

Committee: Cabinet

Date: 4 Sept. 2025

Title: A Community Infrastructure Levy (CIL) for
Uttlesford: Draft Charging Schedule and
Consultation

**Portfolio
Holder:** Cllr John Evans, Cabinet Member for Planning,
Infrastructure and Stansted Airport

Key Decision:
Yes

**Report
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Summary

1. This report sets out the viability work undertaken to support a Community Infrastructure Levy (CIL) Draft Charging Schedule (DCS), including background information and proposals for public consultation. The report seeks approval to publish relevant documents for a CIL 'Regulation 16' consultation.
2. In March 2025, Cabinet agreed to commission a CIL viability study and prepare a DCS for consultation. The DCS sets out the levy proposed for the district in order to maximise income for the delivery of new infrastructure, while also ensuring that it does not render new development financially unviable. The DCS is proposed to be published for consultation mid-September until end October 2025 (to coincide with the anticipated Local Plan Main Modifications consultation). In addition, an updated version of the council's Developer Contributions SPD will also be published for consultation alongside the DCS.

Recommendations

3. That Cabinet:
 - i. Agrees to the publication of the draft Community Infrastructure Levy Charging Schedule for public consultation pursuant to Regulation 16 of the Community Infrastructure Levy Regulations 2010 (as amended).
 - ii. Agrees to the publication of the updated draft Developer Contribution SPD for consultation for at least 6 weeks concurrently.
 - iii. Delegate to the Strategic Director of Planning, in consultation with the Cabinet Member for Planning to make any necessary minor modifications to the draft charging schedule following consultation and formally submit it for independent examination (should substantive changes be required it is to be brought back to Cabinet before submission).

Financial Implications

4. No direct costs arising from this report. The council has an agreement with Essex County Council to fund the cost of preparing the Community Infrastructure Levy (agreed at Cabinet 27 March 2025).
5. There is a cost associated with implementing and managing CIL in perpetuity. The council will need to update Planning Department software (this has been costed) and require a part-time (likely rising to full-time) new post. Funds will need to be confirmed and agreed within future budget provisions. As a charging authority 5% of the income derived from CIL can be used for these expenses each year.

Background Papers

6. Previous Cabinet papers
<https://uttlesford.moderngov.co.uk/documents/s38994/CIL%20report.pdf> and the Infrastructure Delivery Plan 2024
<https://uttlesford.moderngov.co.uk/documents/s36293/Uttlesford%20Infrastructure%20Delivery%20Plan.pdf>

Impact

Communication/Consultation	The draft CIL charging schedule must be subject to a round of public consultation.
Community Safety	NA
Equalities	The proposals in this report will not have a disproportionately adverse impact on anyone with a particular characteristic under the Public Sector Equality Duty.
Health and Safety	NA
Human Rights/Legal Implications	Governance arrangements will need to be in place at time of adoption (spring 2026).
Sustainability	Once adopted, CIL could be used to support the delivery of 'green' infrastructure.
Ward-specific impacts	Potential positive impact on all wards.
Workforce/Workplace	Use of ECC resources for preparation then ongoing resourcing thereafter.

Situation

Background and Overview

7. The Community Infrastructure Levy (CIL) was introduced by the Planning Act 2008, as a tool for local authorities to help deliver infrastructure to support the development of their areas. It is a charge that can be levied on new development to help fund the infrastructure that is needed to support the future growth of an area. CIL is intended to complement and 'co-exist' with Section 106 / planning obligations.
8. Detailed background on what CIL is and how it works is provided in the background papers (link above).
9. Following the Cabinet meeting of 27 March 2025, Dixon Searle Partnership (financial viability consultants) was commissioned to produce a CIL Viability Assessment. The Viability Assessment provides the evidence base to identify appropriate levy rates for the district. The DCS is attached as Appendix 1 (summarised at para.20, below) and includes the proposed rates.
10. The council is required to undertake one period of consultation to produce a CIL Charging Schedule (CIL Regulation 16). The formal stages of producing a CIL are set out in the 27 March Cabinet report / background papers and are summarised as follows:
 - Regulation 14: The preparation of an evidence base to inform the production of a draft Charging Schedule (complete).
 - Regulation 16: Publication of the draft Charging Schedule for public consultation. Government guidance recommends consultation takes place for a minimum of 4 weeks (proposed Sept/Oct).
 - Regulation 17-18: Review and assess consultation representations and amend the draft Schedule to take account of comments as necessary (November).
 - Regulation 19: Submission of the draft CIL Charging Schedule for examination (December).

Evidence Base

11. In short, the council must first establish evidence that there is an infrastructure funding gap in Uttlesford. The National Planning Policy Framework 2024 states,

“the preparation and review of all policies should be underpinned by relevant and up-to-date evidence. This should be adequate and proportionate, focused tightly on supporting and justifying the policies concerned, and take into account relevant market signals.”

12. The National Planning Practice Guidance (PPG) outlines that any significant funding gap identified can be considered sufficient evidence of a need for the introduction of CIL. An Infrastructure Delivery Plan (IDP) should be used to identify any infrastructure funding gap in the area and Uttlesford produced its most recent IDP in July 2024.
13. The IDP sets out the infrastructure projects needed in Uttlesford in order to support growth. It identifies how developer contributions and other funding sources could be used to support infrastructure delivery and recognises the need for further funding. CIL provides a reasonable mechanism to assist in doing this. Therefore, there is a need for CIL in the district.
14. The second piece of evidence is the CIL Viability Assessment. This builds on the Local Plan Viability Assessment (June 2024) produced to support the production of the local plan. It considers the impacts of a CIL charge on the financial viability of new development, in addition to development costs, policy and infrastructure requirements outlined within the local plan (i.e. costs to developers of implementing certain policies and providing infrastructure set out in the site allocations) and other development costs.
15. The Assessment produced a wide range of results tested across a range of potential CIL (trial) rates. This included consideration of the maximum theoretical CIL that could be charged based on the surplus created within any of the various development 'typology' appraisals undertaken. The final suggested CIL rate is lower than this to ensure the charging rate is not set at or too close to the margins of viability and that there is scope for the rates to withstand changes to various costs over time (including the possibility of an Essex-wide Mayoral CIL in the near future). CIL cannot be used as a tool to stymie development.
16. In developing the proposed rates informal consultation has been undertaken with the development industry (including local property agents, developers, housebuilders, affordable housing provider, and others) by way of surveys / questionnaires.
17. Various development typologies have been viability tested including flats, mixed house and flat schemes, extra-care, sheltered housing, and of course, houses themselves. Various mixes of 1bed, 2 bed, and so on, have been tested. Retail, industrial / warehousing, hotels, R&D, and variations on the above were tested. The strategic sites proposed in the local plan were also tested. House price forecasting and build cost forecasting has also been considered.
18. The draft Viability Assessment can be found at [Appendix 2](#) and will be finalised for publishing subject to Cabinet agreement.

The draft Charging Schedule (DCS)

19. The DCS itself is essentially a table of non-negotiable rates per square metre for various types of development. The proposed rates in the DCS have regard to the conclusions of the CIL Viability Assessment and include variable rates which take account of the specific outputs of the viability testing associated with development costs, residual value, and gross development value for each development type and associated typology.

20. The recommended (and evidenced) rates for development are:

Location / Development Type	£sqm	Note
Residential - development of houses and mixed housing developments: <u>greenfield sites</u>	£200	All residential schemes unless set out below.
Residential - development of houses and mixed housing developments on <u>previously developed land</u>	£100	Lower charge to reflect increased costs of development.
Strategic sites defined in the local plan.	£0	These are already required to deliver maximum possible S106 packages and are not viable with CIL as well.
Schemes consisting of just flats	£0	These are far less viable than houses in Uttlesford.
Large format food stores / retail warehousing	£100	A viable non-residential development type.
Employment and business (inc. R&D and datacentres) <u>greenfield sites</u>	£25	A nominal charge as viability for these uses is mixed.
All other development	£0	Marginal or no viability and thus no charge.

21. The above residential rates represent around 3-5% of a development's gross development value (GDV) in Uttlesford, which aligns with percentages in other

CIL's adopted elsewhere in the country. Uttlesford could look at a more complicated schedule of charges with different charges in different areas of the district (i.e. more in the highest value areas) however, for simplicity of administering and bearing in mind the relatively small differences that would result, a simpler, single charge is recommended.

Flats-only Schemes

- 22.** Planning applications for just flats (which are uncommon in Uttlesford) are far less viable than houses. Our consultants advise that their results analysis indicates "no clear scope to support a typical CIL charging rate on a reliable and consistent basis from all-flatted schemes". However, housing developments which include flats would be charged (same rate for the houses and flats) as larger, mixed schemes are viable overall.

Local Plan Strategic Sites

- 23.** In common with many CIL's across England, the level of site-specific requirements in local plan site allocations has the effect of squeezing out any significant CIL scope. Our local plan sites (in Saffron Walden, Takeley/Canfield, Gt. Dunmow, Elsenham, and Stansted Mountfitchet) are required to provide schools, parkland, healthcare, road links, public transport, and other contributions (see Annex to the Local Plan) which already put them close to their viability limit. Therefore, a £0 rate is recommended.
- 24.** A nominal rate per square metre was considered however, this is likely to require further specific viability work on each site and, on examination, be found to be too close to the limits of viability to be supported. It may well delay adoption of the CIL thus, delay the council from being able to receive CIL monies and is thus not recommended.

Commercial and Other Development

- 25.** With the exception of large format food stores and retail warehousing, there is limited evidence as to the viability of commercial development in Uttlesford. It is proposed to use the Sunday trading laws size threshold (280sqm of sales floorspace or more) in relation to foodstores, to be the threshold for charging CIL (£100/sqm for those). For smaller food shops, and all other shops there is no clear evidence of viability and those are proposed to be £0 rated. This approach will catch new supermarkets and the like but avoid charging any new, small retail businesses which are the least viable.
- 26.** In terms of office, industrial, research and development (R&D) there is variable viability with R&D and datacentres likely to be most viable. It is difficult to judge demand and costs when there are fewer examples of certain development types locally however, officers note that there is commercial interest and activity in the

district (as found when building local plan evidence). Thus, a conservatively calculated rate of £25/sqm is proposed.

27. All other development, including hotels, is proposed to be £0 rated as there is insufficient viability.

Instalments Policy

28. Liability to pay the CIL is triggered by commencement of development. Monies should usually be paid within 60 days of the commencement of development, however, to support the financial viability of new development an instalments policy is recommended. An instalments policy allows (larger) levy charges to be paid in instalments over a set period of time.
29. The proposed policy reflects that which was recently found acceptable by Inspectors in Brentwood and is being proposed in Epping. It is summarised as:

Overall CIL liability	Payment instalments
£5,000 or less	Payment in full within 60 days
£5,000.01 - £19,999.99	Instalment 1: 50% within 60 days Instalment 2: 50% within 180 days
£20,000 - £99,999.99	Instalment 1: 25% within 60 days Instalment 2: 25% within 180 days Instalment 3: 25% within 365 days Instalment 4: 25% within 540 days
£100,000 - £499,999.99	Instalment 1: 20% within 60 days Instalment 2: 20% within 180 days Instalment 3: 20% within 365 days Instalment 4: 20% within 540 days Instalment 5: 20% within 730 days
£500,000 or more	Agreement of project specific payment schedule

CIL DCS Process

30. The proposed DCS has been designed simply and conservatively to ensure it is as simple to understand and administer as possible (being it will be the first CIL in Uttlesford); is more likely to be retained beyond Local Government Reorganisation (LGR) and Devolution in that it leaves some scope for a Mayoral CIL; and does not create viability issues (which would equate to significant objection on examination).
31. The above rates are proposed to be published for consultation for a minimum of 4 weeks (in reality it will be six weeks). Following the consultation, the responses received will be considered and any necessary minor modifications

to the draft charging schedule will be made before it is formally submitted for independent examination. The examination stage is likely to involve a hearing session of 1 to 2 days (likely in early 2026) after which point the appointed Inspector will issue their report.

- 32.** CIL represents an important potential source of infrastructure funding and, unlike Section 106 planning obligations which focus on larger developments, will help to ensure that the cumulative impact of all the smaller developments in Uttlesford (particularly in our smaller settlements) make a reasonable contribution towards infrastructure costs, whilst making sure that such developments remain viable.

The Developer Contributions SPD

- 33.** In March 2023 the council adopted a Developer Contributions SPD following a public consultation (which drew only 34 representations). The 2023 SPD sets out how the council will seek planning obligations from developers where financial or other contributions are required. It references the 2005 local plan and makes no mention of CIL. It has therefore been updated to reflect the new local plan and new CIL as well as the council's latest Corporate Plan. The principles around developer contributions established in the 2023 version, as agreed by Cabinet, remain.
- 34.** It is proposed to consult on the updated version at the same time as the CIL DCS and adopt it at the same time as CIL (which also aligns with the likely adoption of the local plan).
- 35.** The updated draft SPD is attached as Appendix 3.

Local Government Reorganisation (LGR)

- 36.** All of the council's planning policy documents (Local Plan, CIL, Developer Contributions SPD etc) have been prepared to be aligned and updated all at once so that the area will have a robust and up-to-date policy base as the council heads into LGR. Following LGR, our policies and CIL charges will remain in force until such time as they are formally replaced / removed by a new unitary council (or in the case of the local plan, is replaced or eventually becomes out-of-date). No matter how any new unitary authority chooses to spend CIL, when Uttlesford ceases to exist, our town and parish councils must still be given their share of receipts. Thus, beyond LGR, as a minimum, CIL will remain an important source of funding for our parish and town councils.
- 37.** Uttlesford's preferred LGR model is to partner with Epping Forest and Harlow councils. Epping Forest is progressing a CIL at the same time as Uttlesford and is due to adopt in early 2026. Their residential charges are between £180-£360 depending on location. Similar to Uttlesford, they proposed £0 for flatted schemes and £0 for some of their strategic / Local Plan sites. They also propose

£0 for development on previously developed land. It is understood that, for reasons of viability, Harlow is not pursuing a CIL at present.

Alternatives

- 38.** The Council could remain reliant upon the use of S106 agreements only in order to obtain developer contributions. This tends to extract no contributions from non-major developments (less than 10 dwellings) and so will result in less income than if CIL was adopted. Thus, there is more chance that without CIL some infrastructure projects identified within the IDP will remain unfunded for longer. Post-LGR it would also not guarantee monies for town and parish councils. The funding of infrastructure may not happen at the parish level without CIL.

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
CIL does not go ahead, whether it is found unviable or fails at examination	1 – Unlikely, as officers and specialist consultants in place to deliver project.	2 – Loss of up to £60k in public money if fails although ECC will not claim this back from UDC. Otherwise, no difference to the current position.	Team and specialists in place. Following tried and tested preparation methods.

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.

Appendix 1 – Draft CIL Charging Schedule

Appendix 2 – Viability Assessment (Dixon Searle)

Appendix 3 – Draft updated CIL & Developer Contributions Supplementary Planning Document (SPD)