

Meeting of the Cabinet - 6th December 2012

Report of the Director of the Urban Environment

Community Infrastructure Levy Preliminary Draft Charging Schedule for Consultation

Purpose of Report

1. To inform Cabinet of progress on the feasibility work regarding the development of a Community Infrastructure Levy (CIL) and to seek approval for the Preliminary Draft Charging Schedule to be published for a statutory six week period of public consultation.

Background

2. Following government regulation in 2010, Local Authorities were provided with the option of developing a Community Infrastructure Levy (CIL). The purpose was to have a mechanism to part fund infrastructure within a locality to support physical regeneration.
3. In parallel the regulations reduced the ability of a Local Authority to fund infrastructure through planning obligations. The use and scope of obligations will be considerably scaled back reducing the levels of development contributions to infrastructure and therefore the infrastructure that can be delivered to support growth.
4. Although CIL remains optional, the significant reduction of planning obligations (in essence to affordable housing only) means that without a Community Infrastructure Levy this could lead to severe pressure on existing infrastructure in areas and unsustainable growth; it could even prevent growth. Overall it is therefore considered that the implications for not preparing a Community Infrastructure Levy significantly outweigh the cost and resource implications for the Council preparing it.
5. At Cabinet on 8th February 2012, the preparation of a Community Infrastructure Levy was approved.
6. Following Cabinet's approval to develop a Community Infrastructure Levy the first stage has been to gather evidence relating to infrastructure needs and identify funding shortfalls.
7. A viability appraisal has then been undertaken against differing types of development for example, retail, residential, commercial and employment uses, to see if they would be viable to develop with a Community Infrastructure Levy charge applied.

8. A draft charging schedule has been developed which identifies zones within the Borough where different types of development could be implemented with a Community Infrastructure Levy charge applied to support infrastructure needs and remain viable.
9. Following consultation, and in light of the responses received, a further report will be presented to Cabinet regarding whether or not a Community Infrastructure Levy should be pursued for the Borough. Any final Charging Schedule (which is anticipated to be published in September 2013) is subject to independent examination before final adoption.
10. The period of consultation on the Preliminary Draft Charging Schedule is recommended to begin on the 11th January 2013 and run for a period of 6 weeks until 22nd February 2013. During that time, the document will be able to be viewed at the reception areas at 3 St James's Road Dudley, Mary Stevens Park, Stourbridge and Dudley Council Plus, as well as at all main libraries and on the Council's website. The document is also available on the Committee Management Information System and a paper copy is in the Member's Room.

Finance

11. The Development Plan Document will be funded from existing budgets and resources dedicated to the production of Development Plan Documents and other such statutory planning documents.
12. Adopting the CIL approach will involve altering the method of achieving infrastructure contributions through development. The Local Authority's use of the section 106 process will be much reduced with CIL replacing it in many areas. Dudley Council will be able to use the funds from the levy to recover the costs of administering the levy, the regulations permit up to 5% of the total receipts to be spent on administering the levy. If receipts are not adequate to fully cover administration costs as the scheme is introduced, any balance will be met from existing Local Development Framework budgets.

Law

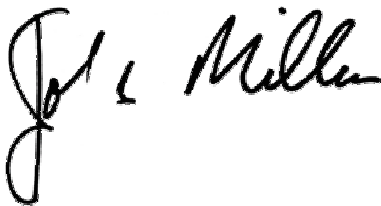
13. The CIL came into force on the 6th April 2010 through the Community Infrastructure Levy Regulations (now amended in 2011). The Planning Act 2008 provides a wide definition of the infrastructure which can be funded by the levy, including flood defences, schools, transport and social care facilities (list is not exclusive). On the adoption of the levy the regulations restrict the local planning authority use of planning obligations for pooled contributions that may be funded by the levy. Affordable housing is not currently capable of being funded by the levy and will be continued to be collected through traditional planning obligations. The three mandatory tests which must, as a matter of law, be satisfied when seeking planning obligations are set out in Regulation 122 of the CIL Regulations 2010 namely: they must be a) necessary to make the development acceptable in planning terms b) directly related to the development and c) fairly and reasonably related in scale and kind to the development).

Equality Impact

14. The proposals take into account the Council's Policy on Equality and Diversity. The adoption of the local planning authority of a CIL regime will ensure that the mitigation and benefits of development are addressed across the Borough. This will include meeting the needs of children and young people by seeking to provide sufficient facilities for them as well as having a positive effect for future generations.

Recommendation

15. It is recommended that the Cabinet approves the Preliminary Draft Charging Schedule to be published for a statutory 6 week period of public consultation.



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List of Background Papers

Community Infrastructure Levy Preliminary Draft Charging Schedule