

**Committee:** Planning Policy Working Group

**Date:**

**Title:** Community Infrastructure Levy

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## Summary

1. The Council is about to appoint consultants to prepare a Community Infrastructure Levy (CIL) charging schedule, this report provides an update on these proceedings and a short introduction to CIL

## Recommendations

2. To note the contents of the update.

## Financial Implications

3. Payment for the consultants is accounted for from existing Council budgets. If implemented CIL will generate funding for infrastructure to mitigate the impacts of development. Administrative costs for running CIL can be met through CIL charges (up to 5% of the total levy may be spent on administrative costs).

## Background Papers

4. None.

## Impact

- 5.

Communication/Consultation	The CIL Charging Schedule will be subject to public consultation.
Community Safety	N/a
Equalities	N/a
Health and Safety	N/a
Human Rights/Legal Implications	Any CIL Charging Schedule adopted will be compliant with human rights and the law.
Sustainability	The CIL Charging Schedule will support the delivery of infrastructure to support development's sustainability.

Ward-specific impacts	All
Workforce/Workplace	N/a

## Situation

- The Council is about to appoint consultants to prepare a Community Infrastructure Levy (CIL) charging schedule. This report updates members on the potential work programme and reminds members on some of the details of CIL.

### CIL – background

- CIL is a charge that is levied by local authorities on new development in their area. The levy only applies in areas where a local authority has consulted on, and approved, a charging schedule which sets out its levy rates and has published the schedule on its website.
- Most new development which creates net additional floor space of 100sqm or more, or creates a new dwelling (of any size), is potentially liable for the levy.
- Some developments may be eligible for relief or exemption from the levy. This includes residential annexes and extensions, and houses and flats which are built by 'self-builders'.
- The levy is charged on new development that requires planning permission.
- Local authorities when developing a charging schedule can specify what types of development are liable for the levy and the relevant rates for these development types. Levy rates are expressed as pounds (£) per sqm.
- When deciding the levy rates, an authority must strike an appropriate balance between additional investment to support development and the potential effect on the viability of developments.
- This balance is at the centre of the charge-setting process. In meeting the regulatory requirements, charging authorities should be able to show and explain how their proposed levy rate (or rates) will contribute towards the implementation of their relevant plan and support development across their area (see regulation 14(1), as amended by the 2014 Regulations).
- In doing so, charging authorities should use evidence in accordance with planning practice guidance and take account of national planning policy on development contributions.
- In two tier areas, district councils should work closely with county councils in setting priorities for how the levy will be spent. Local authorities must spend the levy on infrastructure needed to support the development of their area. The levy can be used to increase the capacity of existing infrastructure or to repair failing existing infrastructure, if that is necessary to support development. The levy can be used to fund a wide range of infrastructure,

including transport, flood defences, schools, hospitals, and other health and social care facilities, it cannot be used to fund affordable housing.

16. From December 2020 local authorities must publish an infrastructure funding statement. The infrastructure funding statement should identify infrastructure needs, the total cost of this infrastructure, anticipated funding from developer contributions, and the choices the authority has made about how these contributions will be used.
17. 15% of CIL receipts are passed onto relevant Parish Councils, or 25% of receipts where there is a 'made' Neighbourhood Plan. The neighbourhood portion of the levy can be spent on a wider range of things than the rest of the levy, provided that it meets the requirement to 'support the development of the area', for example, this could include affordable housing. Once the levy is in place, parish or town councils should work closely with their neighbouring councils and the charging authority to agree on infrastructure spending priorities. If the parish or town council shares the priorities of the charging authority, they may agree that the charging authority should retain the neighbourhood funding to spend on that infrastructure. It may be that this infrastructure (for example, a school) is not in the parish or town council's administrative area but will support the development of the area.
18. The Parish Council must publish a report on their CIL income and expenditure every year.

#### CIL – Uttlesford work

19. The appointed consultants will be expected to take full account of the existing evidence base supporting the emerging Local Plan, including the Whole Plan Viability Assessment and the Infrastructure Delivery Plan.
20. The consultants are being asked to consider the potential for CIL throughout the district. They are also being asked to consider the appropriate approach for CIL on the Garden Communities. The normal approach for strategic sites is to 'zero-rate' the CIL charge, and rely on bespoke payments through section 106, this is because the infrastructure requirements of large sites vary from site to site and can have different costs based on the specifics of the site. Nevertheless, the consultants have been asked to consider whether a strategic CIL charge on top of the standard CIL charge is appropriate for development in the Garden Communities.
21. Depending on the consultants selected to undertake the work, and the work on the Local Plan, the timetable for producing a CIL charging schedule could be:
  - a. Consultants appointed – November 2019
  - b. Consultants prepare evidence base to inform the CIL charging schedule – Winter 2019/2020
  - c. Public consultation on the draft charging schedule – Spring 2020
  - d. Submit the CIL charging schedule to be examined – Summer 2020

e. Examination – Summer 2020-Autumn 2020

f. Adopt the CIL charging schedule – Autumn/Winter 2020

## Risk Analysis

22.

Risk	Likelihood	Impact	Mitigating actions
Without a CIL, necessary infrastructure to support development will not be fully funded and there will be unmitigated impacts.	1 – Little risk	3 – Without appropriate supporting infrastructure, existing communities will face greater impacts from development	The Council is appointing consultants to work on a CIL charging schedule

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.