

BODY: CABINET

DATE: 4th February 2015

SUBJECT: Adoption of the Eastbourne Community Infrastructure Levy (CIL) – Charging Schedule

REPORT OF: Senior Head of Regeneration, Planning and Assets

Ward(s): All

Purpose: To seek an endorsement from Cabinet Members to recommend to Full Council to adopt the CIL Charging Schedule from 1 April 2015.

Decision type: Budget and Policy Framework

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Recommendation: To endorse the CIL Charging Schedule in line with the recommendations of the Examiners Final Report and recommend that at Full Council it is approved for adoption to come into force from 1 April 2015.

1.0 Introduction

1.1 The Community Infrastructure Levy (CIL) allows local authorities in England and Wales (defined as Charging Authorities) to raise funds from developers undertaking new building projects. It effectively replaces much of the existing process of planning obligations commonly known as 'Section 106' agreements. The primary use of CIL is to gain financial contributions from certain types of viable development to help fund new or improved strategic infrastructure required to support the growth identified in Eastbourne's Core Strategy Local Plan. CIL places a charge per square metre on development. It will not be the sole funding source for all infrastructure delivered, but will supplement other public sector revenue streams.

1.2 CIL has a number of significant advantages over the current system of Section 106 agreements, including:

- Payment is non-negotiable, which helps speed up the planning process;
- The CIL charge is transparent and predictable, meaning that applicants will know their CIL liability prior to submitting a planning application;
- All liable developments will contribute to the cost of infrastructure provision, not just large scale development;
- A proportion of CIL will be available to spend on local infrastructure priorities;
- From 1 April 2015, CIL will be the main mechanism for securing developer contributions for infrastructure to support growth. Section 106 planning agreements will be significantly scaled back after this date. The Government has already (28 November 2014) removed the ability to collect tariff-based

developer contributions on developments of 10 or less dwellings through Section 106 or other planning obligations.

- 1.3 The money raised from CIL will be used to pay for infrastructure to support development, ensuring that new development bears a proportion of the cost of delivering the new infrastructure required. CIL can be spent on any community infrastructure required to support growth, provided the infrastructure is contained within the Council’s published Regulation 123 list. The Regulation 123 list is provided alongside the Council’s CIL Charging Schedule. (Appendix 2)

2.0 The Charging Schedule

- 2.1 The Council has prepared a Community Infrastructure Levy (CIL) Charging Schedule which is proposed for adoption (Appendix 1). This document has undergone extensive public consultation in line with the CIL Regulations, and has been through the relevant Examination stages. The Examination was dealt with via written representations, and the production of Matter Statements in November/December 2014. The Council received the Examiners Final Report on 12 January 2015 which concluded that the Charging Schedule, subject to one modification, was sound and should be adopted by the Council. (Appendix 3)
- 2.2 The Charging Schedule states the types of development that will be liable for a CIL charge and the relevant charge (£) per sq m. of development. It is supported by a comprehensive evidence base which includes a detailed viability assessment. The viability assessment document examines the levels of CIL that can be achieved across the Borough without affecting the overall viability of development identified in the Eastbourne Core Strategy Local Plan. Only developments that are shown to be viable have been charged CIL, therefore the charges are fully justified by the evidence.
- 2.3 The Charging Schedule is also supported by a revised Infrastructure Delivery Plan and a Funding Gap Analysis document, to demonstrate that there is a funding deficit between the total cost of required infrastructure and the infrastructure already agreed for delivery and to be financed by the Council, external partners and agencies. The funding gap analysis justifies the position of the Council to move forward with CIL as an appropriate tool for collecting developer contributions.

3.0 The CIL charges

- 3.1 The Charging Schedule outlines that only dwellings (C3 Use Class) excluding residential apartments, and retail (A1-A5 Planning Use Class) are liable for a CIL charge at the following rates:

Type of Development (Use Class Order 1987 as amended)	CIL rate/sq. m for net additional floorspace
Dwellings* (C3) other than residential apartments	50
Retail (A1-A5) #	80
All other uses	0

** Where there is a net gain in dwellings*

Where the development is 100 sq. m. or greater.

3.2 The Examiner's Report recommends a modification, which has now been made to the Charging Schedule, to exempt residential apartments from CIL liability. It was felt that the evidence demonstrated that the CIL charge would affect the viability of apartment development, which would in turn prevent that type of residential development coming forward for development.

3.3 **Phasing** - The Council consider that if a planning application is large enough to be delivered through appropriate phases, then CIL payments should be linked to these phases to ensure that development remains viable overall. The Council will negotiate relevant phasing on major applications during the determination of the planning application. Set phases and their relevant land use descriptions will need to be confirmed in an accompanying Section 106 agreement and these phasing stages will be linked to CIL liability. Therefore, the CIL charge will be calculated at each phase of the development, and will be liable for payment on commencement of each relevant phase.

4.0 Resource Implications

4.1 The Council has an agreed budget for progressing CIL through to adoption, which includes the support by planning consultants in the preparation of viability evidence and support at Examination. IT software provided by Civica, to manage the CIL liable planning cases, has already been purchased by the Council.

4.2 Financial

The cost of the publication and publicity for the Charging Schedule will be met from within the existing service budget. The cost of additional Civica software to deal with CIL planning case has already been agreed and this will be fully operational from 1 April 2015.

4.3 Legal

The Charging Schedule has been prepared in accordance with the CIL Regulations 2010 (as amended) and takes account of best practice guidance related to the recent examination of CIL Charging Schedules.

4.4 Staff Resources

Officers will manage the publicity and publication of the Charging Schedule. A part-time CIL Monitoring Role (which also includes monitoring section 106 contributions) has been identified as a service growth item, and being addressed through the Service and Financial Planning process.

4.5 Equalities and Fairness Impact Assessment

A streamline assessment has been made as the CIL Charging Schedule is a technical planning document. The assessment demonstrates that there are no impacts on equalities and fairness and there are no human right issues.

5.0 Governance

5.1 Governance around spending the CIL contributions will need to be put in place and

there is time to agree this. It will take a while for CIL to build up a pot of monies that is sufficient and can then be spent on infrastructure projects. For example approximately £12,000 is expected to be collected each year from residential development. Also infrastructure projects must accord with those identified in the Council's Regulation 123 list (see Appendix 2). It is inevitable that there will be bids from infrastructure providers that exceed the monies collected at any one time and some prioritisation will need to be made. It is proposed that a separate report is brought to Cabinet later in the year on options to manage the prioritisation and the recommended decision making process. .

6.0 Conclusion

- 6.1 The Charging Schedule has been prepared appropriately, in line with CIL Regulations and has been found sound at Examination, subject to the included modification. The proposed rates are justified by evidence and ensure that they do not compromise the ability for the Council to deliver its spatial development strategy. It is in the interest of the Council to adopt the Charging Schedule on 1 April 2015, at which date further significant restrictions are placed on Section 106 agreements.
- 6.2 Cabinet are recommended to endorse The CIL Charging Schedule in line with the recommendations of the Examiners Report and recommend its adoption at the next. Full Council on 18 February 2015. The CIL Charging Schedule would come into operation on 1 April 2015.

Craig Steenhoff
Specialist Advisor (Planning)

Background Papers:

The Background Papers used in compiling this report were as follows:

Community Infrastructure Levy Regulations (2010) [as amended]

National Planning Policy Framework CLG (2012)

Accompanying Reports/Documents (attached separately):

Appendix 1 - Eastbourne Community Infrastructure Charging Schedule (April 2015)

Appendix 2 - Eastbourne Regulation 123 Infrastructure List (April 2015)

Appendix 3 - Examiners Final Report

To inspect or obtain copies of background papers please refer to the contact officer listed above.