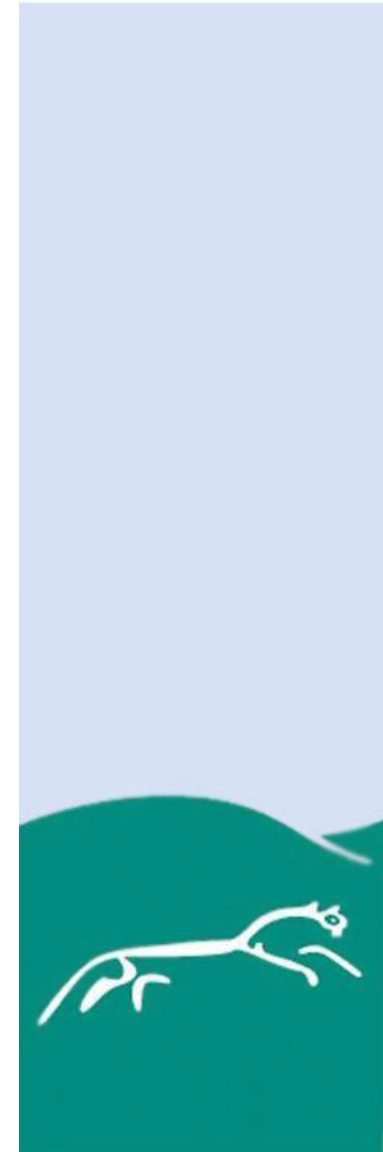


# Community Infrastructure Levy Council Briefing

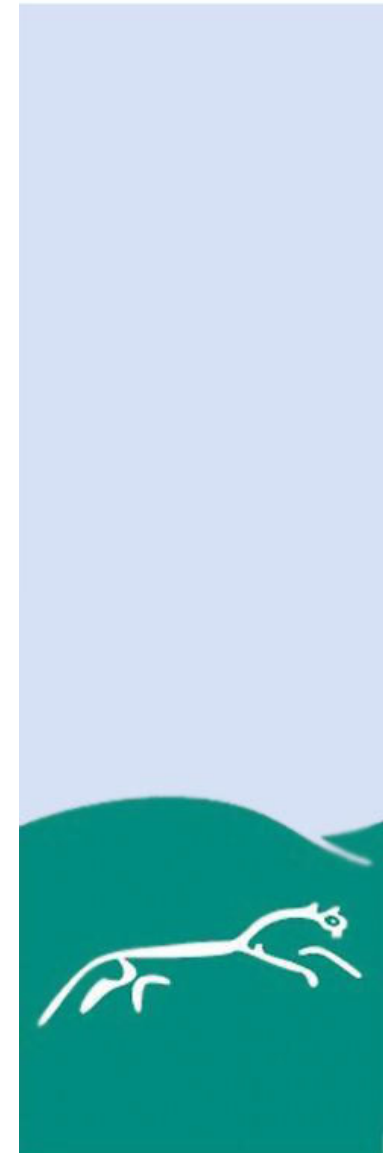
Matt Wilson (Community Infrastructure Levy Officer)

29 October 2014



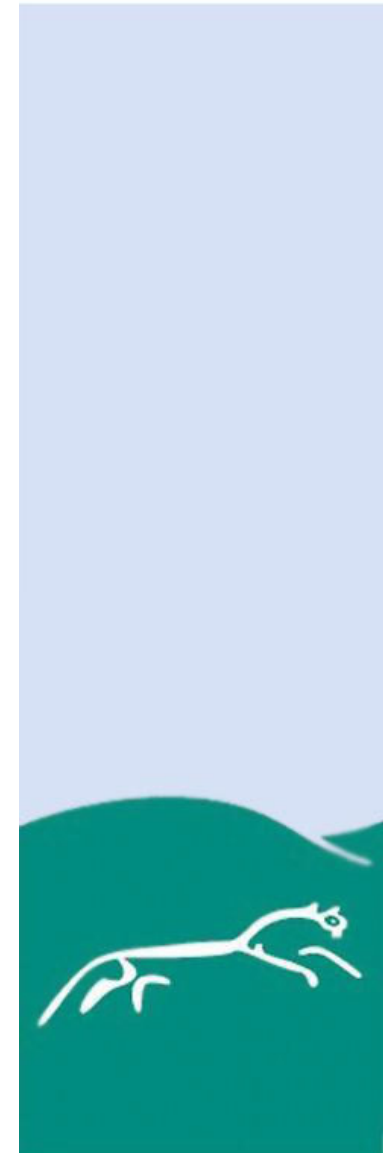
# Overview

- What is CIL?
- CIL Programme (3 stages)
- Rate Setting Process & proposed rates
- Consultation
- Questions in relation to the CIL rates



# What is Community Infrastructure Levy?

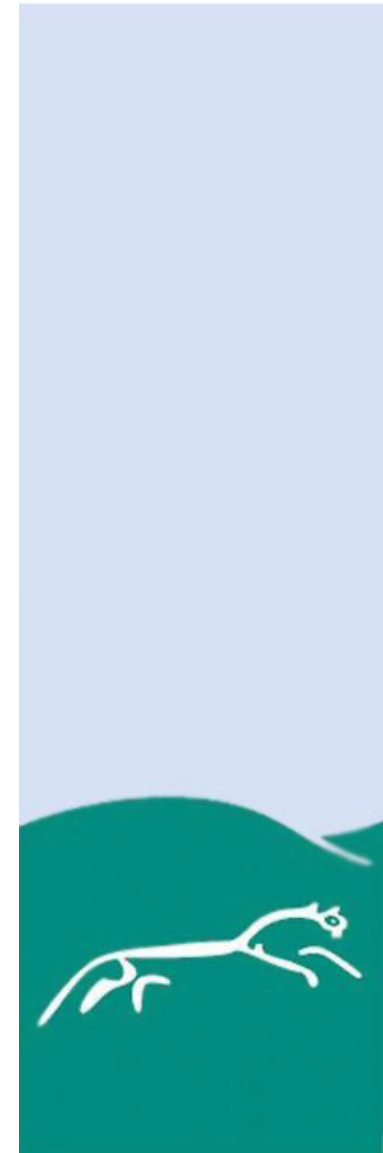
- Non-negotiable charge on development
- Not a replacement for Section 106 planning obligations
- To pay for infrastructure to support development identified in the Local Plan
- Government's preferred mechanism for pooling contributions
  
- *Fairer, faster and more certain and transparent*
- Captures small sites and cumulative impacts
- Developers have certainty upfront
- Reduces the need for negotiation



## An overview

- Charged in £ per m<sup>2</sup> for additional floor space created
- Applies to new development (affordable housing and self build is exempt)
- Based on viability evidence
- The proposed rates can vary by use, location and size of development
- Due when the development starts
- The local planning authority is the charging authority
- Parishes receive 15% or 25% of CIL income generated in their area

*A simple hypothetical example....*



# Hypothetical Example

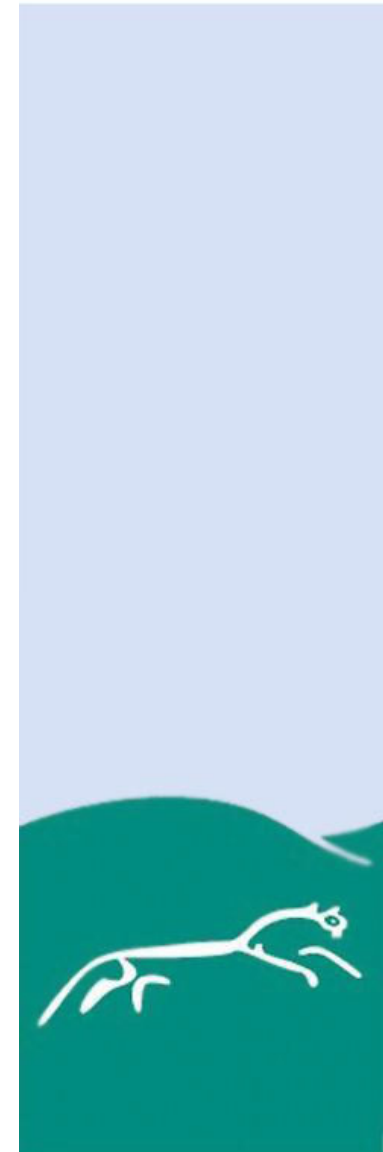
10 detached houses (GIA 2,000m<sup>2</sup>)  
and 5 terraced houses (GIA 500m<sup>2</sup>).

GIA of chargeable development =  
2,500m<sup>2</sup>.

The 5 terraced houses are to  
affordable so the developer will  
receive social housing relief on the  
affordable housing and pay no CIL

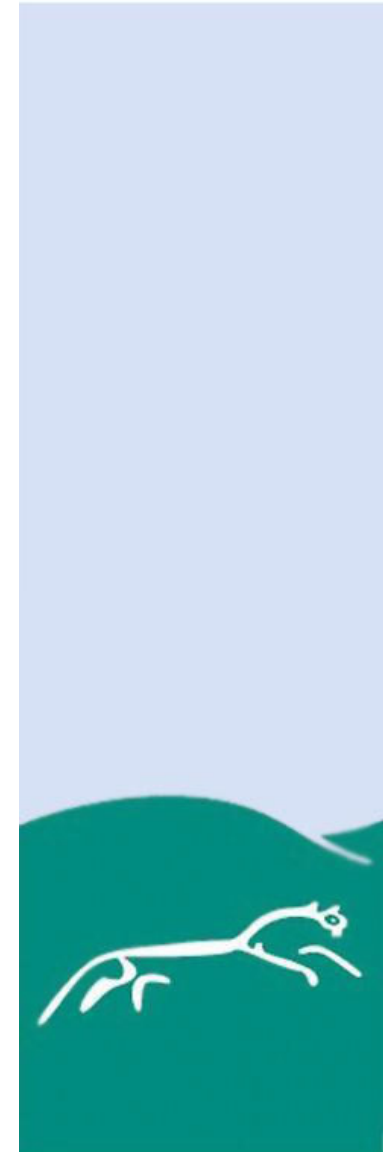
***2,000m<sup>2</sup> @ £50 per m<sup>2</sup> = £100,000***

Development	
Type	CIL Rate
Residential	£50
Retail	£80
Office	£40
Industrial	£30



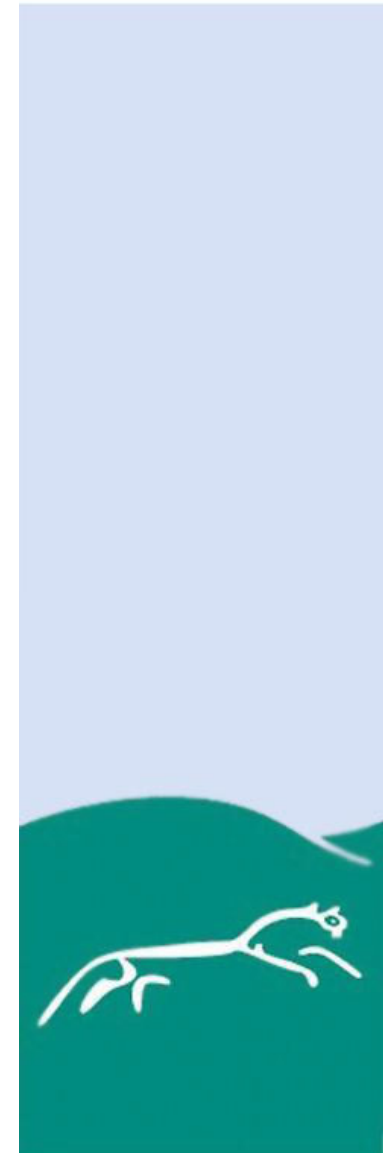
## Relationship with S106

- Planning obligations (S106 payments) remain  
CIL = infrastructure of an 'area'  
S106 = site specific impact mitigation requirements
- April 2015 restrictions on the number of pooled S106 agreements
  - looking back to April 2010
  - Limited to five per infrastructure item or project
- The introduction of CIL will mean the scaling back of S106.
- Need to demonstrate at examination how CIL and S106 will work together (Regulation 123 List)



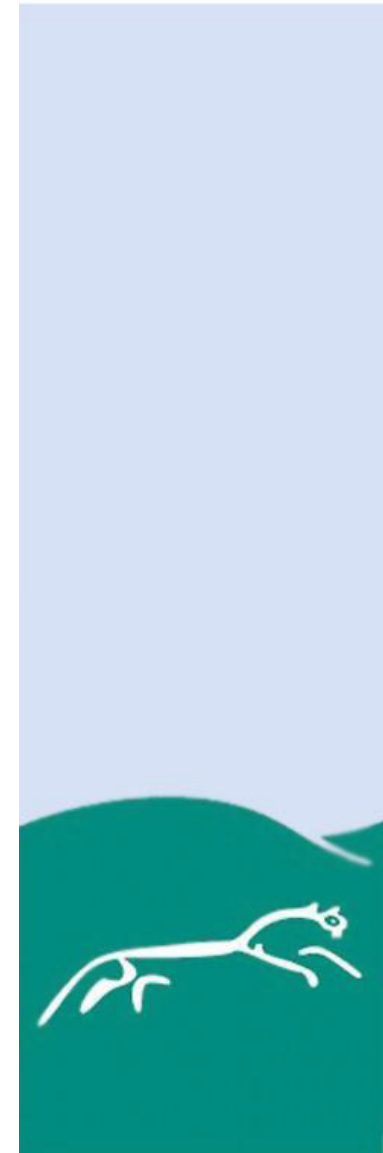
## CIL Programme

- Rate setting
- Collection and administration
- Governance and spend



# Rate Setting

- CIL rates are set out in a Charging Schedule
- Process set out in the CIL Regulations 2010 (as amended)
  - Preliminary Draft Charging Schedule (Nov-Dec 2014)
  - Draft Charging Schedule (Feb-March 2015)
  - Examination (Summer 2015)
- Technical and evidenced based exercise
- Examiner is seeking to determine whether the rates are based on evidence and what effect the rates will have on the delivery of development
- Three key pieces of evidence:
  - Viability Study
  - Infrastructure Gap assessment
  - Regulation 123 list

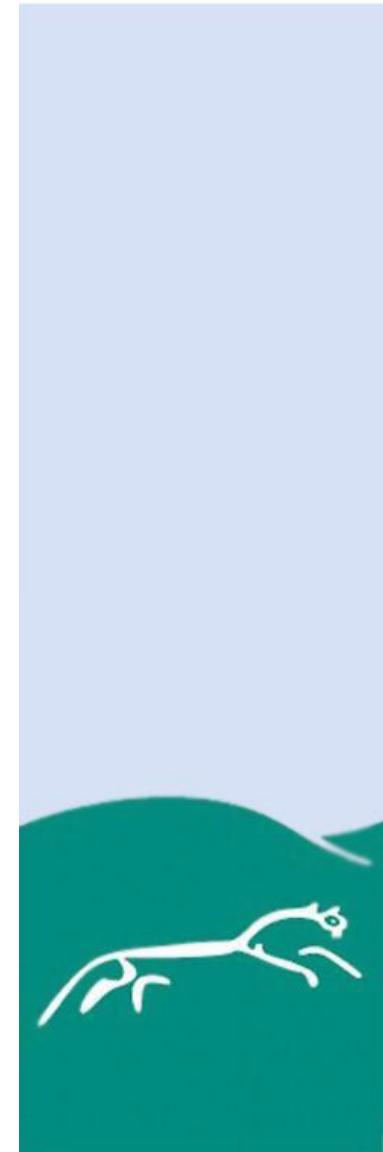
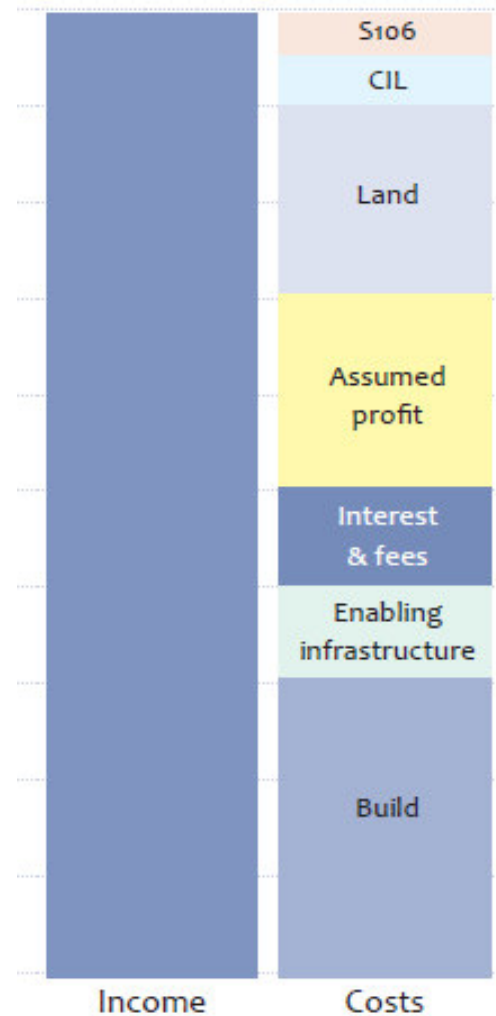




# Rate Setting

## 1. Viability Evidence

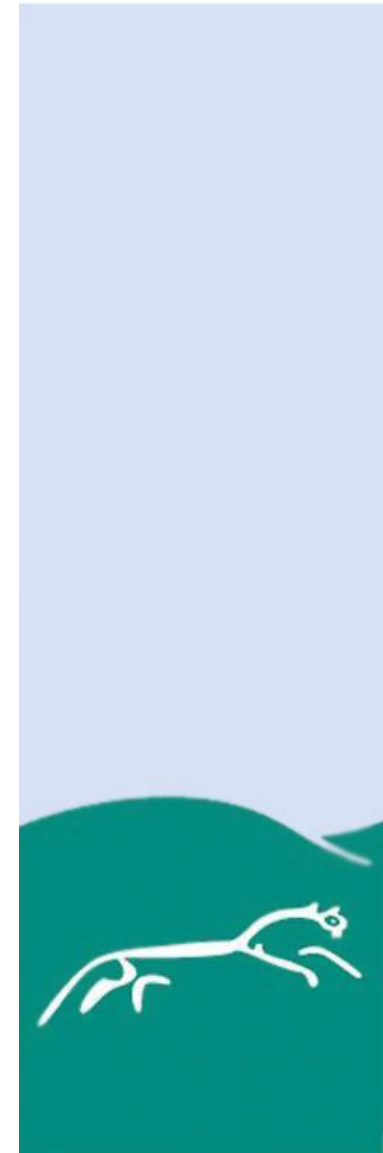
- Viability Assessment
- Testing Viability of 'notional' schemes
- Maximum CIL that can be charged without becoming unviable
- Looking for the tipping point
- The council makes a strategic decision on how below the tipping point its sets its rates



# Preliminary Draft Charging Schedule

Development type	CIL Rate (per square metre of chargeable floorspace)		
	Residential (C3)	Zone 1	Zone 2 (Faringdon, Grove and Wantage)
£120		£85	£0
Development type	District Wide		
Supermarkets and retail warehousing (A1)	£100		

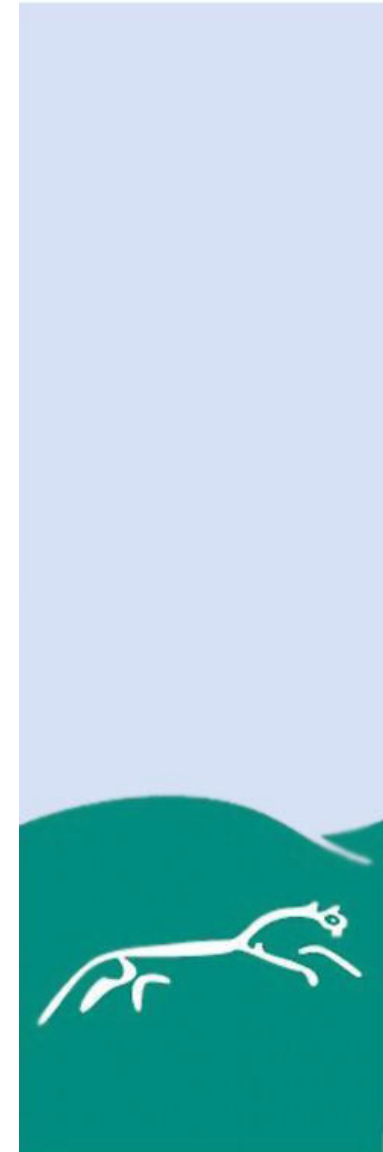
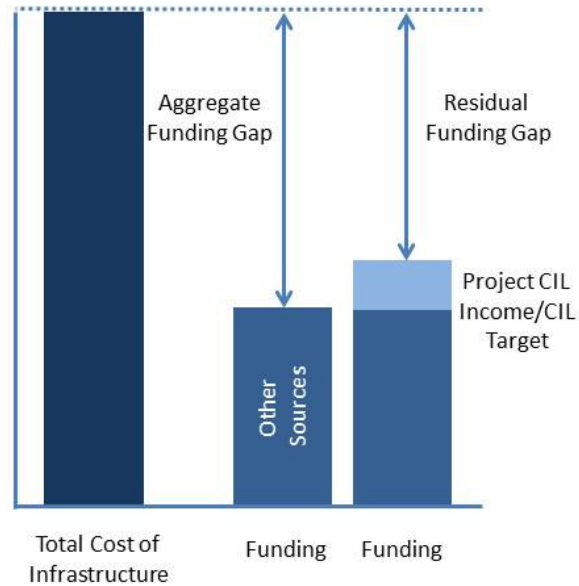
- Evidence to support a differential rates for residential
- Crab Hill and Monks farm can not support CIL in addition to the site specific S106 required, these sites would contribute to infrastructure through S106



# Rate Setting

## 2. Infrastructure Gap

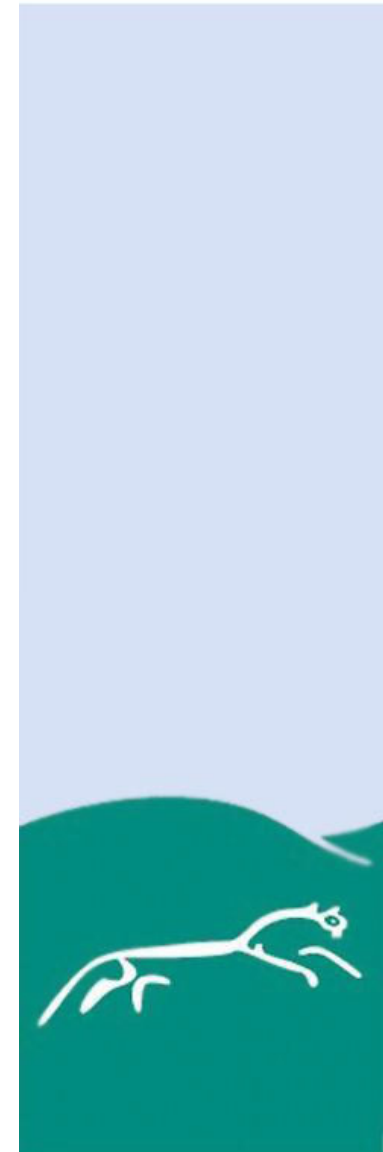
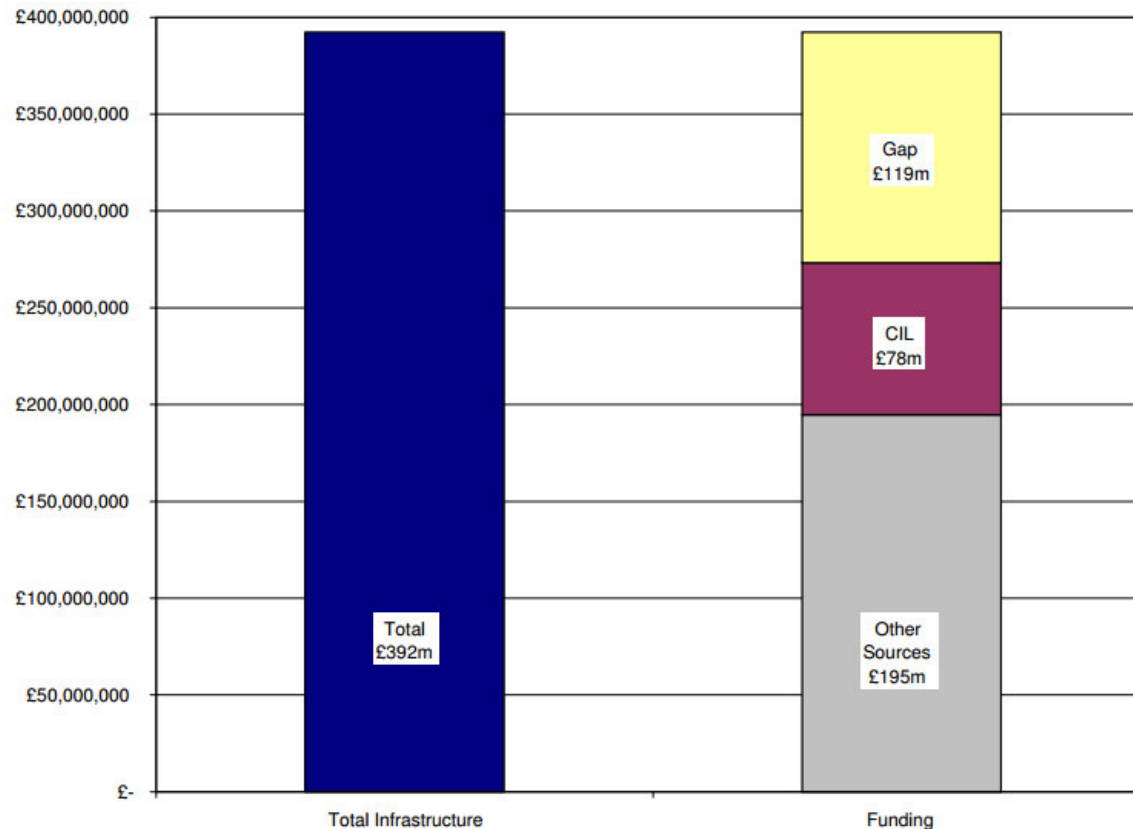
- Total cost of infrastructure
- Funding from other sources
- Aggregate funding gap
- Projected CIL Income
- Residual funding gap



# Preliminary Draft Charging Schedule

## 2. Infrastructure Gap

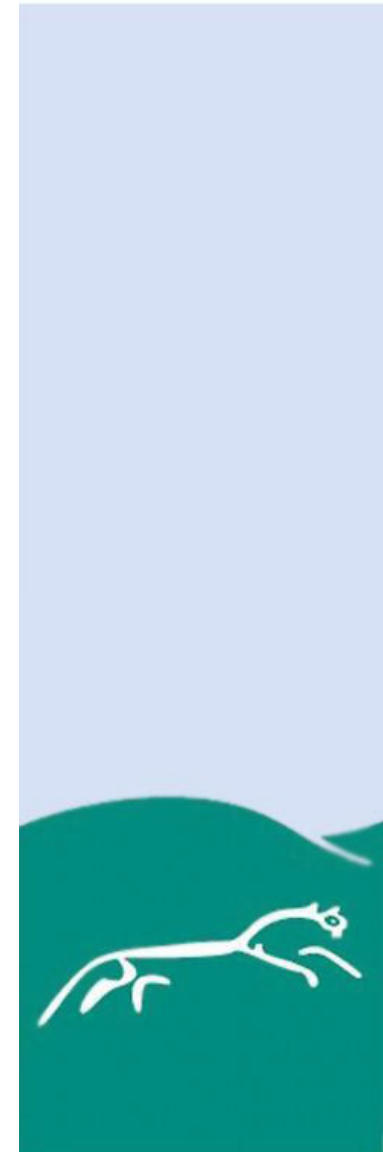
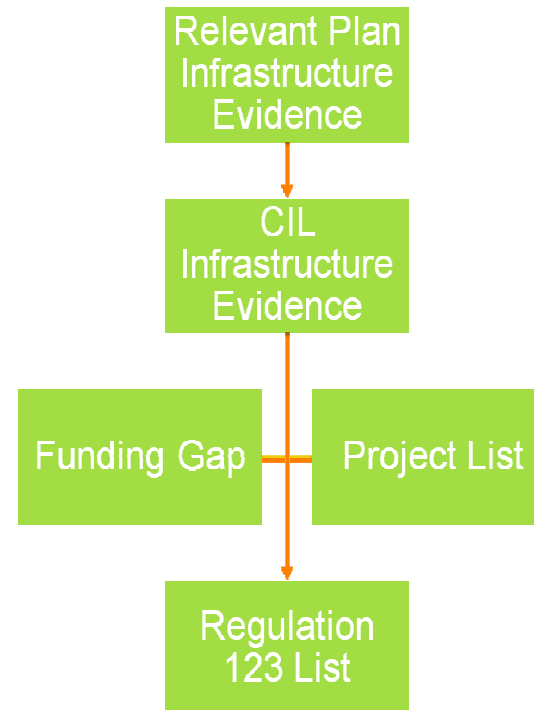
- Would achieve approximately £78m to 2031
- Account for approximately 20% of the total infrastructure funding



# Rate setting

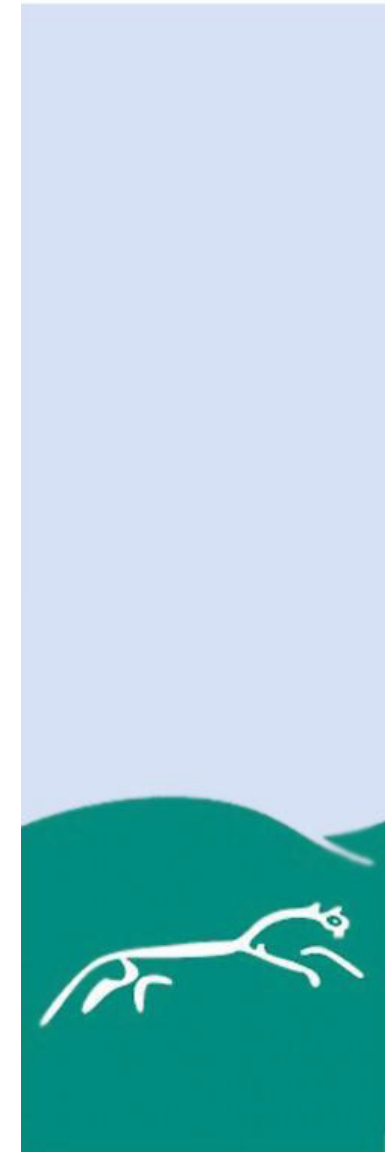
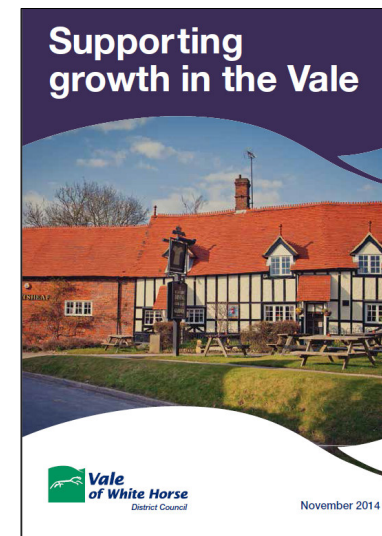
## 3. Regulation 123 List

- Demonstrate projects likely CIL will be spent on
- Need to understand approach to S106 and S278
- Not a priority list
- Drawn from infrastructure evidence that underpins the plan
- Regulation 123 list



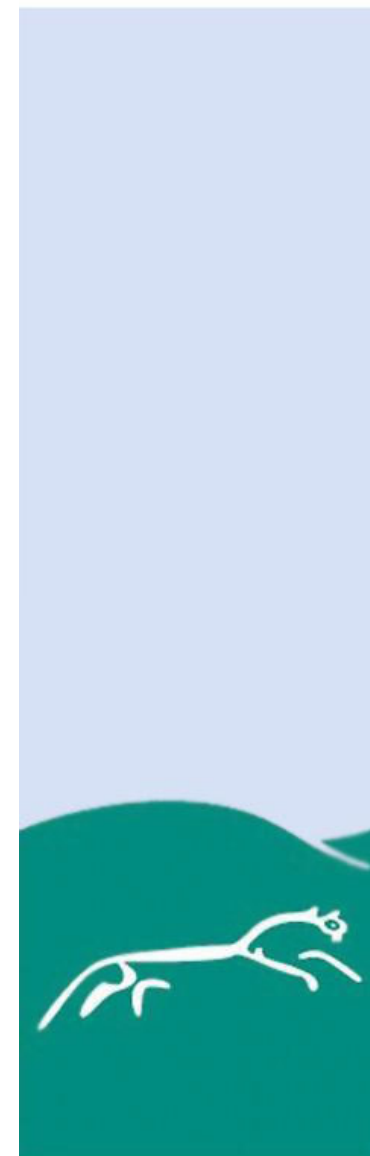
# Consultation

- Preliminary Draft Charging Schedule Consultation, **7 November** till **19 December 2014**
- Quite a challenge given the technical nature of consultation
- Programme of consultation planned:
  - T&P Council Forums
  - Neighbourhood Planning groups
  - Leaflet to residents
  - Information video
  - Delivering Infrastructure Strategy



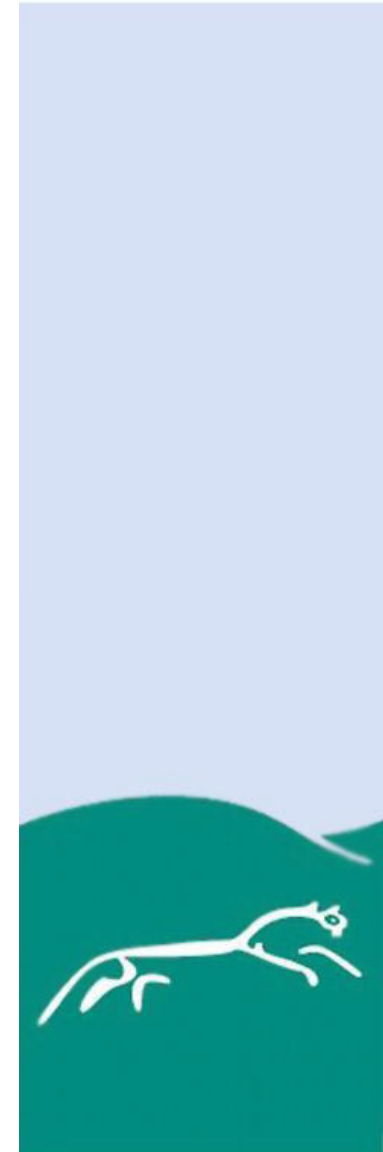
# Timetable - VALE

Task	Timetable
<ul style="list-style-type: none"> <li>Public consultation on <b>Preliminary Draft Charging Schedule</b> (6 weeks)</li> </ul>	7 November – 19 December 2014
<ul style="list-style-type: none"> <li>Preparation of Draft Charging Schedule</li> </ul>	December 2014 – January 2015
<ul style="list-style-type: none"> <li>Public consultation on <b>Draft Charging Schedule</b> (4 weeks)</li> </ul>	February 2015 – March 2015
<ul style="list-style-type: none"> <li>Submit the Draft Charging Schedule, evidence base reports and any public representations to the independent inspectorate</li> </ul>	March 2015
<ul style="list-style-type: none"> <li>Undergo a public examination of the Draft Charging Schedule</li> </ul>	June 2015
<ul style="list-style-type: none"> <li>Adopt a final Charging Schedule</li> </ul>	Autumn 2015



# Questions?

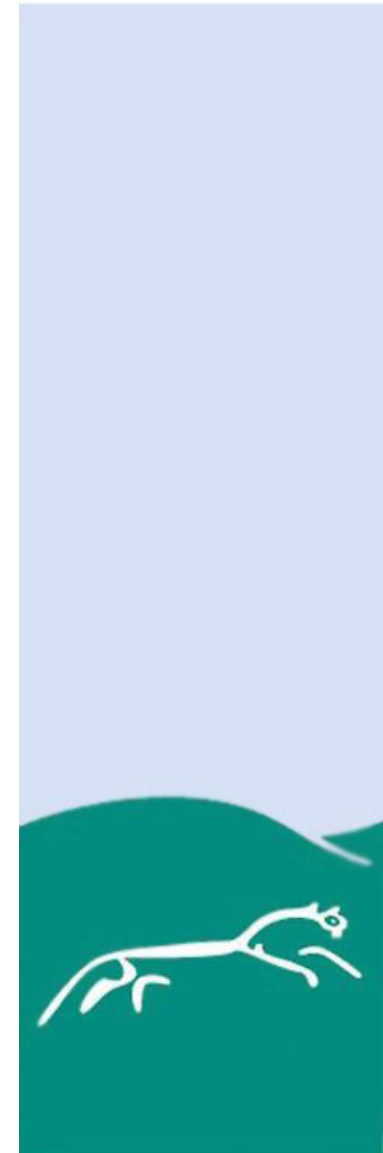
- Any questions regarding the proposed rates or Preliminary Draft Charging Schedule?





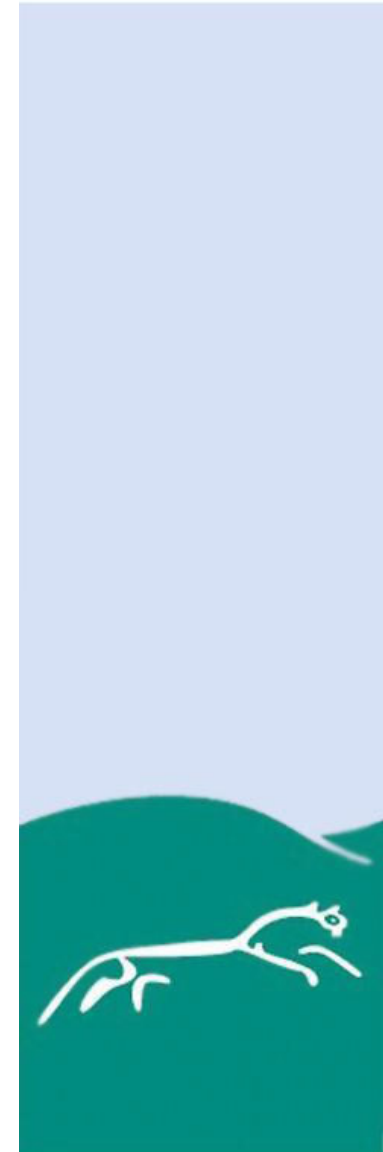
# Administration and collection

- Does not form part of the examination
- Collection process based on series of issuing and receiving of a series of notices
- Involves Planning/Legal/Finance
- Enforcement of none payment, last resort... Prison!
- Series of discretionary policies:
  - Instalment
  - Payment in kind
  - Discretionary relief
- Working Group established, best practice elsewhere



# Governance and Spend

- CIL has to be spent on the provision, improvement, replacement, operation or maintenance of infrastructure
- CIL is a Council a 'ring fenced' income stream for infrastructure
- The Council as charging authority decides the spending priorities – the R123 is not a priority list
- 15% is allocated for neighbourhood funding and can be spent on anything else that is concerned with addressing the demands that development places on an area'
- Regulations require the an annual report on CIL spending required



# Questions?

- Other questions?

