

ECONOMIC DEVELOPMENT AND CULTURE COMMITTEE

Agenda Item 76

Brighton & Hove City Council

Subject:	Community Infrastructure Levy (CIL)		
Date of Meeting:	7th March 2013		
Report of:	Strategic Director, Place		
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Ward(s) affected:	All		

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 The Government has decided that a new tariff-based approach known as the Community Infrastructure Levy (CIL) provides an appropriate to fund infrastructure to unlock land for development and support growth. 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 planning obligations (Section 106 agreements). Planning obligations will remain for detailed site impacts and mitigation where not covered by CIL.

This report describes the outcome of a CIL Viability Assessment and proposes further steps towards developing a CIL charging schedule for the City.

2. RECOMMENDATIONS:

That the committee

- 2.1 notes the findings of the CIL Viability Assessment and agrees to undertake consultation on the indicative rates of CIL attached to this report and to receive a report on this consultation at a later stage with a draft CIL charging schedule for the City.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 The Community Infrastructure Levy (CIL) Regulations came into force in April 2010. CIL allows local authorities in England and Wales to raise funds from developers undertaking new building projects in their area. Answers to a number of frequently asked questions about CIL are attached as Appendix 1. Income 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.

CIL is designed to be a way of securing funding for infrastructure needed for development and growth to go ahead. Government believes that it provides developers with much more certainty about how much money they will be expected to contribute, which in turn encourages greater confidence and higher levels of inward investment.

- 3.2 Authorities wishing to charge the CIL 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. CIL rates must be set at a rate that is financially viable for the majority of development. At the same time the Authority must also demonstrate how it will reduce its policy on S.106 requirements particularly to avoid charging for the same item twice.
- 3.3 The process for preparing a charging schedule for CIL is similar to that which applies to planning policy documents, especially in respect to the need for public consultation and the need for independent examination of the charging schedule.
- 3.4 The City Council has undertaken a high level viability assessment in conjunction with district and borough councils in East Sussex of the principal categories of development and the ability of those developments to make contributions to new infrastructure through a CIL. Maximum indicative CIL rates for consultation purposes only for Brighton and Hove are set out in Appendix 2. In reality CIL rates for the City if adopted will be much lower than this as they also have to be based on the cost of contributing towards infrastructure essential for growth amongst other things.
- 3.5 For comparison purposes, CIL rates for residential development in selected other cities are set down below.

Bristol	£50/£70
Oxford	£100
Portsmouth	£105
Southampton	£90

(all rates £ per square metre)

- 3.6 A summary of the findings in Brighton & Hove are that in a "low" zone there is no viability for CIL other than from food retail. In producing a CIL charging schedule the boundary of low value areas will need to be defined. In the "high" zone CIL could be charged at different rates on a number of uses. It is proposed that consultation should be undertaken on these draft figures before commencing work on producing a draft charging schedule. It is anticipated that it could take up to 2 years from the start of work to the formal adoption of a CIL charging schedule. The role of consultation will be to assess, amongst other things, the potential impact on development in the City were CIL to be introduced at the rates indicated in this report and whether there should be different charges for different geographical areas. The results of consultation will be reported back to this committee.

4. COMMUNITY ENGAGEMENT AND CONSULTATION

- 4.1 The report is proposing informal consultation on the indicative CIL rates. If the Council were to proceed with a CIL charging schedule more formal public consultation would be required at two stages in producing a charging schedule.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 Revenue: The cost of providing the CIL Viability Assessment consists of officer time, and a share of the consultants costs, which has been met out of existing Planning revenue budgets. If the Council decides to proceed with a CIL charging schedule, there will be further costs, but these can be included within the heading of administration and offset against the CIL charging rates.

Finance Officer Consulted: Name Karen Brookshaw Date: 05/12/12

Legal Implications:

- 5.2 The Community Infrastructure Levy was introduced by section 205 of the Planning Act 2008 with the stated aim of ensuring “that costs incurred in supporting the development of an area can be funded (wholly or partly) by owners or developers of land in a way that does not make development of the area economically unviable”. The detail as to how CIL is raised is found in the Community Infrastructure Levy Regulations 2010 (as amended) which provide, inter alia, for statutory consultation on the proposed charging schedule.

However, the consultation that is being recommended by this report is non-statutory, informal consultation. Should the Council decide to proceed with CIL the formal statutory consultation would follow in due course.

It is not considered that any adverse human rights implications arise from this report.

Lawyer Consulted Name: Hilary Woodward Date: 20/12/12

Equalities Implications:

- 5.3 CIL can provide funding for a wide number of community benefits and can be used to provide, for example, recreation space and education facilities, where this is required by new development.

Sustainability Implications:

- 5.4 CIL can be used to ensure appropriate measures are secured to improve wider infrastructure to help provide long-term sustainable development for the city.

Crime & Disorder Implications:

- 5.5 CIL might be put towards community safety initiatives where directly related to new housing growth.

Risk and Opportunity Management Implications:

- 5.6 Decisions on determining planning applications should take account of all material considerations including the provision of the infrastructure necessary to support the development. If development takes place without adequate contributions to infrastructure provision, a strain is placed on existing facilities to the detriment of the wider community and public resources.

Public Health Implications:

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

Corporate / Citywide Implications:

- 5.8 CIL could help ensure that the Council's policies on securing contributions towards infrastructure and services will help deliver the Sustainable Community Strategy priorities to improve housing and affordability, promote sustainable transport and improve health and well being in the city.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 6.1 Alternative options for CIL would be to not adopt CIL at all or to start producing a CIL charging schedule immediately.

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1 Given the current economic uncertainty and the need for maximum flexibility to ensure the viability of development proposals the proposed cautious approach and early informal consultation on CIL is considered the most appropriate.

SUPPORTING DOCUMENTATION

Appendices:

1. Community Infrastructure Levy Frequently Asked Questions
2. Community Infrastructure Assessment - Summary of Findings

Documents in Members' Rooms

None

Background Documents

1. East Sussex Community Infrastructure Levy Viability Assessment, Nationwide CIL Service, June 2012

