

**THE COMMUNITY INFRASTRUCTURE LEVY – BRIEFING REPORT
Director of Environment, Culture & Communities**

1 PURPOSE OF REPORT

- 1.1 This report summarises the Community Infrastructure Levy (CIL) which will be replacing, in part, the use of s.106 agreements for infrastructure delivery as part of new development proposals. It also sets out how the Council is preparing for its introduction.
- 1.2 The Council will want to put itself into the best position possible to maximise the legitimate charging potential from new development to deliver the Council's policies and priorities. This will be key in making sure the Council is able to deliver development that is as sustainable as possible and to minimise the impact new development has not only on future generations, but by implication, on the ability for the Council to deliver its services in the future.

2. RECOMMEDATION

- 2.1 **That the Panel notes the proposed Community Infrastructure Levy and how the Council is preparing for its introduction.**

3. REASONS FOR RECOMMEDATION

To inform the Panel of the proposed Community Infrastructure Levy and how the Council is preparing for its introduction.

4. ALTERNATIVE OPTIONS CONSIDERED

None.

5. THE COMMUNITY INFRASTRUCTURE LEVY

- 5.1 CIL is a standardised tariff system for collecting contributions towards infrastructure provision from developers of residential and commercial development. It is up to Councils whether or not to introduce a CIL, but if they do not, then by April 2014, they will not be able to continue with their own system via s106 planning obligations for pooled contributions as the Council presently does through the 'Limiting the Impact of Development' Supplementary Planning Document. CIL is very important for Bracknell Forest where planned development will result in the need for significant highway improvement works and a new secondary school, among other infrastructure requirements.
- 5.2 CIL payments will be calculated by applying a tariff rate to the net increase in floor area resulting from a development. The rate to be set will be based on a schedule

that can set different levels of charge for different land uses (residential, business, retail etc.) and for different geographic areas. The rates, and any variations within them must be set at a level that will ensure that most development is viable. Any variations between uses and geographic areas must be based on there being quantifiable differences in their viability.

5.3 Liability for payment of CIL

The liability for and payment of CIL will be based on the following:

- Liability for payment of CIL arises on grant of planning permission and payment will be due on commencement of development (there is now provision in amended regulations for phased payments);
- CIL will apply to increases in floorspace (where the increase in gross internal area is 100 sq metres or more or where any new dwelling is created);
- The CIL amount charged will be indexed from the date of adoption of the charging schedule to the date of planning permission;
- Larger developments may make 'land payments' on which infrastructure is to be provided in lieu of some financial payment;
- An exemptions process is included to allow up to 100% relief for charities, social housing and exceptional circumstances;
- Provisions are made for enforcement and surcharging for late or non-payment of CIL; and,
- Provisions are included for appeal.

5.4 Application of CIL

CIL can be used for funding for infrastructure outside the Council's area that would support development within its area. The Council must report annually on CIL receipts and expenditure. The CIL provisions allow Councils to prudentially borrow against expected future CIL receipts

5.5 Planning Obligations

Councils can still also apply planning obligations (S106), but cannot use them for infrastructure for which CIL is being charged (e.g. can use planning obligations to cover provision of affordable housing or site specific works). The CIL Regulations also place in law the Government's planning obligations policy.

5.6 Further Regulations

Further regulations are due to be published for consultation this autumn. These regulations should indicate the proportion of CIL income to be allocated to local communities. They should also indicate how the particular requirements associated with Special Protection Areas and the need to secure Suitable Alternative Natural Greenspace and payments towards access management and monitoring should be dealt with.

Localism Bill

- 5.7 The Localism Bill contains a number of proposed changes to CIL which will enable money collected to be spent on maintaining infrastructure (revenue) as well as on

providing new infrastructure. The proposed changes will also require a significant proportion of the money raised to go directly to the neighbourhoods where development takes place. The proportion to be given over to local communities has not yet been defined.

6. INTRODUCING CIL IN BRACKNELL FOREST

- 6.1 It is important that a CIL charging regime is established to ensure that the Council is in a position to secure funding for necessary infrastructure to support growth and mitigate the impacts of planned development in the Borough. From 6 April 2014 the Council will not be able to pool contributions for a piece of infrastructure from more than 5 developments.
- 6.2 In order to achieve this, a CIL project has been initiated involving senior officers from across the Council to ensure that all relevant service area needs are identified and that the financial, constitutional and legal matters are effectively addressed.
- 6.3 The following steps would need to be followed to introduce a CIL:
- Council collects evidence of infrastructure needs and shortfalls (a lot of this work has already been done in preparing the Infrastructure Delivery Plan to support the Site Allocations DPD);
 - Specialist work is commissioned to establish the viability of different forms of development in different parts of the Borough and confirm the cost of meeting the identified shortfall in infrastructure;
 - Council draws up a charging schedule proposing rates in £/sq.m;
 - Rate to be set at a level that will not make development unviable in most cases within the area as a whole;
 - Can vary the rate in different parts of the Borough;
 - Can apply different rates to different types of land use;
 - The Council must consult on the preliminary draft charging schedule;
 - The draft charging schedule and consultation responses are considered by an Independent Examiner;
 - Charging schedule is published and adopted, following report of the examiner,
 - The Council will need to establish a mechanism for the governance of CIL and the allocation of funds; and
 - A proportion of CIL will be allocated to local communities – for Bracknell Forest this is likely to be to the Parish and Town Councils.
- 6.4 The intention is to establish a CIL regime by the summer of 2013. The programme for this project is attached at Appendix 1 to this report and the Project Management Structure is attached at Appendix 2.

7. ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

No advice was sought from the Borough Solicitor, the Borough Treasurer or Other Officers or sought in terms of Equalities Impact Assessment or Strategic Risk Management Issues.

8. CONSULTATION

None.

Contact for Further Information

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APPENDIX 1

CIL Programme – Updated August 2011

Milestones	TIMESCALE	RESOURCES
Commencement of project	FEB 2011	Spatial Policy
Initiation Report to CMT	MARCH 2011	Spatial Policy
Draft Project Plan and Structure	MAR – APR 2011	Spatial Policy
Project Structure and Plan to CMT	APR 2011	Spatial Policy
Steering Group Meeting	MAY 2011	Steering Group
Establish scope / commence evidence gathering on infrastructure requirements	JUN 2011 - FEB 2012	Service Areas / EXTERNAL BODIES / SPATIAL POLICY
Review cross border infrastructure requirements	JUL - SEP 2011	Spatial Policy
Explore potential for joint commissioning of viability work	JUL – SEP 2011	Spatial Policy
Prepare draft Request for Quotation for Viability Consultants	JUL – SEP 2011	Spatial Policy
Steering Group Review Progress / Identify Gaps for further work	SEP 2011	Steering Group
Finalise infrastructure requirements	OCT -NOV 2011	Service Areas / External Bodies / Consultants / Spatial Policy
Establish costs and alternative sources of funding for identified infrastructure	OCT-DEC 2011	Reference Groups / Consultants / Spatial Policy
Establish governance arrangements for collection, allocation, monitoring and reporting of CIL	SEP – DEC 2011	Legal / Finance / Spatial Policy
Viability testing for different forms of development and geographic variations within the Borough.	NOV – DEC 2011	Consultants / Spatial Policy
Review final Localism Bill	DEC 2011 – JAN 2012	Spatial Policy
Steering Group agree infrastructure schedule and viability outcomes	JAN 2012	Steering Group
Report to CMT	FEB 2012	Spatial Policy
Work up charging schedule	MAR 2012	Spatial Policy / Consultants
Steering Group Review draft charging schedule	APR 2012	Steering Group
Approve preliminary draft charging schedule and governance arrangements for collection, allocation, monitoring and reporting of CIL	MAY 2012	CMT / Executive
Consultation on preliminary draft charging schedule (6 weeks)	JUN - JUL 2012	SPATIAL POLICY
Consider Responses/Publish Draft Charging Schedule	AUG - SEP 2012	Spatial Policy / Reference Groups / Consultants as appropriate

Milestones	TIMESCALE	RESOURCES
Examination	DEC 2012 OR LINK TO SITE ALLOCATION S EXAMINATIO N SUBJECT TO TIMING.	Spatial Policy / Service Areas / External Bodies / Consultants as appropriate
Receive Inspector's Report & prepare final charging schedule	FEB 2013	Spatial Policy
Prepare Regulation 123 List of Infrastructure to be covered by CIL funding	FEB 2013	Legal / Spatial Policy
Report to Council / Approval	APR 2013	spatial policy
Publication and Advertisement	MAY 2013	spatial policy
Commence Operation of CIL	JUN 2013	tba

CIL Project Management Structure

