacorum Borough Council is responsible for setting the charge, collecting the money and allocating the money for spend. Both the rate at which CIL is set and how its revenue is used will have a big impact on the future growth of the borough. The Council can spend CIL revenues on *'infrastructure to support development of its area'*; it can be spent on the provision of new infrastructure or on the ongoing costs of infrastructure – but it cannot be used to correct existing deficits in infrastructure provision.
- 1.3 Section 106, the current method of collecting developer contributions, will continue to play a role in funding infrastructure. However, the way it is applied to new developments will change. From the adoption of CIL (or April 2014, whichever is earliest) S106 monies towards a particular piece or type of infrastructure will only be able to be pooled from 5 legal agreements. This means that S106 is only likely to be sought from larger developments, or where infrastructure requirements are on-site or very site specific. The Council will also need a joined up approach to the use of CIL and S106.

2. The CIL project

- 2.1 The Project Initiation Document (PID) developed for CIL sets out the key aims for the project and the necessary steps involved. Further information on the current position with work towards CIL, and the Council's approach to it as a corporate

initiative can be found in the report that was considered by Cabinet on June 26th 2012.

- 2.2 There are 3 broad stages involved in adopting and implementing a CIL: setting the CIL rate(s); setting up the processes for collecting CIL; and developing robust governance procedure for the expenditure of CIL. This report pertains to the first stage, but the second and third stages are also broadly discussed below.
- 2.3 A CIL Task and Finish of eight members was set up at the recommendation of the Strategic Planning and Environment Overview and Scrutiny Committee (19th June 2012) to guide the development of appropriate CIL rates and governance procedures. To date, the group has met twice; on the 17th and 29th October where they considered the viability evidence and recommended CIL rates to officers.

Setting the CIL rate(s)

- 2.4 The Charging Schedule will set out the rate of CIL for new development in the borough by geography and use. To comply with legislation, it will undergo two rounds of consultation and an Examination before being adopted by the Council. The key decisions for the Council are whether to have a simple or complex charging schedule (i.e. how many different rates by use and location) and what level to set the CIL rate(s) at.
- 2.5 The Preliminary Draft Charging Schedule (PDCS) will undergo public consultation. Cabinet is being asked to agree the CIL charges (see Table 3.4 below) and broad structure and content of the PDCS (as set out in Annex 2). This PDCS is currently being finalised by officers and will be available for circulation prior to the meeting. Delegated powers are sought to enable the Assistant Director for Planning, Development and Regeneration, in consultation with the Portfolio Holder, to agree the final wording of the PDCS consultation. Responses received through the consultation will be considered and changes to the schedule may be required, or new evidence may need to be commissioned. The revised Draft Charging Schedule (DCS) will be developed through the CIL working group and Task and Finish Group before being considered by Overview and Scrutiny and Cabinet; it will then undergo further public consultation for 4 weeks. Depending on the responses, minor changes may be made to this draft and it will need to be approved by Cabinet and Full Council before being submitted for Examination.
- 2.6 The following timescales for this stage of project are envisaged:
- Public Consultation on the PDCS: December 2012 – January 2013
 - Public Consultation on the DCS: May – June 2013
 - Submission to the planning inspectorate: September 2013
 - Examination completed and Inspector's report received: end of 2013
 - Final Charging Schedule considered by Cabinet and Full Council: February 2014
 - Adopt CIL in March 2014.
- 2.7 The evidence required and the process of establishing appropriate rates is discussed in detail in section 3 of this report.

Setting up the systems for collecting CIL

- 2.8 This is a largely technical and procedural task that will be led by officers. In order to charge and collect CIL, the Council must follow strict procedures set out in the CIL Regulations 2010 (amended 2011 and 2012). To do this a number of software systems must be in place and aligned for when the Council adopts CIL. Responsibilities for officers from different teams will also need to be clearly defined to ensure smooth operation of CIL.
- 2.9 A working group of officers has been set up to guide internal processes for the collection of CIL. As part of this working group officers will be examining different software systems to find one that will work with the Council's existing software and that offers best value for money.
- 2.10 The timescales for this stage of the project are not as clearly defined as for the first stage. However, as the software and systems need to be operational for the adoption of CIL (March 2014), they should be complete and in place by the end of 2013 to allow for practice runs etc.

Developing governance procedures for the expenditure of CIL

- 2.11 A set of procedures for the governance of allocating CIL monies to types of infrastructure and/or specific projects will be developed by the CIL working group and the Task and Finish Group. Governance procedures are currently at a very early stage of development, but it is envisaged that input will be required from infrastructure providers via the Infrastructure Delivery Plan (InDP) and the Destination Dacorum Board. Procedures will need to ensure that Cabinet has the final authority for making decisions about how CIL monies is spent, with some level of delegation to officers.
- 2.12 A key aspect of the governance will be a business plan for allocating CIL funds to infrastructure based on the evidence gathered to prepare the InDP. A 'Meaningful Proportion' of the funds received from development in individual neighbourhoods will be allocated to be spent on neighbourhood or local items, which could provide Members with the opportunity to run local projects (which should be predominantly capital in nature as CIL is not intended as routine funding for service delivery). Further guidance regarding what constitutes this 'meaningful proportion' is awaited from Government.
- 2.13 It is proposed that the business plan will make the allocation of funds clear, and would be approved by Cabinet and incorporated into the Capital Programme. As such, governance procedures could be developed to obviate the need to refer every item of CIL or S106 funding, especially small expenditure levels, through the Capital Strategy Steering Group (CSSG).
- 2.14 Further decisions may need to be taken about the timescales for this stage of the project. It was initially envisaged that governance procedures would need to be in place by March 2014, i.e. for the adoption of CIL. However, given the likely delay in receipt of CIL money (see para 3.14), it is not strictly necessary for the governance procedures to be in place for the adoption of CIL. Furthermore, some authorities that are already collecting CIL have decided to bank CIL receipts for at least a year after adoption to allow them to build up.

3. The Preliminary Draft Charging Schedule

Developing the CIL Charging Schedule

- 3.1 When the Council submits its charging schedule for examination it must provide evidence on economic viability and infrastructure planning. It must also satisfy the inspector that it has complied with all the relevant regulations, including that outlined in paragraph 3.2 below.
- 3.2 The CIL regulations state that in setting the rates of CIL for its area, 'a charging authority¹ must aim to strike what appears to the charging authority to be an appropriate balance between-
- (a) *The desirability of funding from CIL the...cost of infrastructure required to support the development of its area...; and*
 - (b) *The potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area,'*
- 3.3 The CIL regulations place this balance of considerations at the centre of the charge setting process, and allow local planning authorities to decide where the appropriate balance for its area lies. There are two important points to note from the statement in paragraph 3.1. Firstly, that the statement is clear that there is not a single appropriate balance, but some sort of range. Secondly, that the balance must appear appropriate to the Council, i.e. not necessarily to developers or landowners.

Infrastructure Evidence

- 3.4 Government guidance states that the evidence on infrastructure needs should be drawn directly from the infrastructure planning that underpins their Development Plan. The Council prepared an Infrastructure Delivery Plan (InDP) in conjunction with the Core Strategy, which identifies the known infrastructure requirements arising from the development planned in the Core Strategy over the period 2011-31. The CIL examination will not re-examine this evidence if it is accepted as sound by the Core Strategy Examination Inspector.
- 3.5 As set out in paragraph 1.1 CIL must be spent on infrastructure to support the development of the borough. For the most part, this means that it should be spent on infrastructure requirements arising from new development, rather than correcting existing deficiencies in infrastructure provision. However, in some cases, it may not be straight forward to distinguish between an existing deficiency and need arising from new development.
- 3.6 Ideally, the Council needs to identify the total cost of infrastructure that it desires to fund from CIL based on a selection of infrastructure projects or types which are indicative of that likely to be funded by CIL in that area. It should consider other sources of funding to identify an 'infrastructure funding gap' that demonstrates the need to levy CIL. Please note that this evidence will not tie the Council in anyway to spending/ allocating its CIL receipts to those projects or types of infrastructure identified.
- 3.7 As the role of the infrastructure evidence is to identify the funding gap for infrastructure that it desires to fund from CIL, it is not considered appropriate to

¹ Dacorum Borough Council is a charging authority.

base this on all the infrastructure requirements identified in the InDP. Briefly, officers have calculated the infrastructure funding gap based on the infrastructure requirements identified in the InDP that meet the following criteria:

- The total cost of the project is known;
- The project is specific to Dacorum (or the cost of the Dacorum element of a wider scheme is known);
- The project is for something tangible, i.e. not a review or feasibility study;

3.8 Furthermore, schemes for the provision of utilities infrastructure have been removed from the funding gap analysis as they will be funded via revenue from consumer bills. A full explanation of how the identified infrastructure requirements will be provided as a background document for the PDCS when it is released for consultation.

Table 3.1: Infrastructure Funding Gap 2011 - 2031

| Infrastructure Type | Total identified infrastructure cost | Funding Gap |
|----------------------------|---|--------------------|
| Transport | £34.5m | £15.7m |
| Education | £64.6m | £38.9m |
| Green spaces | £7.9m | £2.95m |
| Police | £0.7m | £0 |
| Waste | £23.1m | £1.1m |
| Sports facilities | £8m | £0m |
| Burial space | £1.8m | £1.8m |
| Total | £140.6m | £60.4m |

It is almost certain that CIL will not raise sufficient money to fund all the infrastructure required to support the development of the borough. As such, it will be important to secure other sources of funding and combine them with CIL to optimise its use.

Economic Viability Evidence

3.9 In broad terms, the economic viability evidence, is an assessment of the scope for development to pay the CIL charge. The assessment considers the costs of development, making allowances for:

- Affordable housing policy
- Build costs
- Professional fees
- Finance costs, stamp duty and acquisition costs
- S106 and S278 costs
- Developer profit

These are balanced against value of the scheme to give a range of viable CIL levels. Two studies have been undertaken looking at the impact of CIL on the economic viability of development.

3.10 The first was a high-level study undertaken by consultants Lambert Smith Hampton for 8 Hertfordshire authorities. The study took a broad-brush approach by examining economic viability of residential development across postcode sectors, and of other types of development across the whole study area (i.e. across all 8 authority areas). The study suggested a set of CIL rates for

Dacorum, however, it acknowledged the need for a more in-depth study to consider viability in more detail.

- 3.11 The second study, by consultants BNP Paribas, is specific to Dacorum and examines the impact of varying rates of CIL on different types of development by sub-market area. For residential development, the study examines 10 types of residential development across 7 sub-market areas on 4 different types of existing use. The other types of development the study considers is office development, small and large retail development, industrial and warehousing development, hotel development, retirement housing and care homes.
- 3.12 The study recognises that it can only test generic developments on generic types of site, and that in reality some developments will be more or less viable than the average. To allow for variation in development viability, the study suggests that a buffer of around 30% is applied to the maximum achievable CIL rate when setting the rate of CIL for inclusion in the PDCS. The study suggests that the following CIL rates are applied:

Table 3.2: CIL rates proposed in BNP Paribas

| Development Type | Proposed CIL rate | | | |
|--------------------------------|-------------------|--|---|---|
| | Residential | Berkhamsted, Potten End and Little Gaddesden | Tring, Long Flamstead, Langley, Chipperfield, Gaddesden Row, parts of Hempstead | Wigginton, Marston, Kings Great and Hemel |
| | £250 | £150 | £100 | £70 |
| Retirement Housing | £125 | | | |
| Care Homes/ Extra care housing | Nil | | | |
| Industrial and Warehousing | Nil | | | |
| Offices | Nil | | | |
| Hotels | Nil | | | |
| Small Retail (≤ 280 sqm) | Berkhamsted | Rest of Borough | | |
| | £100 | Nil | | |
| Large Retail (> 280sqm) | £200 | | | |

Striking an appropriate balance

- 3.13 The CIL Task and Finish Group have considered whether the CIL rates proposed in Table 3.2 strike the appropriate balance between securing additional investment for infrastructure to support development and the potential economic effect of imposing CIL upon development across Dacorum.
- 3.14 In their consideration of the appropriate balance the group considered a range of potential residential CIL rate options (as shown in Table 3.3) alongside the projected income they might generate and how complex they are for the Council to administer. The consideration also had regard to the level of residential

development planned and expected in different parts of the borough as it is important that the CIL rate does not put development at risk in areas where significant amounts are expected.

Table 3.3: different residential CIL rate options considered

| CIL rate approach | Resi CIL rates | Projected Annual Income | Projected annual admin allowance |
|-------------------|--|-------------------------|----------------------------------|
| 1 zone approach | £100/sqm borough wide | £2,222,000 | £111,100 |
| 2 zone approach | £80/sqm Hemel Hempstead and Markyate £150/sqm elsewhere | £2,457,000 | £122,850 |
| 3 zone approach | £250/sqm Berkhamsted and surrounding area £100/sqm Hemel Hempstead and Markyate £150/sqm elsewhere | £2,867,000 | £143,300 |

- 3.15 The projected annual income in Table 3.3 is an estimate only and is based on a number of assumptions; as such it should be treated with caution. The projected income is based on the distribution of housing assumed in the Core Strategy, and that the average dwelling is 100 sqm, that 15% of floorspace won't qualify to pay CIL as it is an existing building, and that 35% of dwellings will be provided as affordable homes and as such will not pay CIL. Furthermore, it should be noted that there is likely to be a significant delay between the adoption of CIL and any receipt of income. Firstly, the liability to pay CIL is linked to planning permission, and secondly the requirement to pay CIL is linked to the commencement of development – it will generally be 60 days after commencement, unless we adopt a phasing policy.
- 3.16 Members of the Task and Finish Group agreed with officers that there should be a single residential rate CIL across Hemel Hempstead due to the complexity of administering more than one rate for a single development on a regular basis. It was agreed that the 3 zone approach set out in table 3.3 would be the optimal approach as the projected income is significantly higher than for the 2 zone approach and there should not be too much additional complexity in its administration. It was recognised that development in the northern part of Hemel Hempstead may be put at risk by a CIL rate of £100/sqm, however, a relatively small proportion of overall development is expected to take place in Highfield, Grovehill and Woodhall Farm.
- 3.17 With regard to non-residential development, the group agreed with most of the charges in table 3.2, with the exception of the rate for small retail development in Berkhamsted. The group agreed that as there is not likely to be much new small retail development in Berkhamsted (on undeveloped land), it would not be worth applying a charge.

The proposed CIL rates for inclusion in the PDCS

- 3.18 The members of the Task and Finish Group proposed the following CIL rates for inclusion in the PDCS:

Table 3.4: Proposed CIL Charging Schedule rates for PDCS

| Development Type | CIL rate (per sqm) | | |
|----------------------------|--|----------------------|--------------------------------------|
| | Zone 1: Berkhamsted and surrounding areas | Zone 2: Elsewhere | Zone 3: Hemel Hempstead and Markyate |
| Residential | £250 | £150 | £100 |
| Retirement Housing | £125 | | |
| Large Retail (over 280sqm) | £200 | | |
| Other | Nil | | |

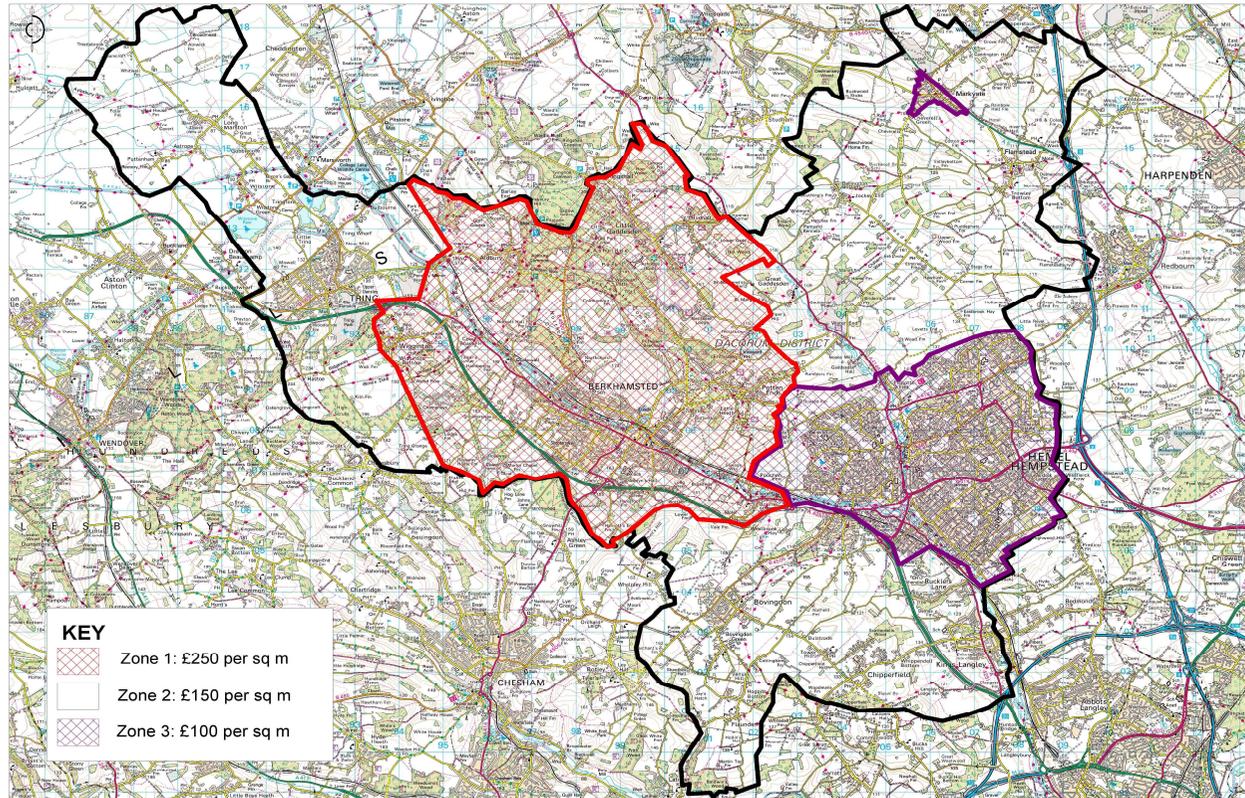
3.19 A map is included at Annex 1 showing the extent of the different zones.

4. Next Steps and recommendations

- 4.1 Cabinet are asked to approve the CIL rates contained in Table 3.4 of this report for inclusion in the PDCS, and to agree the content and structure of this PDCS set out in Annex 2. The PDCS will be published for public consultation in December 2012; the usual consultation period would be 6 weeks, but given that it will be over Christmas, Officers propose to consult for 7 weeks.
- 4.2 Cabinet are also asked to note the timescales outlined in the report. The timescales for the development of the Charging Schedule are set out in paragraphs 2.5 and 2.6 of this report.
- 4.3 The most critical next step of the project is to get mechanisms and systems in place for the collection of CIL. This is outlined in paragraphs 2.8-2.10.
- 4.4 The procedures for governing the expenditure of CIL receipts will continue to be discussed by officers on the CIL working group, and will be taken to the CIL Task and Finish Group for discussion at an appropriate time. Further information about the timescales for this stage is given at paragraph 2.14.
- 4.5 Finally, Cabinet is asked agree to a review of the Charging Schedule in 2016, unless market conditions are unchanged. It is difficult to say with any degree of certainty when the most appropriate time to review the charging schedule will be as market conditions can change at any time. Assuming that timescales do not slip, and the charging schedule is adopted in early 2014, a period of two years would seem a sensible point to review the charging schedule given that it is a new system, both for the Council and the development industry.

Extent of Proposed CIL Charging Zones

Dacorum CIL proposed residential areas



Promap
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At scale shown printed at A3

 **BNP PARIBAS
REAL ESTATE**

Proposed Structure and Content of the Preliminary Draft Charging Schedule

1 Introduction

Background

- Broad outline of what CIL is and legislative background.
- Outline of what the Preliminary Draft Charging Schedule is.
- Statement of compliance with relevant legislation.

How to comment on this document

- Timescales for consultation, how and where to access document and how to comment.
- Contact details for queries.

2 Context

- What is CIL
- What development is liable for CIL
- Section 106 Contributions
- What CIL can be spent on

3 Evidence Base

- Legislative background, i.e. requirement to aim to strike appropriate balance
- List of documents comprising evidence base for PDCS:
- CIL Viability Study (BNP Paribas)
- Pre-Submission draft Core Strategy (October 2011) as amended by a schedule of changes (contained within the report of representations, June 2012)
- Infrastructure Delivery Plan Update (InDP)
- Infrastructure Funding Gap Assessment

4 Infrastructure Planning

- Background to infrastructure planning work for Core Strategy and requirements for evidence to underpin CIL Charging Schedule
- The Infrastructure Funding Gap – what it is, broad explanation of criteria used inclusion/ exclusion of schemes from InDP in the funding gap analysis (detail to be set out in the Infrastructure Funding Gap Assessment).
- Table showing what the infrastructure funding gap is with explanation of what it does and does not represent.

5 Assessing Economic Viability

- Legislative requirements from CIL regulations re evidence for economic viability
- Residential development – broad explanation of how the CIL Viability Study examines the scope for residential development in different parts of the borough to pay CIL. Set out where we are planning for new residential

development across the borough. Explanation of the different zones proposed in the PDCS.

- Non-residential development – broad explanation of how the CIL Viability Study examines the scope for different types of non-residential development to pay CIL. How this relates to rates in PDCS.

6 Proposed CIL Charge Rates and Zones

- Table and map showing rates and zones
- Potential CIL receipts with explanation of how derived and caveat regarding likely delay in receiving CIL monies. Also discuss likely timescales for review of rates.

7 Exemptions from CIL

- Statutory exemptions from CIL
- Possible discretionary exemptions and Council's likely approach to exceptional circumstances relief.

8 Calculation of the Charge

- Explanation of how CIL will be calculated (in line with regulations) with a simple worked example.

9 Payment of CIL

- Broad steps involved in paying CIL and the extent to which the onus is on developers
- Potential to have instalments policy – indication of Council's intent but no decision yet on thresholds or timescales.

10 Using CIL monies

- Outline requirement to publish list of how CIL money will be spent and subsequent restrictions on use of planning obligations.
- Intention to publish list prior to adoption of CIL and develop transparent governance procedures for allocation/spend of CIL monies.

11 Next Steps

- Next steps and timescales involved in getting PDCS to adoption

12 Consultation questions

- Do you agree that the identified infrastructure needs are evidence based and up to date and that a sound funding gap has been identified to justify a need for CIL in Dacorum Borough?
- Do you agree that the rates proposed will not put at serious risk the overall development of the area?
- Do you agree with having separate residential rates in zones 1, 2 and 3 or should a single borough rate be applied?
- If you support the differential rates, do you think the boundaries between the different zones are appropriate boundaries? If no, please say what boundaries should be used instead?
- Do you agree that it is appropriate to have a single rate for retirement housing across the whole borough?
- Do you agree that the proposed rate for retirement housing is appropriate?
- Do you agree that the proposed rate for large retail is appropriate?
- Do you agree that there should be a nil rate for all 'other' uses as stated in the preliminary draft charging schedule table?

- If no, which uses do you think should have a CIL charge, and why?
- Do you think that the Council should adopt an exceptional circumstances policy?
- Do you think that the Council should adopt an instalments policy? If yes, what thresholds of CIL liability would be sensible triggers for different payment stages?
- Do you have any other comments on the PDCS?