

PLACES SCRUTINY PANEL

17 July 2014

COMMUNITY INFRASTRUCTURE LEVY: FINAL DRAFT CHARGING SCHEDULE

Report of the Director for Places (Development and Economy)

STRATEGIC AIM:	Creating an active and enriched community Creating a sustained environment Building our infrastructure
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1. PURPOSE OF THE REPORT

- 1.1 To consider the Community Infrastructure Levy (CIL) and the final Draft CIL Charging Schedule and supporting documentation prior to it going out for public consultation with the key stakeholders and local community followed by submission to a public examination by an Independent Planning Inspector.

2. RECOMMENDATIONS

- 2.1 **That the content of the proposed Community Infrastructure Levy Draft Charging Schedule in Appendix C and supporting documentation attached to this report is considered by the Places Scrutiny Panel.**

3. BACKGROUND

- 3.1 In March 2013 the Council approved a CIL Preliminary Draft Charging Schedule (PDCS) plus Infrastructure Projects List (IPL). This was then subject of a 6 week consultation exercise on the PDCS ended 18th June 2013. Responses were received from a wide range of private individuals, parish councils and meetings, local businesses, national developers and commercial enterprises, government agencies and organisations representing sector interests.
- 3.2 The Council then decided not to progress CIL until further clarity on how it should be applied across Rutland was available. This reflected a number of concerns including the impact of government amendments to the enabling CIL legislation and advice notes, the effects of a depressed housing market and the need to ensure robust evidence to support proposals to take CIL forward.
- 3.3 Although changes to government policy are still evolving on how local planning authorities can approach developers to meet planning obligations and secure essential infrastructure, the current National Planning Policy Framework (NPPF) and National Planning Policy Guidance (NPPG) now compel the Council to move CIL forward.

- 3.4 Further updated work has also been undertaken to help ensure that the proposed rate of CIL is viable in respect of the remaining development required to deliver the Council's proposed planning growth over the period to 2026. This has to be achieved whilst ensuring that the CIL secured is invested in the required infrastructure to support the development proposed.
- 3.5 Once the Council has agreed on its Draft Charging Schedule and Infrastructure List (along with meeting other regulatory requirements as set out in this report below) a further consultation exercise on our proposals will be undertaken. Any objections not resolved will be put to a public examination process by an independent planning inspector, which is anticipated will take place in May 2015. Subject to the planning inspector's report, the Council will then proceed to adopt CIL, with any modifications, if required.

4. PROPOSED CHANGES TO THE COMMUNITY INFRASTRUCTURE LEVY

- 4.1 Following further consideration of what infrastructure investment should be prioritised to support the planned growth of the area, an updated Infrastructure Project List (IPL) to support CIL has now been drawn up. This is attached at Appendix A.
- 4.2 A Police requirement has been included following a revised level of funding requested which appears CIL compliant for inclusion in the list. The Education requirement has been reduced from earlier 'bids' due to changing patterns of school usage that can be supported by investing in school transport.
- 4.3 In order to update the assessment of viability to determine a robust position on CIL further work has been undertaken by the Council's retained consultant HDH Planning and Development. This report is attached at Appendix B.
- 4.4 The report takes account of changes to government policy, changes to the 'values' incorporated into the original January 2013 Viability Study (including increases to build costs and the cost impact of meeting environmental standards), the challenges raised in response to comments made at the Preliminary Draft Consultation stage and the need for clarity on the Council's intended Section 106 policy that will sit alongside CIL when it is adopted.
- 4.5 Based on this additional work and consideration of the response made on the PDCS, the following rates of CIL are considered viable and are proposed:
- Residential development (exclusive of sheltered housing and 'Extra Care' housing) at £100psm
 - Food retails (supermarkets) at £150psm
 - Commercial distribution at £10psm
 - Retail warehouses at £75psm (this was £150 in the PDCS)
 - Hotel development at £0psm (this was £150psm in the PDCS).
- 4.6 The following documents are required to take CIL forward;
- A Draft Charging Schedule (DCS) to explain the proposed rate of CIL (Appendix C);

- A Draft Infrastructure Project List showing the prioritised infrastructure investment required to deliver the planned growth and the funding gap that CIL will help fill (Appendix A);
 - A DCS Background Document which will include a CIL Regulation 123 List identifying the infrastructure investments that are intended to be CIL funded (and therefore which developers will not be required to contribute S106 funding towards as well) (Appendix C);
 - A Schedule of Representations covering the consultation at Preliminary Draft Charging Schedule stage, the responses received and the changes made to the DCS; and
 - A CIL Statement of Statutory Compliance.
- 4.7 An update of progress being made in LPA's either in close proximity to Rutland or of a similar size/geographical area is summarised at Appendix H. Under the "Duty to Co-operate" the Council will be expected to show how its proposed CIL rate aligns with areas close by.

5. SECTION 106 POLICY

- 5.1 In order to take CIL forward a draft revised S106 Policy SPD will need to be prepared which consolidates the Council's approach to all aspects of S106 policy to be applied when CIL is adopted and implemented. A statement is incorporated into the DCS Background Document (Appendix E) that clarifies that the Council will only seek infrastructure investment through a S106 Agreement that complies with the following over-arching principles;
- S106 contributions are limited to site specific need arising from a new development scheme e.g. affordable housing and on-site public open space;
 - S106 contributions cannot be sought in relation to any specific projects, or infrastructure type, included on the CIL Regulation 123 list. In other words, CIL and S106 contributions are mutually exclusive - where CIL contributions for an infrastructure type are identified in the Regulation 123 list, then no S106 contributions may be requested for these type of infrastructure;
 - AH is expressly excluded from the definition of 'infrastructure' given in the CIL regulations and will therefore be sought wholly through S106 agreements.
- 5.2 Subject to the progress of CIL, it is proposed that the level of affordable housing contribution sought by the Council will be reduced from 35% to 30% of the total number of dwellings to be provided on sites of 10 or more dwellings. This will be subject to widespread consultation with the key stakeholders and the local community.

6 NEXT STEPS

- 6.1 Following consideration by the Places Scrutiny Panel, this report will be put forward to Cabinet on 19th August 2014 to then go to Council on 8th September 2014.
- 6.2 Subject to Council approval, the draft CIL charging schedule will go out for a statutory 6 week period of public consultation in September-November 2014, before being submitted for public examination by an Independent Inspector. It is anticipated that examination would take place in May 2015 and adoption of CIL by August 2015.

7 RISK MANAGEMENT

RISK	IMPACT	COMMENTS
Time	High	There is a need to achieve adoption of CIL asap. After the end of March 2015, unless government further extends its deadline, Section 106 provisions are to be scaled down making it unlawful for local authorities to pool contributions from more than 5 planning obligations. Minimising the 'time gap' will minimise the impact. Timely delivery is also crucial before viability evidence becomes out of date.
Viability	Medium	Adequate resources to deliver against a well evidenced Infrastructure Project List will increase the viability of future infrastructure provision
Finance	Low	The preparation of CIL is covered by existing mainstream budgets. Implementation of CIL is broadly self-financing through the funding provisions to cover its administration etc.
Profile	Medium	Community and stakeholder support is critical including an understanding of the impact of viability on what CIL can achieve.
Equality and Diversity	Low	An equality questionnaire has been completed The result shows a low risk such that a full EIA is not required. The community infrastructure the CIL funding will support will have a positive or neutral impact on the wider community and any equality groups.

Background Papers

Community Infrastructure Levy Regulations 2010
 National Planning Policy Framework 2012
 Community Infrastructure Levy Guidance December 2012
 Rutland Core Strategy DPD
 Planning Obligations and Developer Contributions SPD
 Developer Contributions to Off-site Affordable Housing SPD
 Rutland Statement of Community Involvement 2014
 Leicester, Leicestershire and Rutland CIL Viability Study
 January 2013 (HDH Planning and Development
 HDH Planning and Development report on CIL and
 Affordable Housing Commuted Sums (December 2012)

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HDH Planning and Development CIL report (July 2014)
National Planning Policy Guidance 2014
Equality questionnaire (July 2014)

A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.