

Subject:	Community Infrastructure Levy		
Date of Meeting:	3 November 2011		
Report of:	Strategic Director, Place		
Contact Officer:	Name:	Mike Holford	Tel: 29-2501
	Email:	Mike.Holford@brighton-hove.go.uk	
Key Decision:	No		
Ward(s) affected:	All		

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

1.1 The Community Infrastructure Levy (CIL) Regulations came into force in April 2010. The CIL allows local authorities in England and Wales to raise funds from developers undertaking new building projects in their area. The money received through CIL can be used to fund a wide range of infrastructure that is needed as a result of development. This includes new or safer road schemes, flood defences, schools, hospitals and other health and social care facilities, park improvements, green spaces and leisure centres. This report provides information on, and seeks agreement on producing a CIL for the City. Planning obligations (Section 106 agreements) will remain for detailed site impacts and some infrastructure requirements where not covered by CIL.

2. RECOMMENDATIONS:

2.1 That the Cabinet Member for Planning, Employment, Economy & Regeneration approves the production of a Community infrastructure Levy charging schedule and that this be brought forward for consultation alongside the production of the City Plan with a view to adopting the charging schedule as council policy.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

3.1 Previously, money for wider infrastructure improvements has been obtained by local authorities through planning obligations (also known as Section 106 agreements) in negotiation with prospective developers. The Government has decided that a new tariff-based (CIL) approach provides the best framework to fund infrastructure to unlock land for growth. In the Government's view CIL is a fairer, faster and more certain and transparent than the system of planning obligations which can cause delay as a result of lengthy negotiations. CIL rates will be set in consultation with local communities and developers and will provide developers with much more certainty "up front" about how much money they will be expected to contribute.

3.2 CIL is intended to assist in providing infrastructure to support the broad development of an area rather than to make individual planning applications

acceptable in planning terms, which will remain the role of Section 106 agreements. In order to produce a CIL the Council needs to demonstrate that there is a gap between other available sources of funding and the total cost of infrastructure needed to meet growth. A proportion of CIL should be spent on items identified by local neighbourhoods.

- 3.3 The Government considers there is still a legitimate role for development specific Section 106 agreements either to enable a local planning authority to be confident that the specific consequences of development can be mitigated or where small scale infrastructure requirements have arisen after the CIL charging schedule was adopted.
- 3.4 CIL will be payable on most buildings that people normally use. Buildings into which people do not normally go and buildings into which people go only intermittently for the purpose of inspecting or maintaining fixed plant or machinery, will not be liable to pay CIL. Structures which are not buildings, such as pylons and wind turbines, will not be liable for CIL. CIL will not be charged on changes of use that do not involve an increase in floorspace.
- 3.5 Any new build is only liable for CIL if it contains 100 square metres or more of floorspace, or involves the creation of a new dwelling, even where that is below 100 square metres. CIL is charged in pounds per square metres on the net additional increase in floorspace of any given development.
- 3.6 The process for preparing a charging schedule for CIL is similar to that which applies to development plan documents, especially in respect to the need for public consultation and the need for independent examination of the charging schedule.
- 3.7 Charging authorities wishing to charge the levy must produce a charging schedule setting out CIL rates in their area. CIL charging schedules will form part of the local authority's local development framework. Charging authorities should normally implement the levy on the basis of an up to date development plan.
- 3.8 In view of the above it is proposed that the City's CIL should be prepared in parallel with the City Plan. This would see public consultation on a draft charging schedule at the end of 2012 with a joint examination with the City Plan in July/August 2013 with final adoption in October 2013.

4. COMMUNITY ENGAGEMENT AND CONSULTATION

- 4.1 Consultation with other relevant sections of the City Council will take place following CMM. It is important that clear governance procedures are set in place if CIL is to be charged in the City. Formal consultation with the wider community is a requirement of producing CIL and will follow the recommendations set out in the Council's Statement of Community Involvement.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 Any costs associated with the production of a CIL charging statement and subsequent testing will be met from within existing Planning revenue budgets. Over a period of time, this process will lead to a reduction in the amount of available Section 106 funding, with this being replaced by funding for infrastructure improvements through the new levy.

Finance Officer Consulted: Karen Brookshaw Date: 05/10/11

Legal Implications:

- 5.2 Once CIL is introduced, if a charging authority does not publish a list of infrastructure that the levy will apply to, they will not be able to seek planning obligations for any type of infrastructure capable of being funded by the levy. Also, once CIL is introduced or in any event after April 2014, the authority will not be able to pool more than five s.106 contributions for projects that could have been funded by CIL. This would apply to agreements entered into since 6 April 2010.

Lawyer Consulted: Alison Gatherer Date: 13/10/11

Equalities Implications:

- 5.3 CIL can provide wide community benefits and can be used to provide, for example, health and social care facilities, recreation space and education facilities that will assist in tackling both economic and health inequalities.

Sustainability Implications:

- 5.4 The aim of CIL is to assist in enabling development to contribute towards the establishment of sustainable communities. Setting a CIL will help to ensure appropriate measures are secured to fund the wider infrastructure to help provide long-term sustainable development for the city.

Crime & Disorder Implications:

- 5.5 CIL could be used towards community safety initiatives such as improved lighting or CCTV.

Risk and Opportunity Management Implications:

- 5.6 CIL has to be set at a rate that does not deter development happening in the City but equally is not set at a rate that does not help to ensure that the necessary infrastructure is also provided. The CIL charging schedule also has to be backed up by sound and credible evidence so as to pass public examination.

Public Health Implications:

- 5.7 CIL can be put towards the provision of new health facilities for the City and address inequalities that can impact upon health inequalities.

Corporate / Citywide Implications:

- 5.8 CIL is likely to be a significant source of funding towards the provision of infrastructure in the City in the future. It is intended to encourage growth and incentivise neighbourhood planning.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 6.1 CIL is not obligatory so an alternative would be not to produce one for the City.

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1 In the absence of CIL, the amount of money that would be received from development in the City would be restricted to mitigating the direct impact through developer contributions (S.106).

SUPPORTING DOCUMENTATION

Appendices:

None

Documents in Members' Rooms

None

Background Documents

1. Community Infrastructure Levy - An Overview; Department for Communities and Local Government May 2011.