



To: Executive Councillor for Planning Policy and Transport: Councillor Kevin Blencowe

Report by: Joint Director of Planning and Economic Development for Cambridge and South Cambridgeshire

Relevant scrutiny committee: Environment Scrutiny Committee 3/10/2017

Wards affected: All

## **Withdrawal of Community Infrastructure Levy Draft Charging Schedule Non-Key Decision**

### **1. Executive summary**

1.1 The proposed Community Infrastructure Levy (CIL) draft charging schedule was submitted to the Planning Inspectorate (PINS) in March 2014 in accordance with Regulation 19 of the Community Infrastructure Regulations 2010 (as amended). The charging schedule was to be examined by the same Planning Inspector as has been examining the Cambridge and South Cambridgeshire Local Plans and was to take place following the conclusion of the local plan examinations.

Report Page 12 Since the draft charging schedule was submitted, there have been a number of factors which would have a detrimental effect on the likely success of the CIL examination and future operation of the proposed CIL. These factors can be summarised as follows:

1. Proposed modifications in relation to Local Plan site allocations;
2. Infrastructure evidence and its relevance;
3. Viability evidence and its relevance;
4. The emergence of the Combined Authority;
5. Government approach to further amendments of the CIL Regulations; and
6. Emerging joint planning service with South Cambridgeshire Council

- 1.3 In particular, given the time that it has taken to complete the local plan examination hearings, it is considered that the draft charging schedule submitted for public examination in March 2014 is no longer fit for purpose due to a number of factors as highlighted throughout this report. As such, it is recommended that the Council should formally withdraw the draft charging schedule from examination and reassess its CIL position following the Government's Autumn 2017 Budget Statement, recognising the closer working opportunities with South Cambridgeshire District Council and, in particular, the emerging Shared Planning Service.

## **2. Recommendations**

- 2.1 This report is being submitted to the Environment Scrutiny Committee for prior consideration and comment before decision by the Executive Councillor for Planning Policy and Transport.

- 2.2 The Executive Councillor is recommended:

To approve the activation of Regulation 18 of the Community Infrastructure Levy Regulations 2010 (amended) and withdraw the Council's submitted CIL draft charging schedule.

## **3. Background**

- 3.1 The Planning Act 2008 gave way to the Community Infrastructure Levy Regulations that were introduced in 2010 as the Governments preferred mechanism for securing infrastructure contributions from new developments. In order to be brought into operation, local planning authorities had to have the draft CIL charging schedule independently examined and approved by a Planning Inspector.

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- 3.2 The public consultation on the preliminary draft charging schedule took place between 18 March and 29 April 2013.
- 3.3 Cabinet approved the draft charging schedule for consultation on 8 October 2013 and gave authorisation to submit this (and associated evidence including the Regulation 123 infrastructure list) for public examination.
- 3.4 The public consultation on the draft charging schedule took place between 28 October and 9 December 2013.
- 3.5 The draft charging schedule was submitted to PINS for independent examination on 28 March 2014. The examination was to follow the

Cambridge Local Plan examination with the same planning inspector being assigned to both.

- 3.6 To inform the charging schedule the Council required infrastructure evidence to demonstrate the extent of a funding gap (to justify the principle of a CIL charge being introduced) and viability evidence (to support the rates and types of development that are proposed being charged a CIL).
- 3.7 The infrastructure evidence was prepared by Peter Brett Associates for both South Cambridgeshire District Council and Cambridge City Council dated August 2012 and which was updated August 2013.
- 3.8 The viability evidence was prepared by Dixon Searle Partnership for Cambridge City Council (although DSP were separately appointed by South Cambridgeshire District) dated February 2013.
- 3.9 In November 2015 both the infrastructure evidence and viability evidence was updated for both Councils as required by the Inspector in the light of the ongoing examination of the local plans.
- 3.10 The CIL approach that has been proposed by Cambridge City Council (and which requires review) can be summarised as follows:

- I. CIL would be charged on all new residential developments (recognising that the Regulations include mandatory exemptions for charitable developments, affordable housing and self-build). The rate across Cambridge City Council's area would be £125 per square metre including two local plan allocations joint with South Cambridgeshire District Council being (a) Cambridge East (land North of Cherry Hinton) and (b) Northern Fringe East.

Report Page No: II. CIL would also be charged on all new retail and student accommodation across Cambridge City Council's area at a rate of £75 and £125, respectively.

- III. The onsite and offsite infrastructure needs arising from strategic developments would be secured via a section 106 agreement in the traditional manner.
- IV. In addition to CIL payments the Council would be able to continue to secure Section 106 contributions on sites where they satisfy the applicable tests (as per the draft Regulation 123 list and emerging local plan policy 85: Infrastructure delivery, planning obligations and the Community Infrastructure Levy). Furthermore primary education contributions may also still be secured via a section 106 contribution (as per the draft Regulation 123 list).

- 3.11 Since the draft charging schedule was submitted for examination proposed Modifications have emerged through the examination of the Local Plan that would be required by the Planning Inspector to make the Plan “sound”. These Modifications, if included in the final adopted Local Plan, would have an impact on the CIL strategy in both the Cambridge and South Cambridgeshire local planning authorities
- 3.12 The infrastructure evidence originally prepared in March-April 2013 and updated in October-December 2013 has since been updated in respect of the local plan examination in November 2015 following a suspension of the local plan examination. Arguably this update cannot be used in respect of a CIL examination unless the draft charging schedule was withdrawn and re-consulted upon with the up to date evidence.
- 3.13 The viability evidence originally prepared in February 2013 has also since been updated in respect of the local plan examination in November 2015, following a suspension of the local plan examination. Again arguably this updated evidence cannot be relied upon in respect of a CIL examination unless the draft charging schedule was withdrawn and re-consulted upon. If the CIL examination was to progress without this evidence being first updated there is a risk that the evidence would not be considered sufficiently up to date and the Inspector would require the schedules to be withdrawn and up-to-date schedules be consulted on and submitted..
- 3.14 A Mayor has been appointed for the Cambridgeshire & Peterborough Combined Authority which may have a number of different influences including transport infrastructure, growth strategy and governance. Although as a factor this is less relevant than those listed above, it may be appropriate to have regard to this in the formulation of a CIL strategy for Cambridge.

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- 3.15 In the Housing White Paper (‘Fixing our Broken Housing Market’ – February 2017) the Government acknowledged that the independent review of CIL, and its relationship with Section 106 planning obligations, found that the current system is not as fast, simple, certain or transparent as originally intended. The Government has stated that it will examine the options for reforming the system of developer contributions including ensuring direct benefit for communities, and will respond to the independent review and make an announcement at the Autumn Budget 2017. The implications of this announcement could have a significant impact on the form and content of a CIL charging strategy in the City.
- 3.16 Lastly Cambridge City Council and South Cambridgeshire District Council are implementing a Greater Cambridge Shared Planning

Service. Under such circumstances it would be vital to have a co-ordinated approach and align (more closely) the charging schedules and ensure that the Regulation 123 infrastructure list for the 2 Authorities mirror one another to ensure consistency when securing section 106 contributions from new development in addition to CIL.

## **4. Implications**

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

Withdrawal of the CIL draft Charging Schedule would negate the impending costs involved with the examination. However, and depending upon the government announcements concerning the future of CIL, there could be a requirement to undertake a review of the viability and infrastructure evidence ahead of consultation of a new charging schedule. However any additional costs associated with this work could be kept to a minimum through closer working with South Cambridgeshire District Council and may result in the setting of higher CIL rates on the basis of upward market movements over the previous 3 years.

### **(b) Staffing Implications**

There are no direct staffing implications arising from this report. Any further work to oversee consultants updating the evidence base and potentially undertaking consultation on a new CIL proposal can be met from within existing resources.

### **(c) Equalities and Poverty Implications**

There are no direct adverse equality or diversity impacts resulting from the recommendations in this report.

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### **(d) Environmental Implications**

The environmental implications of the recommendation are considered to be neutral as it is considered that the CIL proposal, as submitted for examination, would result in further delays to update the evidence before it could be implemented.

### **(e) Procurement**

There are no direct procurement implications as a result of the recommendation.

**(f) Consultation and communication**

There are no direct consultation implications. It will, however, be necessary to notify statutory bodies and those on the Council's planning policy consultation list of the decision should the recommendation be approved.

**g) Community Safety**

There are no direct community safety implications.

**5. Background papers**

There are no background papers for this report.

**6. Appendices**

There are no appendices for this report.

**7. Inspection of papers**

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

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