

## COUNCILLORS BRIEFING NOTE

### No. 163

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### Update on Community Infrastructure Levy

#### Introduction

This briefing summarises the current position regarding the Community Infrastructure Levy (CIL) in Wiltshire and sets out an updated timetable to take into account recent Government guidance and subsequent consultation on further reforms to the CIL Regulations. The updated timetable also reflects the synergy between the Wiltshire Core Strategy and CIL, which will be used to help fund infrastructure to support new development across the county.

#### What is the Community Infrastructure Levy (CIL)?

CIL is a charge on new development to help pay for infrastructure to support growth. From April 2014, as currently prescribed<sup>1</sup>, councils will effectively lose the ability to pool contributions from development towards infrastructure. By implementing CIL, councils will retain a vital income stream that helps to deliver, among other things, secondary schools and major transport schemes that are generally funded from more than one development.

The Community Infrastructure Levy 2013 (Amendment) Regulations (April 2013) set out how local communities will also benefit from CIL. Town and parish councils will receive 15% of CIL funds raised in their area, or 25% if they have an adopted neighbourhood plan in place. They will decide upon how and where the money is spent.

#### Preliminary Draft Charging Schedule consultation

Between October and November 2012, the Council consulted on a Preliminary Draft Charging Schedule. A charging schedule sets out how much the Council will ask for in CIL contributions from different types of development. **Table 1** shows the proposed rates of CIL in Wiltshire.

<sup>1</sup> The Government has recently consulted on further reforms to CIL. An aspect of this consultation relates to the dates for implementing CIL and reducing the role currently played by Section 106 planning obligations (further details below).

Type of development	Rate of CIL
Residential	£70 per sqm <sup>2</sup>
Retail ( <i>except retail warehouse, supermarkets and similar development</i> )	£0 per sqm
Retail warehouse, supermarkets and similar development	£175 per sqm
Student housing and hotels	£70 per sqm
All other uses	£0 per sqm

**Table 1 - Proposed rates of CIL**

(Source: [Wiltshire Preliminary Draft Charging Schedule, October 2012](#))

### New CIL Guidance

In December 2012, the Government published new statutory guidance, which was updated in April 2013. This substantially increased the amount of evidence needed to support a CIL charging schedule, requiring that the Council:

- Justifies why it decided to set CIL at a specific rate (or rates);
- Demonstrates that CIL will not harm delivery of the Local Plan as a whole (i.e. Core Strategy);
- Shows how CIL will strike a balance between funding infrastructure and not putting development across Wiltshire throughout the plan period (up to 2026) at risk;
- Assesses the economic viability of strategic allocations and regeneration sites in the Core Strategy, and
- Sets out a draft list of projects or type of infrastructure that are to be funded by CIL (i.e. the 'Regulation 123' CIL spending list) and its future policy approaches to Section 106 Agreements at the draft charging schedule consultation stage.

### Government consultation on further changes to CIL Regulations

Between April and May 2013, the Government consulted on further proposed changes to the CIL Regulations. The wide scope of these changes affects the setting and implementation of CIL rates and included:

- Delaying the introduction of further limitations to the use of pooled planning obligations from April 2014 until April 2015;
- Exempting self-build homes from CIL;
- Making it easier to apply exceptional circumstances relief from CIL;
- Extending the scope of social housing relief from CIL to discounted market housing;
- Preventing double-charging through CIL and Section 278 (highways) agreements;
- Incorporating changes introduced by the recent guidance into the CIL Regulations;
- Extending the phasing of CIL payments to all types of planning permission;
- Allowing payments in kind of both land and infrastructure either on or off-site;
- Deducting existing floor space from the CIL liability if the use has not been abandoned;
- No additional CIL liability for new applications that introduce changes but do not increase floor space to permitted, but not completed, schemes; and
- Modifications to the appeals procedure for CIL.

<sup>2</sup> CIL is charged in £ per square metre of gross internal floor space of the development

The implications for the Council are the extra time and cost of ensuring that the evidence base, the process for setting CIL rates and their implementation are in full compliance with the new guidance and proposed changes to the CIL Regulations. As they apply to all councils who have not published a Draft CIL Charging Schedule for consultation, this extra work must be undertaken before the Council can proceed any further with the process.

### **Wiltshire Core Strategy public examination - next steps indicative timetable**

CIL must be spent on infrastructure to support new development. The Wiltshire Core Strategy sets out future levels of housing and employment development and is underpinned by an infrastructure evidence base. The CIL examination should not reopen infrastructure planning that supports a sound Local Plan; as such it is important for the CIL programme to be aligned with the Core Strategy, which is currently undergoing examination by a Planning Inspector. The following is an indicative timetable, over which the Council has limited control because the examination process is led by the Planning Inspector.

- Examination hearing sessions - finished on 19 July 2013
- Consultation on modifications to be made to the Plan - 27 August to 9 October 2013 (six weeks)
- Receipt of Inspector's Report - anticipated November/December 2013
- Adoption - early 2014

### **Updated CIL timetable**

The updated timetable will ensure that the evidence base and policy approaches will comply with the new guidance and proposed amendments to the CIL Regulations. It also reflects the close relationship between CIL and the Core Strategy, enabling the Council to take the examination into account but, also, to consult upon a Draft Charging Schedule as soon as possible.

<b>Stage</b>		<b>Date</b>
Prepare for implementation by establishing accounting and reporting systems.  (By April 2014)	Finalise evidence base in compliance with new guidance and proposed amendments to the CIL Regulations.	By November 2013
	Approval to consult on the Draft Charging Schedule and, following consultation, submission for an independent examination.	Cabinet Meeting: 17 December 2013
	Consultation on the Draft Charging Schedule	January - February 2013 (six weeks)
	Submission of Draft Charging Schedule for independent examination	March 2014
	Independent examination	May 2014
	Adoption and implementation	Cabinet/ Full Council: July 2014