

Report to Cabinet

Subject: Adoption of the Gedling Borough Community Infrastructure Levy Charging Schedule

Date: 25 June 2015

Author: Planning Policy Manager

Wards Affected

Borough-wide

Purpose

To request that Council adopt and subsequently implement the Gedling Borough Community Infrastructure Levy Charging Schedule as supported by the findings of the independent examination into the submission of the Revised Draft Charging Schedule.

Key Decision

This is a key decision because it is likely to be significant in terms of its effect on communities living or working in an area comprising two or more wards of the Borough.

Background

1. The Community Infrastructure Levy is a charge levied on new buildings and extensions to buildings according to their floor area and the money raised from the development helps to pay for the infrastructure to ensure the Borough grows sustainably.
2. In setting the Community Infrastructure Levy rate the Borough Council has aimed to strike an appropriate balance between:-
 - The desirability of funding from Community Infrastructure Levy (in whole or part) the actual and expected estimated total cost of infrastructure required to support the development of its area; and
 - The potential effects of the imposition of Community Infrastructure Levy on the economic viability of development across its area.

Proposal

3. The submission of the Gedling Borough Revised Draft Charging Schedule to the Secretary of State comprised the start of the examination process by the

appointed Planning Inspector. This examination took place on 3rd March 2015. Following this hearing session, the Inspector requested that the Council review the calculation of commercial Community Infrastructure Levy income; update the viability appraisal of the North of Papplewick Lane development site and supply a plan for the Gedling Colliery / Chase Farm development site.

4. These were provided to the Inspector and were consulted on between 9th and 23rd March 2015. One consultation response was received and the Borough Council's own response to this was forwarded to the Inspector.
5. The Inspector issued her report on 14th May 2015 and a copy is attached as **Appendix A**. The report concludes that the "Gedling Borough Council Revised Draft Community Infrastructure Levy Charging Schedule provides an appropriate basis for the collection of the levy in the Borough. The Council has sufficient evidence to support the schedule and can show that the levy is set at a level that will not put the overall development of the area at risk." The Inspector considered that the Borough Council had been realistic in terms of achieving a reasonable level of income to address an acknowledged gap in infrastructure funding, whilst ensuring that a range of development remains viable across Gedling Borough. The Inspector concluded that the Gedling Borough Council Revised Draft Community Infrastructure Levy Charging Schedule satisfies the requirements of section 212 of the Planning Act 2008 and meets the criteria for viability in the 2010 Regulations (as amended).
6. The charges and zones of the Gedling Borough Community Infrastructure Levy Charging Schedule as endorsed by the Inspector is attached as **Appendix B**. The charging rates as supported by the Inspector include differential charging rates for residential development, based on three geographical areas: zone 1 at £0 per square metre (sqm), zone 2 at £45 per sqm and zone 3 at £70 per sqm; and a Borough wide charge of £60 per sqm for retail developments. A zero rate will apply to all other uses.
7. The Borough Council has produced a Regulation 123 list which sets out four specific projects that it intends to fund, partly or wholly, through Community Infrastructure Levy receipts. These projects were submitted as part of the submissions for the Community Infrastructure Levy Draft Charging Schedule examination. It was confirmed at the hearing session that these four projects have been prioritised over other infrastructure in the Infrastructure Delivery Plan because of their importance in assisting delivery of two of the strategic sites in the Aligned Core Strategy – Gedling Colliery / Chase Farm and Top Wighay Farm. The list includes the Gedling Access Road, Gedling Colliery Country Park visitor centre, and secondary school contributions for Gedling Colliery /Chase Farm and Top Wighay Farm strategic sites.
8. It is recognised that the Regulation 123 list is not exhaustive and may be subject to further change in the future but serves as a useful guide as to the direction the Borough Council envisages taking in providing for the delivery of infrastructure to support the development plan.

9. The Inspector has recommended that it would be prudent for the Borough to commence a review of the charging schedule within three years of adoption to ensure that the overall approaches taken remain valid, that development remains viable and that an appropriate balance is being struck.
10. It should be noted that minor editing changes may need to be made to the charging schedule, however these changes will not affect the content of the document and will be presentational only.
11. The Community Infrastructure Liability will be confirmed when planning permission is issued. The trigger for payment is the commencement of development, with some payments being made through instalments. The proposed instalment policy formed part of the supporting documentation for the Revised Draft Charging Schedule and is detailed at **Appendix B**.
12. The Borough may also make relief available for exceptional circumstances in its area, see **Appendix C**. The opportunity to do this will be following the adoption of the Charging Schedule. The Regulations on this matter make it clear that relief should only be granted in truly “exceptional circumstances”. The fact that a development might be unviable at the time a planning application is considered is unlikely to constitute an “exceptional circumstance” in relation to Community Infrastructure Levy Regulations.
13. Section 213(2) of the Planning Act 2008 provides that the Council can only approve the Charging Schedule at a meeting of Full Council and by a majority of votes of those Members present.

Next Steps

14. Many diverse factors come into play when considering implementation of the Community Infrastructure Levy and it is viewed that an interdepartmental approach with a cross council working group including representatives from planning, legal, finance and leisure will help facilitate the process.
15. It is the intention to draft a Supplementary Planning Document on Community Infrastructure Levy which will address the complex management and implementation issues of Community Infrastructure Levy. The importance to clearly set out how Community Infrastructure Levy and s106 will work alongside one another is recognised.
16. Careful management, publicity and the need to generally raise awareness of the introduction of charging the levy will be required as part of the implementation of the Community Infrastructure Levy.

Alternative Options

17. The alternative option is not to approve the adoption of the Gedling Borough Community Infrastructure Levy Charging Schedule. This option would mean that the Borough Council would be unable to collect monies from CIL to support infrastructure and growth projects on the Regulation 123 list. This would harm

the Borough Council's ability to deliver on its strategic objectives by delaying the delivery of new homes, holding back economic growth, and stalling regeneration.

Financial Implications

18. The cost of publishing the Gedling Borough Community Infrastructure Levy Charging Schedule in paper and electronic form is contained within the existing Planning Policy budget.
19. It has been identified that there would be a need to appointment a dedicated Community Infrastructure Levy / planning obligations monitoring officer. This officer would help progress Community Infrastructure Levy to implementation; prepare the Supplementary Planning Document on Community Infrastructure Levy and developer contributions; administer, record, collect, monitor and produce an annual report on Community Infrastructure Levy revenue and planning obligations; manage the spending of Community Infrastructure Levy revenue and take action against non-payment.
20. In terms of funding the new post, charging authorities can use funds from the levy to recover costs of administering the levy. The Regulations allow the Borough Council to spend upto 5% of its total levy receipts on administrative receipts.
21. Instalment of software is one further necessary cost which is currently been explored. One supplier has quoted in the region of £20,000 for the software with an annual management and hosting charge of £6000. Again it is anticipated that the annual hosting charge can be recovered from the CIL revenue.

Appendices

Appendix A – Inspector's Report dated 14th May 2015

Appendix B – Gedling Borough Community Infrastructure Levy Charging Schedule

Appendix C – Exceptional Circumstances Relief

Background Papers

None

Recommendation

That Cabinet:

- a) considers and agrees that the Gedling Community Infrastructure Levy Charging Schedule, as attached at **Appendix B** is submitted to Full Council for approval and that it should come into effect on 16 October 2015;
- b) recommends to Council that it delegates authority to the Corporate Director and the Chairman of Planning Committee to make any minor changes (e.g. typing errors, formatting and images) necessary prior to publication (such changes will not alter the content of **Appendix B**): and
- c) subject to Council approval of the Community Infrastructure Levy Charging Schedule, agrees that the Exceptional Circumstances Relief for CIL as attached at Appendix C shall be offered and that the Corporate Director be authorised to determine any applications for such relief

Reasons for Recommendations

The Gedling Community Infrastructure Levy Charging Schedule is a key document that will assist the delivery of the authority's pro-growth agenda.