

Report of the Community Infrastructure Levy (CIL) Task Group

Purpose of report

- 1 To receive the final report of the CIL Task Group.

Background

- 2 CIL is a proposed new charge that local authorities can choose to impose on development in their area. It will contribute towards bridging the funding gap between the total cost of infrastructure necessary to deliver new development and the amount of funding available from other sources. Should the Council have chosen not to adopt a CIL charging schedule it would have had significant implications with regard to funding the infrastructure in Wiltshire. A brief overview of CIL is contained in Appendix 1.
- 3 In 2012, the Cabinet and the Corporate Leadership Team identified the introduction of CIL as one of its corporate priorities. The Overview and Scrutiny Management Committee agreed to include it in the overall work programme under the Environment Select Committee (the Committee). The CIL Task Group was established by the Committee in August 2012.
- 4 The Task Group was asked to test out the charging proposals for CIL and report on recommendations on the future implementation of CIL.
- 5 The Government produced guidance on CIL in March 2010, with further guidance in December 2012. The later guidance required local authorities to provide a more extensive evidence base to justify their level of CIL and the Council asked BNP Paribas (BNPP) to undertake this work.
- 6 The Task Group presented a report to the Committee in April 2013, having considered a range of documents, spoken with the Cabinet member and officers, and having sought the views of a number of building developers. It was clear at this time that the Government was planning a consultation on the CIL reforms and the Task Group recommended that further work was undertaken to consider the likely new guidance and other relevant evidence, including the local consultation results.
- 7 Following the Council elections in May 2013, the CIL Task Group continued its work as a legacy topic. With the exception of one member the Task Group

membership (shown below) remained the same, providing valuable continuity in the light of continuing changes to CIL guidance from Government.

Cllr Tony Trotman (Chairman)

Cllr Jon Hubbard

Cllr George Jeans

Cllr Ian McLennan

Cllr Bridget Wayman.

CIL Task Group activity post May 2013

- 8 On reconvening, the Task Group received an update on the national situation in respect of CIL.
- 9 The Task Group met on 5 further occasions, and received evidence from the Cabinet member and officers who provided briefings on technical issues, matters of policy and statutory responsibilities.
- 10 On 9 December 2013 the Committee received and endorsed the report of the Task Group with recommended CIL charges, and Cabinet considered the report and made its determination on 17 December 2013.
- 11 The Committee also resolved that the Task Group be stood down, but that it could re-start if required to consider any further guidance from central government or further issues.

CIL Task Group activity September 2014

- 12 At its meeting on 2 September 2014, the Committee requested the CIL Task Group reconvene to consider:
 - a) The way the Council is going to access and record monies gained from CIL;*
 - b) The possible distribution of monies to towns and parishes with and without established neighbourhood plans.*
- 13 The Task Group met on 9 October and 21 November 2014, speaking with and requesting information from officers on the proposed administration of the CIL monies as detailed above.

Issues Raised

General Issues

- 14 The Task Group questioned whether CIL would be calculated and collected from developments submitted but not commenced when implemented in 2015, which would follow the adoption of the Core Strategy, and were

informed CIL would only apply to new applications after the adoption and implementation.

- 15 Clarity was sought over when CIL contributions would be calculated, when they would be sought, and whether payment would be a lump sum or in staggered payments. It was stated that the level of CIL contributions required would be calculated upon submission of an application, and an invoice for the monies would be issued upon receipt by the Council of the commencement notice for the site. While it was anticipated that most payments would be with a single payment, there was the possibility of staggered payments if the circumstances warranted it.
- 16 The Task Group also sought to assess the level of risk from non-payment arising from implementation of the CIL, and it was stated the level of risk would be no greater than with s.106 legal agreements, and with additional powers to incentivise developers to meet their contributions in a timely manner, such as a Stop order to all development.
- 17 On the reporting of monies received from CIL and allocated to permitted areas, it was intended to bring an annual report to Cabinet for consideration.

Town and Parish Councils

- 17 As more Town and Parish Councils are in the process of creating and approving Neighbourhood Plans, the Task Group assessed the implications of the CIL process of the existence or not of those plans, along with other general issues relating to Towns and Parishes. Briefing sessions had been held across the county to advise Towns and Parishes of the changes and issues involved.
- 18 Towns and Parishes with a Neighbourhood Plan would be entitled to a 25% allocation of CIL monies and those without a Plan to 15%. It was, however, important to note that as the calculation was undertaken upon the submission of the application, if a Plan was not yet adopted at the time of submission, but was subsequently adopted prior to the commencement of the development, the CIL contribution would remain 15%, and Towns and Parishes needed to take note of this.
- 19 The Task Group felt strongly that it was important that Towns and Parishes receive their allocation of CIL monies in a timely manner, and it was agreed that the council would report on and transfer monies on a monthly basis.

Task Group Conclusions

- 20 The Task Group reviewed the proposed operational flowchart at Appendix 1 and was satisfied the proposed administration of the CIL was well advanced and addressed most of the issues raised.
- 21 Given the increased responsibilities involved with Towns and Parish Councils receiving CIL monies, the limitations of what the monies could be spent on and the different amounts depending on the existence of a Neighbourhood Plan, it was strongly encouraged that additional briefings and training be made available to the Towns and Parishes, and that local unitary Members should be included in that process.

Recommendations

- 22 **The Task Group recommends that:**
- a) **The Environment Select Committee endorse the work undertaken to prepare for administration of the CIL;**
 - b) **Further briefing and training be provided to the Town and Parish Councils ahead of the implementation of the CIL, to include invitations to local unitary members.**
 - c) **The CIL Task Group stands down after the presentation of the report to the Environment Select Committee; to be reconvened as necessary should additional issues with the implementation of the CIL require further consideration.**

Next steps

- 23 The final report will be considered by the Environment Select Committee on 9 December 2014.

Councillor Tony Trotman - Chairman of the CIL Task Group

28 November 2014

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Appendices

Appendix 1 Flow Chart of the CIL Process

Background documents

None

Appendix 1 - Flow Chart of the Community Infrastructure Levy (CIL) Process

Planning application received

Applicants for planning permission will be encouraged to include a completed copy of the Additional CIL Information Form with their application – this will help us to establish if the application is liable for CIL and enable us to calculate the amount payable

Consideration of the planning application

- The Case Officer will notify the applicant of the CIL requirements (send a Notice of Chargeable Development)
- They will also issue an assumption of liability form to the applicant/landowner for them to confirm the liability for the levy
- This information will be attached to the application details and displayed on the website

Assumption of Liability Notice received, recorded and acknowledgment

Decision stage

- At the time of issuing the Decision Notice, the Case Officer will also issue a liability notice to the applicant, the developer and whoever has assumed the liability for the scheme.
- This notice sets out the charge due and the details of the payment procedure

Payment

On receipt of the Commencement Notice (or notification through other means) the Council will issue an invoice for the full amount of CIL along with a Demand Notice

Record as a local land charge

CIL payment received?

Yes

No

Records updated in M3 and local land charge cancelled

Payment passed to the Town/Parish/City Council

Payment pursued through Finance

- The first reminder will be issued 30 days after the invoice.
- A final notice warning of court action will be issued after a further 14 days have elapsed.
- Accounts Receivable will then seek clarification from the initiating department whether there are valid reasons for non escalation of recovery action, requiring a response within 14 days.
- Contact may be made by telephone
- If there are no valid reasons for non-payment, escalation to legal proceedings will then commence
- Note** The timing will depend upon whether we have a bespoke installments policy in place. If we don't, then the default position in the CIL Regs is full payment within 60 days of commencement.

Pass to Enforcement if non payment

A disincentive to continued non-payment would be to demand payment in full, setting aside any previous agreement on staged payments.

In the event of continued non-payment, the next stage would be a Warning Notice and finally a CIL Stop Notice, which would require part or all of the development to cease, if payment is not made.