

Report for: ACTION
Item Number:



<b>Contains Confidential or Exempt Information</b>	Report & Appendix 1 – Part I
<b>Title</b>	<b>CIL Approval of Rates and Submission for Examination</b>
<b>Responsible Officer(s)</b>	Andrew Brooker, Interim Strategic Director of Corporate Services Chris Hilton, Director of Development and Regeneration
<b>Contact officer, job title and phone number</b>	Hilary Oliver – S106 Special Projects Officer, 01628 796363
<b>Member reporting</b>	Cllr Wilson – Lead Member for Planning
<b>For Consideration By</b>	Cabinet
<b>Date to be Considered</b>	26 November 2015
<b>Implementation Date if Not Called In</b>	Immediate
<b>Affected Wards</b>	All
<b>Keywords/Index</b>	Community Infrastructure Levy, CIL, S106

**Report Summary**

The Community Infrastructure Levy (CIL) is a planning charge, introduced by the Planning Act 2008 as a tool for local authorities in England and Wales to help deliver infrastructure to support the development of their area. It came into force on 6 April 2010 through the Community Infrastructure Levy Regulations 2010 and largely replaces the ability of the council to seek developer contributions under section 106 of the Town & Country Planning Act (1990) as amended.

This report seeks approval of the CIL Draft Charging Schedule (DCS) rates (Appendix 1) and to submit the DCS for public examination.

<b>If recommendations are adopted, how will residents benefit?</b>	
Benefits to residents and reasons why they will benefit	Dates by which residents can expect to notice a difference
1. The Council will have the ability to secure contributions from developers to help fund the infrastructure needed to support new development.	May 2016 and ongoing

## 1. DETAILS OF RECOMMENDATIONS

### RECOMMENDATION: That

- a) The Draft Charging Schedule rates are approved.
- b) The Draft Charging Schedule and accompanying evidence be submitted for public examination

## 2. REASON FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

### 2.1 Introduction

2.1.1 The Community Infrastructure Levy (CIL) regulations came into force in 2010 with amendments in 2011, 2012, 2013, 2014 and 2015.

CIL allows local authorities to raise funds from developers to contribute to the infrastructure that is needed to support the delivery of development. It is the Government's preferred method of authorities raising funds from developers and considerably reduces the use of S106 legal agreements.

2.1.2 In order to set a CIL rate the Community Infrastructure Levy Regulations 2010 require:

*"14. (1) In setting rates (including differential rates) in a charging schedule, a charging authority must strike an appropriate balance between –*

- 1. The desirability of funding from CIL (in whole or in part) the actual and expected estimated total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding; and*
- 2. The potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area."*

The Council needs to produce evidence to show how they have arrived at this appropriate balance.

### 2.2 Evidence

2.2.1 The Council commissioned external consultants (AECOM) to produce the key evidence to support the proposed CIL rates:

- Viability Report – Viability testing in the context of CIL assesses the 'effects' on development viability of the imposition of CIL
- Infrastructure Delivery Plan (IDP). The IDP is part of the evidence base required for the Borough Local Plan. In the context of CIL it assesses the funding required to provide the infrastructure to support new development and compares this with the funding available to the council to prove there is a gap between the two.

### 2.2 Consultation

2.2.1 The Council undertook consultation as follows:

- Developers were engaged in the process of setting the rates with two workshops to discuss the results of the viability work and seek feedback

- Preliminary Draft Charging Schedule between 19 June and 20 July 2015. Responses were received from 30 consultees. These responses and the evidence provided were considered and required further viability testing to be undertaken to ensure the evidence was robust. The comments made and responses from the Council are detailed in Appendix 2. As a result of this additional work some alternations were made to the boundary of the zones included in Appendix 1 and the proposed rates.
- The Draft Charging Schedule consultation took place between 23 October 2015 and 23 November 2015. The results of responses will be assessed, however it is not expected that any significant new issues will be raised. If, following the end of the consultation, issues are raised in the consultation responses that would affect a successful examination further consideration may be necessary.

### 2.3 Submitting the DCS for Examination

2.3.1 The DCS will be submitted for examination and an Inspector appointed. The Inspector will assess the evidence provided and set a hearing date. If there has been no request from interested parties to attend the inspection the Inspector can decide that a public hearing is not required. In this case a determination will be made based on the written evidence submitted

Option	Comments
Accept the recommendations of this report  <b>Recommended</b>	Maximises the ability of the council to collect funds from developers to offset the impact of development
Do not accept the recommendations of the report	Limited funds will be collected to help offset the impact of development

### 3. KEY IMPLICATIONS

3.1 It should be noted that the timescales have slipped from originally reported in the [May cabinet report](#). This was as a result of the issues raised and evidence submitted during the Preliminary Draft Charging Schedule consultation which resulted in additional viability work being necessary. The results of this work have been reflected in the updated viability report. This work was required to ensure that the Inspector would have the evidence required to assess the proposed rates.

Defined Outcomes	Unmet	Met	Exceeded	Significantly Exceeded	Date they should be delivered
CIL in operation	After 30/04/2016	by 30/04/2016	by 01/03/2016	by 01/02/2016	April 2016
Contributions collected from developers to help fund the infrastructure needed to support new development.	>£1.5M	£1.5m-2.5m	£2.6m-£3m	<£3m	31/03/2017

#### 4. Financial Details

##### a) Financial impact on the budget (mandatory)

If the rates agreed are accepted by the independent examiner then contributions towards the cost of infrastructure can be collected.

	2015/2016	2016/2017	2017/2018
	Capital	Capital	Capital
<b>Addition</b>	£0	£2m	£3m*
<b>Reduction</b>	£0	£0	£0

\*Rising in subsequent years

#### 5. Legal Implications

The Council continues to have the ability to collect infrastructure mitigation contributions from Developers that satisfies the requirements of the Community Infrastructure Regulations 2010 (as Amended).

#### 6. Value for Money

Infrastructure can be provided with the funds raised from developers.

#### 7. Sustainability Impact Appraisal

N/A

#### 8. Risk Management

Risks	Uncontrolled Risk	Controls
CIL is not successful at inspection stage and thus not implemented	High	Ensure that all robust evidence is provided at Inquiry  Commence work on an "updated" CIL in line with BLP timetable

#### 9. Links to Strategic Objectives

**Our Strategic Objectives are:**

##### Residents First

- Support Children and Young People
- Encourage Healthy People and Lifestyles
- Improve the Environment, Economy and Transport
- Work for safer and stronger communities

##### Value for Money

- Invest in the future

##### Delivering Together

- Deliver Effective Services
- Strengthen Partnerships

## **Equipping Ourselves for the Future**

- Developing Our systems and Structures
- Changing Our Culture

## **10. Equalities, Human Rights and Community Cohesion**

N/A.

## **11. Staffing/Workforce and Accommodation implications:**

None

## **12. Property and Assets**

Developers' contributions will be used to provide and improve the Council's infrastructure and services in response to the additional impacts of new development in the borough.

## **13. Any other implications:**

None.

## **14. Consultation**

Public consultation has been undertaken on the Preliminary Draft Charging Schedule and Draft Charging Schedule.

## **15. Timetable for Implementation**

Submit for examination December 2015.

## **16. Appendices**

Appendix 1 – CIL Draft Charging Schedule including boundary maps

Appendix 2 – Responses to Consultation

## **18. Background Information**

Community Infrastructure Levy Regulations (2010) as amended.

National Planning Practice Guidance

## **19. Consultation (Mandatory)**

<b>Name of consultee</b>	<b>Post held and Department</b>	<b>Date sent</b>	<b>Date received</b>	<b>See comments in paragraph:</b>
<b>Internal</b>				
Cllr Burbage	Leader of the Council	29/10/2015	02/11/2012	
Cllr D Wilson	Lead Member for Planning	19/10/2015	30/10/2015	
Alison Alexander	Managing Director	29/10/2015	02/11/2015	
Andrew Brooker	Interim Strategic Director of Corporate Services	29/10/2015		
Sean O'Conner	SLS	29/10/2015		
Mark Lampard/ Zarqa Raja	Finance partner	29/10/2015		
Barbara Story Ben Smith	S106 Project Board	29/10/2015		

Ben Wright Feliciano Cirimele Gordon Oliver Jan Balfour Joanne Horton Jonathan Howe Kaye Periam Kevin Mist Margaret Kirby Mark Taylor Nick Davies Paul Roach Philip Gill Satnam Bahra Steph James Stephen Pimley Sue Fox				
<b>External</b>				

### Report History

<b>Decision type:</b>	<b>Urgency item?</b>
Non key decision	No

Full name of report author	Job title	Full contact no:
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