

**Teignbridge District Council  
Full Council  
28 November 2023  
Part i**

**Community Infrastructure Levy (CIL) Draft Charging Schedule**

**Purpose of Report**

To consider the proposed Community Infrastructure Levy (CIL) draft Charging Schedule and associated documents, with a recommendation to publish them for a minimum 4 week period of public consultation, followed by submission of the Charging Schedule and associated documents for Public Examination.

**Recommendation(s)**

**The Committee RESOLVES to:**

1. Approve the Final Draft CIL Charging Schedule (Appendix A) and the CIL Policies and Guidance (Appendix C) for a period of public consultation of at least 4 weeks;
2. Following consultation, submit the Final Draft CIL Charging Schedule, and associated consultation responses and evidence, for Public Examination.
3. Grant delegated authority for the to the Head of Place and Commercial Services, in consultation with the Executive Member for Planning, to make minor changes to appendices A - C prior to consultation to address any editorial errors and matters of clarification.

**Financial Implications**

The financial implications are detailed in 2.1 of this report.

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**Legal Implications**

Legal implications are set out in section 2.2 of this report.

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**Risk Assessment**

Risks are set out in section 2.3 of this report.

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## **Environmental/ Climate Change Implications**

Environmental/climate change implications are set out in section 2.4 of this report.

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## **Executive Member**

Councillor Gary Taylor, Executive Member for Planning

## **Appendices / Background Papers**

1. Appendix A: Community Infrastructure Levy Final Draft Charging Schedule (November 2023)
2. Appendix B: CIL Consultation Representations Analysis (May 2023)
3. Appendix C: CIL Policies and Guidance
4. Appendix D: Viability Evidence Report (October 2023)
5. Appendix E: Existing CIL Rates (adopted 2014).

Link to appendices <https://www.teignbridge.gov.uk/cilreview>

## **1. PURPOSE**

1.1 The Community Infrastructure Levy (CIL) Charging Schedule sets the CIL rates for new development in Teignbridge. CIL is a charge on new development that is used to pay for improving and providing new infrastructure. The CIL Charging Schedule sets the amounts payable per square metre of floorspace on qualifying developments and was first adopted in 2014. The Council has prepared and published its Local Plan for consultation. A new Local Plan necessitates a review of the existing CIL to ensure the viability of development and subsequent deliverability of the Local Plan.

## **2. REPORT DETAIL**

### **2.1. Financial**

- 2.1.1. The public examination of the CIL Charging Schedule will be funded through the existing Local Plan budget.
- 2.1.2. Town and Parish Councils receive 15% of the CIL (or 25% where they have an adopted Neighbourhood Plan).
- 2.1.3. There is not likely to be a material financial impact on current CIL funding within the Council's Capital Programmes because the revised CIL rates are broadly comparable to existing rates and will only apply to sites that are yet to secure planning permission (meaning many of the existing allocations have fixed their CIL at existing rates).

### **2.2. Legal**

- 2.2.1 The CIL Charging schedule has been prepared and consulted upon in accordance with Part 3 of the CIL Regulations 2010 (as amended) and Part 11 of the Planning Act 2008. The Regulations include ensuring the proposed CIL is proportionately justified by viability evidence and relevant bodies, businesses and members of the public have opportunity to comment.
- 2.2.2 The regulations do not specify for how long or how many times charging authorities should consult. Where authorities are making significant

changes to their levy, the expectation in guidance is that charging authorities will consult for a minimum of 4 weeks.

## **2.3. Risks**

- 2.3.1 It is important that the CIL is set at a rate which does not undermine the local plan, housing supply and/or infrastructure delivery. The Viability evidence has been used to understand and set a suitable level of CIL, based on the policy costs and affordable housing requirements of the local plan, as well as other data for example on build costs and sales values.
- 2.3.2 Increasing the CIL beyond the rates proposed may result in some sites having viability difficulties, which could slow delivery and result in negotiations, potentially at the cost of delivering affordable housing. Decreasing the CIL below the rates proposed would have implications on the ability to optimise infrastructure funding for the needs of communities.
- 2.3.3 Failure to update the CIL Charging Schedule in good time following the adoption of the new local plan would be a risk to plan delivery. The consultation is necessary prior to submitting the CIL for Examination in public. The Examination will need to satisfy an inspector that the CIL rates are based on suitable viability evidence and has considered the responses to the public consultations.

## **2.4. Environmental / Climate Change Impact**

- 2.4.1. The CIL does not have any direct explicit implications for Climate Change. However, the CIL will fund infrastructure required to support the development of the area, and this may include measures which may help with climate change adaptation or mitigation, such as the creation of green infrastructure.

## **2.5. Background**

- 2.5.1. The CIL needs updating to ensure the CIL Charging Zones are relevant to new allocations and reflect any changes in the viability of different areas and types of development within the district. Once adopted the

new CIL rates will apply to new development, with the exception of those sites that have already secured planning permission under the existing CIL rate.

- 2.5.2. The new CIL Charging Schedule proposes new CIL rates for large retail developments outside of town centres and for residential developments throughout the district. These varying rates reflect the variations in property values found in different locations. Appendix A details the proposed new CIL rates for different types and locations of development.
- 2.5.3. The Final Draft CIL Charging Schedule will be consulted upon and publicly examined to ensure it has complied with regulations and that the new rates are set at a level which strike an appropriate balance between additional investment to support development and the potential effects on the viability of new development.
- 2.5.4. It is forecast that the proposed CIL rates and development allocations contained within the Local Plan are likely to raise approximately £110 million over the period to 2040. There will be a significant funding gap, given the Infrastructure Delivery Plan (IDP) anticipates in excess of £200 million of essential and important infrastructure requirements.
- 2.5.5. The existing CIL rates were adopted in 2014 and are set out at Appendix E. Since the introduction of CIL the Council has spent over £10 million on infrastructure projects and the Council's capital programme sets out expenditure plans for the coming years. In addition, £4.6m of CIL has been paid out to Town and Parish Councils. Projects wholly or partly funded by CIL income include;
- Dawlish Countryside Park and SW Exeter Ridgetop Park;
  - Improvements to the A382 from Newton Abbot to Drumbridges;
  - Kingsteignton new Primary school
  - Decoy park and The Den play areas
  - Marsh Barton Railway Station
- 2.5.6. The Policies and Guidance (Appendix C) explains the Council's approach to detailed matters such as paying CIL in instalments and

exceptional relief. The document will be submitted to the examination as supporting information.

### **3. Groups Consulted - January 2023 CIL Consultation**

- 3.1.1. The new draft Charging Schedule has been updated to reflect new viability evidence (Appendix D Viability Assessment October 2023) supporting the Local Plan, as well as responses to the [Proposed Submission Local Plan 2020-2040 - What we have previously consulted on - Teignbridge District Council](#)
- 3.1.2. Teignbridge received approximately 200 responses to the initial CIL consultation. The responses included support and objection to the CIL from residents, business and interest groups, including a number of detailed responses on behalf of the development industry. A summary of these responses can be seen at Appendix B.
- 3.1.3. A key outcome of the consultation was the identification for the need to prepare large site viability evidence to test the strategic development sites within the local plan. Many respondents were unfamiliar with the Regulations governing how CIL is set, which requires that the rates must be set based on viability evidence.
- 3.1.4. The main changes to the charging schedule following the January 2023 consultation include;
  - Adjustment of CIL Charging Zones to reflect latest value areas; 3 main charging zones are proposed, plus 2 charging zones for large sites.
  - A reduction to the Retail CIL rate (from £200 to £150).
  - Continuation of £0 CIL for open market homes where they cross-subsidise Rural Exception Sites (H7), and a CIL rate of £150 for Other Exception Sites (H8).
  - Proposal for £25 CIL for open market retirement housing, and £0 CIL for Care Homes.

## **4. Options**

### **4.1. Consideration of alternative options**

- 4.1.1. Teignbridge Council could choose to disapply the existing CIL Charging Schedule and not adopt a new CIL, instead relying on S106 contributions only. This is not recommended as the Council would relinquish considerable CIL funds and have greater difficulty in securing funds to pay for infrastructure.
- 4.1.2. Another alternative would be to submit the Draft Charging Schedule consulted on in January 2023. However, this Schedule is not based on the most up to date viability evidence, does not address large site viability implications, and does not optimise infrastructure funding for communities in all cases.

## **5. CONCLUSION**

- 5.1.1. Failing to update the CIL Charging Schedule may potentially fail to maximise potential infrastructure funding from new development and/or make development and the Local Plan undeliverable. It is therefore essential that the CIL is updated to reflect up to date viability evidence.
- 5.1.2. The CIL is a critical mechanism for securing infrastructure funding for local communities. It is recommended that the Full Council resolves to consult on the CIL and submits the Charging Schedule and associated documents for examination.