



To: Executive Councillor for Planning and Climate  
Change: Councillor Tim Ward  
Report by: Head of Planning Services  
Relevant scrutiny Environment 8/10/2013  
committee: Scrutiny  
Committee  
Wards affected: All

## **Community Infrastructure Levy – Draft Charging Schedule Key Decision**

### **1. Executive summary**

- 1.1 The purpose of this report is to update members on the work that is being undertaken to prepare a Community Infrastructure Levy (CIL) for Cambridge and seek approval that a Draft Charging Schedule is published for public consultation in November 2013.
- 1.2 Consultation took place on a Preliminary Draft Charging Schedule between 18 March and 29 April 2013, the results of which are reported at Appendix 2. They have influenced a Draft Charging Schedule (Appendix 1) which must be independently examined before it can be brought into effect.

### **2. Recommendations**

2.1 The Executive Councillor is recommended to:

- Approve the publication of the Cambridge Draft Charging Schedule (the Draft Charging Schedule is included within the Draft Charging Schedule Consultation Document which is attached at Appendix 1 to this report) for a six-week consultation period starting in November 2013.
- Approve, for publication alongside the Draft Charging Schedule, a statement outlining how S.106 policies will be varied following the adoption of CIL
- Approve, for publication alongside the Draft Charging Schedule, a draft Reg.123 List (Appendix B of the Draft Charging Schedule Consultation Document) which illustrates the Council's intention

with regard to what infrastructure items will or may be funded via CIL.

- Approve, for consultation alongside the Draft Charging Schedule, a draft Instalment Policy (Appendix D of the Draft Charging Schedule Consultation Document).
- Agree that, once the period of consultation has closed and all comments collated, arrangements be made for the Draft Charging Schedule to be subject to independent examination in accordance with the appropriate Regulations

### 3. Background

- 3.1 Members will recall that on 12 March 2013 you received a report on the introduction of a Community Infrastructure Levy (CIL) for Cambridge. Further, as a first step in introducing a CIL, you agreed at that meeting that the Cambridge Preliminary Draft Charging Schedule be consulted upon for a six-week period between 18 March 2013 and 29 April 2013. A Statement of Consultation of the key issues raised is contained at Appendix 2 to this document.
- 3.2 As a reminder, CIL is a charge that local authorities can levy on all new development in their area to fund infrastructure improvements related to new development. The Planning Act (2008) and the Community Infrastructure Levy Regulations (2010) [as amended in 2011, 2012 and 2013, and likely to be amended again before the end of 2013] sets the legislative framework. The Planning Act 2008 provides a broad (not exhaustive) definition of infrastructure projects which can be funded by the levy, including transport, flood defences, schools, hospitals and other health and social care facilities. Affordable housing is an obvious example of a type of 'infrastructure' explicitly excluded from the process.
- 3.3 The CIL is intended to supplement (not entirely replace) other funding streams. For example, a number of contributions will still be acquired through S.106 Planning Obligations. These include affordable housing requirements and site specific infrastructure. However, the range and monetary value of S.106 Planning Obligations will fall with the introduction of a CIL because an authority is not permitted to charge a developer twice (i.e. via S.106 and via CIL) for the same thing. Indeed, it is essential that Cambridge City make it clear what infrastructure it intends to deliver via CIL and what will be delivered by S.106 – see later for more commentary on this aspect.
- 3.4 The government considers that the CIL is a more transparent and simpler method of collecting non-site specific funds for infrastructure to support development than the current system of using S.106 Planning Obligations. As such, **current regulations** restrict from April

2014 the use of tariff based S.106 Planning Obligations, which means, for example, our current approach to collecting contributions for education improvements will become unlawful. Regulations state that post April 2014 a local planning authority may only enter into five planning obligations to secure funding for the same item of infrastructure. This seriously limits the ability of a Council to raise funds from S.106 post April 2014, and as such implementing a CIL becomes essential.

- 3.5 The CIL Regulations are constantly in a period of flux, which makes preparing a CIL a challenge. Nevertheless, the latest **draft Regulations** suggest that Government intends to push back the cut-off date described above from April 2014 to April 2015, which is helpful.
- 3.6 The CIL takes the form of a charge per square metre of additional floorspace (new build or extensions) and can be charged on most new developments. The Council (and other beneficiaries of CIL funds) has flexibility over what the funds are spent on, provided it is on 'infrastructure'. Unlike S.106, CIL does not require the authority to say precisely where every £1 collected from a specific developer will be spent. Each £1 simply goes into a CIL 'pot', and then the Council determines what infrastructure to spend it on and when.
- 3.7 Another important element of the CIL is that it is non-negotiable. Once a CIL is in place, a developer / landowner must pay the set rate. There is no room for negotiation, either higher or lower, irrespective of whether the Council or developer/landowner would like to. This gives developers and businesses more certainty at the start of the process as to the overall amount of money a development will be required to pay in order to mitigate the wider impacts of their development (though, of course, developers will get less certainty as to exactly when, where and on what the money they contribute will be spent on; and where a development scheme becomes unviable due to the CIL charge that would arise, there is nothing the Council or the developer can do to 'relax' the levy).
- 3.8 Before the Council can start charging CIL, it first needs to prepare and adopt a CIL Charging Schedule. Publication of the Preliminary Draft Charging Schedule (March 2013) was the first step in an 18-24 month statutory process towards adopting and bringing into force a sound CIL charging schedule. We are now approaching the second step, as the following table outlines:

|  |            |
|--|------------|
| Preliminary Draft Charging Schedule Consultation | March 2013 |
|--|------------|

|   |   |
|---|---|
| Draft Charging Schedule Consultation              | November 2013   |
| Submission of the Charging Schedule to government | February or March 2014<br>(same time as the Local Plan) |
| Examination by an independent inspector           | March – September 2014<br>(same time as the Local Plan) |
| An Inspector's Report                             | October 2014  |
| Adoption (subject to the Inspector's Report)      | Late 2014   |
| Commencement of CIL                               | 1 April 2015 (likely date)                              |

## Results of the Consultation

3.9 The results of the consultation are reported in the Consultation Statement at Appendix 1. A total of 22 respondents made representations to this consultation and raised a total of 107 comments. The following is a broad summary of the issues raised in response to the consultation:

- Further work is required to relate the list of infrastructure projects and the delivery of the levels of growth proposed;
- Detailed comments on the viability testing and assumptions used, including; professional fees; finance costs; build costs; S106; and fees;
- Concerns were raised that the coloured tables used in the Viability Assessment are misleading. Request further explanation of the analysis of the results that was undertaken to arrive at CIL rates;
- A single residential charging rate could jeopardise the delivery of housing in low value areas. There is no clear case for a single rather than a zoned level of CIL;
- The residential CIL rate proposed is too high, especially when composed with neighbouring districts;
- The retail rate should be zero;
- The student accommodation rate is too high;
- A nil rate on commercial premises is unrealistic given the buoyancy of the Cambridge market and the fact that S.106 monies have been received from commercial/office development in the past. All other uses should be making a sensible CIL contribution;
- A Draft Instalment Policy should be published for comment at the Draft Charging Schedule Consultation Stage;
- The Council should review its approach to discretionary relief for charities. A discretionary policy would encourage investment and development;

- The interrelationship between CIL and S.106 including the connection between the proposed charges and infrastructure requirements – potential issues of ‘Double counting’ of S.106 contributions and CIL, which is not permitted by law;
- The Council should consult on a Draft Regulation 123 list as soon as possible to ensure the views of landowners and developers are taken on board;
- The Council should have a clear defined review mechanism; and’
- The Council should have an exceptional circumstances policy.

3.10 Detailed responses to all comments received are provided in the Statement of Consultation (Appendix 2). This is accompanied by further analysis below and in the Draft Charging Schedule Consultation Document.

### **Evidence Base and Wider Issues**

3.11 The CIL Regulations require that in order to set a CIL Charging Schedule, the Council must have an appropriate evidence base to support the proposed levy. In order to adopt a sound charging schedule the Council either must or is recommended to:

- Have an up to date **Local Plan** for the area (and ideally prepare an updated Local Plan alongside a CIL, which is exactly what we are doing in Cambridge);
- Identify a local **infrastructure funding gap** and quantify its extent and demonstrate the proposed CIL rates will not unduly affect the **viability** of planned development across the city (see below);
- Produce a list of **infrastructure projects** (known as a R.123 List) it intends to fund in whole or in part through the CIL, and review more generally the Council’s wider existing policies for collecting developer contributions (see below);
- Consider whether to offer **discretionary relief** from the CIL and/or put in place a CIL **instalments policy** (see below).

### **An Infrastructure Funding Gap**

3.12 The Council has, in collaboration with South Cambridgeshire District Council, produced the Cambridge and South Cambridgeshire Infrastructure Delivery Study (IDS). The IDS, and any subsequent updates, serves a dual purpose as it is a key part of the evidence base for both the Cambridge City and South Cambridgeshire Local Plans.

- 3.13 The IDS, which is based on appropriate and available evidence, considers what additional infrastructure is needed in Cambridge City and South Cambridgeshire to support development and what other funding sources are available (for example, core Government funding for infrastructure, anticipated section 106 agreements and anticipated necessary highway improvement schemes funded by non-CIL sources).
- 3.14 In September 2012 the IDS was endorsed by the Council as an evidence base document for the Cambridge Local Plan Review and the Cambridge Community Infrastructure Levy. It was agreed as a 'live' document that can be updated over time to reflect changing circumstances such as changes in the planned level of provision of housing and employment.
- 3.15 To reflect comments made on the Preliminary Draft Charging Schedule and the now agreed, planned levels of provision emerging through the Cambridge City Council and South Cambridgeshire District Council Local Plan Reviews' the IDS has been updated .
- 3.16 The Infrastructure Delivery Study and subsequent update provide an overview of infrastructure required to support new development, an overview of who is responsible for delivery, and a broad indication of phasing, costs and funding mechanisms. It acts as a focus for delivery but should not be seen as a detailed investment programme.
- 3.17 The updated IDS includes summary tables related to CIL eligible infrastructure. Infrastructure requirements related to existing planning permissions or projects that have any S.106 allocated to them are not included in this list. The CIL Eligible Infrastructure Schedule provides evidence of the aggregate funding gap required to levy a CIL charge. It also provides a starting point for future prioritisation of CIL funding.
- 3.18 The Council endorsed the updated IDS for use as an evidence base document for both the review of the Cambridge Local Plan and the Cambridge Community Infrastructure Levy (CIL) at Development Plan Scrutiny Sub Committee on 09 July 2013.
- 3.19 The table below provides a summary of the aggregate infrastructure funding gap associated with CIL eligible infrastructure.

#### **CIL Eligible Infrastructure Funding Gap**

|   | <b>Infrastructure Requirements</b> | <b>Infrastructure Funding Gap</b> |
|---|------------------------------------|-----------------------------------|
| <b>Infrastructure requirements within Cambridge</b> | £161.5m                            | £161.5m                           |

|  |         |         |
|--|---------|---------|
|  |         |         |
| <b>Infrastructure Requirements (Fringe Sites)*</b> | £121.3m | £121.3m |
| <b>Strategic Infrastructure *</b>                  | £209m   | £95.5m  |

\*Both Local Authorities

4.1.1 The aggregate funding gap for Cambridge City and Fringe sites has been outlined above. To summarise, the aggregate funding gap for Cambridge City (excluding fringe sites) is £161.5m, for fringe sites it is £121.3m and for strategic infrastructure it is £95m. The potential income from residential development from CIL is £21.9m to 2031 (see paras 4.3.8 to 4.3.25 of the consultation document). There is therefore, a significant residual funding gap which justifies the introduction of a CIL.

### **Viability Evidence - CIL rates should not unduly affect the viability of planned development across the city**

3.20 Under CIL Regulation 14 a charging authority must aim to strike what appears to the charging authority to be an appropriate balance between – the desirability of funding infrastructure from CIL and the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its. The NPPF states (para 175) that where CIL is to be introduced, the development and consideration of the rate should be undertaken as part of the same exercise of viability testing as the Local Plan wherever possible.

3.21 Viability consultants Dixon Searle LLP (DSP) were commissioned to undertake the viability modelling work. The charges proposed are considered to be reasonable and will enable the majority of development to come forward. Evidence is provided in a suite of viability documents produced on behalf of the council. These are The Cambridge City Council Local Plan – Community Infrastructure Levy Viability Assessment; The Cambridge City Council Local Plan - SHLAA and Potential Site Allocations High Level Viability Assessment; and, the Cambridge City Council Local Plan – Student Housing Affordable Housing Study (Summer 2013).

### **Community Infrastructure Levy Viability Assessment**

3.22 This report was put to Members at Environment Scrutiny Committee on 12 March 2013 and is available on the website. To summarise, the consultants found that it is viable at the current time to levy a CIL charge of £125 per sq.m on new residential development and new

student accommodation development and a charge of £75 per sq.m on new retail development. These are the rates the Council consulted on at Preliminary Draft Charging Schedule Stage.

- 3.23 Since then this viability work has been bolstered by a number of other studies, carried out by DSP on behalf of the Council, which provide evidence for emerging Local Plan policies as well as the CIL.
- 3.24 The **SHLAA and Potential Site Allocations High Level Viability Assessment**, which was endorsed by members as part of the supporting evidence for the emerging Local Plan at Development Plan Scrutiny Sub-Committee on 29 May 2013, assumed a CIL residential rate of £125 per square metre in all appraisals found that ‘on the whole good levels of sales values are available to support development viability, so that schemes can proceed and frequently still bear planning obligations at significant levels as promoted by existing and proposed policies’.
- 3.25 The **Student Accommodation – Affordable Housing Contributions Viability Study**, which was endorsed by members as part of the supporting evidence for the emerging Local Plan at Development Plan Scrutiny Sub-Committee on 29 May 2013, provides further evidence of the viability of both a residential and student accommodation CIL charge of £125 per sq.m.
- 3.26 The **Small Sites Affordable Housing Viability Study** was completed in 2013 to inform the Council’s development of affordable housing policy. It was endorsed by members at Development Plan Scrutiny Sub-Committee on 9 July 2013 and informed the Council’s decision to pursue a lower affordable housing threshold in the emerging Cambridge Local Plan. This study provides evidence that a residential CIL charge of £125 per sq.m is viable alongside the proposed reduced affordable housing threshold.
- 3.27 Detailed comments were received on the viability testing and assumptions used, including; professional fees; interpretation of results; finance costs; build costs; S106; and fees. Detailed responses to all these comments can be found at Appendix 2.
- 3.28 Having considered the comments we received at the previous consultation, having taken advice from our viability consultants and having reviewed Reports by Inspectors conducting examinations into CILs being set elsewhere in the country, it is recommended that we carry forward the rates which were consulted on at Preliminary Draft Charging Schedule Stage.
- 3.29 The charges proposed are considered to be reasonable charges, which will still enable the majority of development to come forward



within the city. In addition to the comprehensive approach to considering viability, the potential CIL rates were set out as %s of Gross Development Value (GDV)( CIL Viability Assessment section 3.10 / Figures 12 & 13) to further inform the Council’s consideration of the level(s) to be set. At the levels envisaged, the CIL charging rates are a modest proportion of overall scheme value.

3.30 Allied to this, there are recent and current evidence for the continued strength of the City’s housing market, with a range of indications that house prices are increasing strongly; more so than in locations other than central London and to a degree that looks likely to have already out-stripped the above noted %s of GDV.

### **Recommended Draft Charging Schedule**

3.31 It is therefore recommended that the Council consults, and defends at a subsequent examination, the following CIL Draft Charging Schedule:

#### **DRAFT CHARGING SCHEDULE**

| <b>Use</b>  | <b>Charge £/sq.m</b> |
|---|----------------------|
| Residential (C3; C4 including sheltered accommodation)      | £125                 |
| Retail (A1 – A5 and sui generic uses akin to retail*)       | £75                  |
| Student Accommodation                                       | £125                 |
| All other development including B, C1, C2 and D Class Uses. | £0                   |

\* sui generis akin to retail includes petrol filling stations; shops selling and/or displaying motor vehicles; retail warehouse clubs.

### **The relationship between CIL and S.106**

3.32 Although CIL replaces some elements of planning obligations, they will still have an important on-going site-specific role. Planning Obligations will still be used for site-specific infrastructure or mitigation required to make a development acceptable in planning terms. The principle is that all eligible developments must pay a CIL as well as, any site specific requirement to be secured through Section 106 Agreements.

3.33 Added to this, CIL Guidance advises that, for transparency, charging authorities should have set out at CIL Examination how their S.106 policies have been varied and a number of representations received

on the Preliminary Draft Charging Schedule asked for clarification of the relationship between S.106 and the CIL.

- 3.34 It has therefore been necessary to commence a parallel review of the Council's procedures for S.106 Planning Obligations, and in particular a review of its Planning Obligations Supplementary Planning Document (SPD), Adopted March 2010, is required. A revised draft SPD is proposed to be put to Members in early 2014, consulted upon for six weeks, and then adopted and brought into force at the same time as the CIL.
- 3.35 The table at Appendix A of the Draft CIL Charging Schedule Consultation Document sets out how CIL might work alongside S.106 once CIL is adopted. This table will form the basis for a revised Planning Obligations Strategy SPD. The CIL/S.106 interaction table does not form part of the charging schedule consultation but it is proposed to take comments received on the table into account when drafting the Council's revised Planning Obligations Strategy SPD.
- 3.36 Some examples of how other authorities are dealing with the interaction between CIL and S.106 are attached at Appendix 3 to this report.

#### **What will CIL funds be spent on?**

- 3.37 CIL will not generate sufficient funding to pay for the entire infrastructure needs across the City. Nevertheless, the Council needs to agree and publish its intentions for how revenue raised from the levy will be spent. This is done through the publication of an infrastructure project list known as the 'Reg.123 list' (this title being taken from the Regulation number which requires publication of such a list). It should be noted, however, that simply because a project or infrastructure theme goes on the Reg.123 list it does not mean the project will definitely happen or get paid for through CIL funds. However, it does mean that the said project must not receive any funds from a S.106.
- 3.38 The **current regulations** do not require such a list to be published until the CIL charge comes into place, though it is encouraged to be published in draft alongside the draft Charging Schedule. However, the **draft regulations** are suggesting a draft version of it must be published alongside the consultation on the Charging Schedule. At the point of preparing this agenda report, the new regulations are due for publication imminently. To avoid any risk of not meeting the 'new' regulations, it is therefore considered appropriate to agree and publish a draft Reg.123 list with the next consultation stage on the Charging Schedule, whether or not it is strictly required at that point of consultation. The need to publish a Draft Reg.123 list was also one of

the key issues raised during the consultation on the Preliminary Draft Charging Schedule.

- 3.39 The Reg.123 list does not have to be a comprehensive detailed list of specific infrastructure projects. Indeed experience nationally is showing that they do not. Instead, a common approach is one whereby the Reg.123 list identifies both broad areas of infrastructure (and as such, anything which falls under that broad area would be able to be funded by CIL, but not by S.106) and some selected specific infrastructure items (such as a named specific highway improvement or specific named new school, which again would mean that developer contributions for these specific items could not be sought from S.106 Planning Obligations).
- 3.40 There is a tricky judgement to be taken as to what goes on the Reg.123 list. First, it needs to be comprehensive enough so that it is demonstrable that there is sufficient infrastructure needed with a 'funding gap' to justify the imposition of a CIL. Second, it needs to be not so comprehensive (or broad) as to list (or cover) every single piece of infrastructure that is needed, because in such circumstances this would mean the Council would not be able to negotiate any S.106 funding even when it would otherwise be perfectly sensible or reasonable to do so
- 3.41 The starting point for the prioritisation of projects, or broad areas of infrastructure, to go on the Draft Reg.123 list is the Infrastructure Delivery Study. The subsequent decision as to which infrastructure projects receive CIL funding from the finalised Reg.123 List will ultimately lie with the City Council. However, input from the County Council and other key stakeholders will be essential on all these matters. As such, sound governance arrangements around maintaining the Reg.123 list, the prioritisation of CIL spend and the policy mechanism around developer contributions in general are essential.
- 3.42 Thus, at Appendix B of the Draft Charging Schedule Consultation Document is the recommended draft Reg.123 List. This sets out recommendations as to which sorts of infrastructure will be delivered via CIL or other public funds, and therefore NOT funded by S.106 Planning Obligations.
- 3.43 Some examples of other authorities Regulation 123 lists are attached as part of Appendix 3 to this report.

### **Discretionary Relief from CIL**

- 3.44 The regulations allow Charging Authorities to permit discretionary relief from CIL (e.g. where a reduced or nil payment may be accepted,

provided these 'exceptional cases' met the Regulations). These cases are likely to be rare but could include the following:

- Development by charities for investment activities (as defined by Regulation 44)
- Development by charities where relief would normally constitute State Aid (as defined in Regulation 45)
- Where the city council considers there are exceptional circumstances to justify relief (as defined in Regulation 55).

### **Discretionary Charitable Relief**

3.45 The Council is not obliged to introduce discretionary charitable relief policies. Indeed there has been limited take up of these options from other authorities implementing a CIL. At this stage the need for a discretionary relief in addition to mandatory relief is not considered justifiable and moreover, would impose an additional level of complexity in the administration and management of the CIL charge. Even if it was offered, the instances of it being used would be very low indeed. A policy of this kind could be introduced at any stage though and this is something the Council will keep under review as the CIL system beds in.

### ***Exceptional Circumstances***

3.46 Exceptional Circumstances relief, if such a relief was introduced in Cambridge, would only be granted if a planning obligation of greater value than the chargeable amount has been entered into in respect of the planning permission that permits the chargeable development and the Charging Authority considers that payment of the levy would have an unacceptable impact on the economic viability of development. In such cases a developer would be expected to demonstrate this (as set out in Regulation 57) via an 'open book' approach with an agreed independent valuer (paid for by the developer). Relief can also only be granted if it does not constitute 'notifiable state aid' (as defined in European Law).

3.47 There has been a mixed uptake on this policy option. Roughly one third of local authorities that propose to introduce a CIL propose to offer exceptional circumstances. The circumstances in which a policy of this nature would be likely to be used would be extremely rare given the restrictions in the Regulations. To be clear, and in simple terms, if Cambridge introduced such a relief it would not mean the Council would be willing and able to negotiate a revision to the CIL demand for a particular development simply because the developer says the development scheme is unviable if the CIL has to be paid. The relief could only be offered in very exceptional and defined circumstances.

3.48 On balance, it is considered appropriate to not offer Exceptional Circumstances relief as it would add unnecessary complexity to the charge. However, this is something that we intend to keep under review and a policy of this nature could be introduced at any stage once a CIL is adopted.

### **An Instalment policy**

3.49 Regulation 69B permits a charging authority to allow persons liable to pay CIL to do so by instalments following the publication of an instalment policy. There is no requirement to publish an instalment policy prior to adopting a charging schedule, or indeed at all. However, in the absence of an instalment policy the CIL must be paid in full within 60 day of the commencement of the CIL liable development. For very large development schemes, which could take many years to build out (and sale receipts not received for many years), a full CIL payment within 60 days of being liable would be an exceptionally high burden on a developers cash flow.

3.50 To offset development industry concerns, the March 2013 consultation document published by the Council stated the intention of the Council to have an instalment policy for CIL and asked for comments.

3.51 Whilst not strictly necessary at this stage, a Draft CIL Instalment Policy is set out at Appendix D of the CIL Draft Charging Schedule Consultation Document. This is to enable interested parties to consider its implication on development finance and delivery. Whilst comments are invited alongside the Draft Charging Schedule, it should be noted that the Draft Instalment Policy will not itself be subject to Public Examination. The Council will consider responses when finalising the Cambridge CIL Instalment Policy. Full Council will be asked to endorse and adopt this Policy at the point the Council adopts a CIL. Please note, for the avoidance of doubt, the Instalment Policy will not be examined in the same way as the Charging Schedule.

### **Next Steps**

3.52 Consultation on a Draft Charging Schedule would be the second step in the statutory process towards adoption of a CIL Charging Schedule. The key dates in this process are outlined earlier in this report.

## **4. Implications**

### **(a) Financial Implications**

4.1 It is difficult to accurately forecast CIL receipts due to the complicated nature of levying the new charge. Revenues will depend on the

volume, rate of build and type of new development undertaken. The main generator of CIL revenue will be residential development. An estimate, based on the development strategy emerging through the Local Plan Review, is that, in Cambridge City, CIL will generate in the region of £22 million from residential development up to April 2031.

- 4.2 However, of this, 15-25% will need to be set aside for local communities agreement on spend, in areas where development takes place. The 25% level applies for those areas with an adopted neighbourhood plan in place (which, in Cambridge, is currently nil). The Council currently operates an approach to devolution of S.106 funds via Area Committees which are used as a vehicle to fund locally determined infrastructure projects. Projects which receive funding are determined by the Area Committees in consultation with the neighbourhoods. This process appears to provide an appropriate mechanism for managing the spend of the 15% 'local spend'. Should a Neighbourhood Plan be put in place for any part of the Council's area, then at that stage the Council will determine how the 25% 'local spend' for that area will be managed.
- 4.3 There will be an on-going requirement to monitor and review the Charging Schedule, which could trigger the need for further specialist viability modelling should market conditions change significantly.
- 4.4 Up to 5% of CIL can be retained for administration. Officers are carrying out more detailed scoping work on what might be required in this area.

**(b) Staffing Implications**

- 4.2 CIL can be delivered within existing resources, and is currently led via the Planning Policy team. However, on adoption there needs to be mechanisms in place to collect CIL. There are potential resource implications for Development Management, IT, Finance and Legal.

**(c) Equal Opportunities Implications**

- 4.3 An Equalities Impact Assessment will be published alongside the Draft CIL Charging Schedule Consultation Document.

**(d) Environmental Implications**

- 4.4 There are no direct environmental implications arising from this report. Once introduced CIL will assist in the delivery of high quality sustainable new developments, alongside the protection and enhancement of the built and natural environments of the city. As such

it is anticipated that CIL will have a positive climate change rating, although the precise nature of this positive impact will be dependent on the detailed proposals.

**(e) Procurement**

4.5 There are no direct procurement implications arising from this report. The implementation of CIL may however necessitate additional training of staff and potentially software.

**(f) Consultation and communication**

4.6 Appropriate consultation with residents and developers and other key stakeholders will be undertaken at key stages.

**(g) Community Safety**

4.7 There are no direct community safety implications arising from this report.

**5. Background papers**

Cambridge and South Cambridgeshire Infrastructure Delivery Study, Peter Brett Associates on behalf of Cambridge City Council, September 2012,  
<https://www.cambridge.gov.uk/public/ldf/CIL/Appendix%20B%20-%20Infrastructure%20Delivery%20Study%20FINAL%20REPORT%20and%20Appendices.pdf>

Cambridge and South Cambridgeshire Infrastructure Delivery Study Update 2013  
<https://www.cambridge.gov.uk/public/ldf/CIL/Infrastructure%20Delivery%20StudyUpdate%20%28Final%20Report%20Amended%20with%20Appendices%29.pdf>

Draft Cambridge City Council Local Plan Review – Viability, Community Infrastructure Levy Viability Assessment, Dixon Searle LLP on behalf of Cambridge City Council  
<https://www.cambridge.gov.uk/public/ldf/CIL/Appendix%202%20-%20CIL%20Viability%20Assessment%20FINAL%20DRAFT.pdf>

Cambridge City Council Local Plan - SHLAA and Potential Site Allocations High Level Viability Assessment  
<https://www.cambridge.gov.uk/sites/www.cambridge.gov.uk/files/documents/SHLAA%20High%20Level%20Viability%20Assessment%202013.pdf>

Cambridge City Council Local Plan – Student Housing Affordable Housing Study

<https://www.cambridge.gov.uk/sites/www.cambridge.gov.uk/files/documents/Cambridge%20CC%20-%20StudentAccommodation%20AH%20Viability%20-%20Final%20Report%20-%20Combined.pdf>

Cambridge City Council Local Plan – Small Sites Affordable Housing Viability Study

<https://www.cambridge.gov.uk/sites/www.cambridge.gov.uk/files/documents/Cambridge%20City%20Council%20-%20SmallSites%20Affordable%20Housing%20Viability%20Incl%20Appendices.pdf>

CIL frequently asked questions, December 2012, Planning Advisory Service

<http://www.pas.gov.uk/pas/core/page.do?pagelId=1242969>

Community Infrastructure Levy Guidance, 2013, DCLG

<https://www.gov.uk/government/publications/community-infrastructure-levy-guidance>

## **6. Appendices**

Appendix 1 – Cambridge CIL Consultation Document – incorporating the Draft CIL Charging Schedule

Appendix 2 – Cambridge Community Infrastructure Levy Preliminary Draft Charging Schedule – Statement of Consultation

Appendix 3 – Relationship between CIL and S.106 - Examples

## **7. Inspection of papers**

To inspect the background papers or if you have a query on the report please contact:

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