

REPORT TITLE: Community Infrastructure Levy draft Charging Schedule

To: Cabinet

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Report by: James Fisher, Team Leader

Tel: 01954 713217

Email: james.fisher@greatercambridgeplanning.org

Wards affected:

All Wards

Director Approval: Director Stephen Kelly confirms that the report author has sought the advice of all appropriate colleagues and given due regard to that advice; that the equalities impacts and other implications of the recommended decisions have been assessed and accurately presented in the report; and that they are content for the report to be put to the Cabinet/Cabinet Member for decision.

REPORT AUTHORS MUST CONSIDER THE EQUALITIES IMPACT OF THE DECISION. REPORT AUTHORS TO ENSURE REPORT FOLLOWS THE COUNCIL'S ACCESSIBILITY RULES.

1.	Recommendations
1.1	<p>It is recommended that Cabinet authorises:</p> <p>A public consultation on the draft CIL Charging Schedule and associated documentation.</p>
2.	Purpose and reason for the report
2.1	<p>The Community Infrastructure Levy (CIL) is a charge which can be levied by local authorities on new development in their area. It is an important tool local authorities use to help them deliver the infrastructure needed to support development in their area. More than half of Planning Authorities across the Country have adopted CIL. Locally CIL has been adopted by Huntingdonshire District Council, East Cambridgeshire District Council and Peterborough City Council. Uttlesford District Council consulted on their proposed CIL last year.</p> <p>CIL only applies in areas where a local authority has consulted on, and approved, a charging schedule setting out its levy rates. Broadly speaking CIL is not charged on residential annexes and extensions, affordable housing, self-build development, charitable development and buildings into which people do not normally go.</p> <p>Both Cambridge City and South Cambridgeshire District Councils were committed to introducing a CIL and submitted draft charging schedules to the Planning Inspectorate for examination in the Autumn of 2014. Several factors, which would have had a detrimental effect on the likely success of the CIL examination, and future operation of</p>

the proposed CIL, resulted in both Councils agreeing to withdraw the draft charging schedules in 2017. This decision to withdraw the CIL draft charging schedule was made with a view to resubmit a draft charging schedule once identified opportunities had been explored and only after the respective Local Plans had been adopted.

In August 2020 the 'Planning for the Future' White Paper was published by MHCLG which proposed abolishing Section 106 (S106) and CIL and replacing them with a consolidated Infrastructure Levy (IL) causing any LPA with CIL intentions to wait to see how the policy developed.

Following the Government's decision in 2024 not to pursue IL, Officers have re-evaluated the basis on which a CIL could be introduced including reviewing the possibility and merits of introducing a CIL under the 2018 Local Plans rather than waiting for the Greater Cambridge Local Plan. Noting announcements by Greater Cambridge Partnership (GCP), that there are insufficient funds to deliver all of the strategic transport projects identified in the Transport Plan required to deliver the growth in the adopted Local Plans, and noting the ambitions for further accelerating growth in Greater Cambridge, Officers consider that there is now a strong justification for the timely introduction of a CIL for the Greater Cambridge area.

There are four main reasons why Officers consider that Cambridge City Council, together with South Cambridgeshire District Council, should adopt a CIL:

- (i) The Council and County Council as Highway Authority are not securing sufficient funding for planned or future strategic transport projects through the existing S106 process
- (ii) S106 agreements are inefficient at collecting strategic transport contributions because they are limited to site specific mitigation from a limited number of projects
- (iii) S106 agreements delay the grant of planning permission
- (iv) CIL provides a means by which Cambridge communities will also benefit from additional funding

This report recommends that the Council carries out a consultation on a draft charging schedule which sets out the developments the Council would look to charge and how much the development would be required to pay.

3.	Alternative options considered
3.1	The alternative to the City Council adopting a CIL is for Officers to continue to negotiate developer contributions through Section 106 agreements recognising the challenges associated with this approach
4.	Background and key issues
4.1	Developer contributions associated with new development are secured in one of two ways: <ul style="list-style-type: none">• S106 Planning Obligations are negotiated agreements that seek to mitigate the impact of development. Contributions are secured towards localised community

infrastructure including schools, libraries, surgeries, village halls, play areas, allotments etc. provided that they meet three statutory tests: necessary to make the development acceptable in planning terms, directly related to the development, fairly and reasonable related in scale and kind to the development. The Councils have produced a joint S106 Supplementary Planning Document (due for adoption in Spring 2026 following a second round of public consultation) explaining when contributions are required and how they are calculated. Their strength is in responding to market conditions and providing assurance to decision takers and stakeholders by ring-fencing contributions to projects at the point planning permission is granted. Their weakness is that the need for each request needs to be evidenced and ring-fenced the projects can only be changed with the developer's agreement. Generally speaking only developments of 10 dwellings or more are eligible for S106 contributions.

- CIL is a planning charge, introduced by the Planning Act 2008, to help deliver infrastructure to support the development of their area. It came into force on 6 April 2010 through the Community Infrastructure Levy Regulations 2010. New developments that create net additional 'gross internal area' of 100 square metres or more, or create new dwellings, are potentially liable for the levy. The strength of CIL is that it is non-negotiable with receipts capable of being pooled and used to fund broader infrastructure and not just to address the impact of the development. Its weakness is that CIL is only payable on new floorspace and affordable housing is exempt from paying CIL.

The Council is not generating enough funding for planned and future strategic transport projects through the S106 process. The Cambridge and the South Cambridgeshire Local Plans were adopted in 2018. Both relied on the Transport Strategy for Cambridge and South Cambridgeshire (TSCSC) adopted by Cambridgeshire County Council on 4 March 2014. The TSCSC details the transport infrastructure necessary to deliver the 2018 Cambridge and South Cambridgeshire Local Plans. The Infrastructure Delivery Study commissioned by the Councils in relation to their respective Local Plans put the cost of delivering the TSCSC infrastructure at £855,896,500.

The Cambridge Local Plan says that developers will be required to demonstrate they will make adequate provision to mitigate the likely impacts (including cumulative impacts) of their proposal including environmental impacts (such as noise and pollution) and impact on amenity and health. This will be achieved through direct improvements and S106 contributions and/or the Community Infrastructure Levy (CIL), to address transport infrastructure in the wider area including across the district boundary.

Around the same time the TSCSC was adopted the Greater Cambridge City Deal was signed (19 June 2014) to support the delivery of this transport infrastructure through an innovative gain share mechanism. The Government would provide up to £500m which would sit alongside £500m that Greater Cambridge pledged to invest to unlock the benefits of growth in the Greater Cambridge area. This 'local contribution' was to be made up from multiple sources including Business Rates, New Homes Bonus, S106 contributions, and CIL receipts.

An initial indicative programme based on the TSCSC was established and agreed by the City Deal Executive Board on 14 August 2014. The original City Deal Executive Board

was subsequently re-described and has become known as the Greater Cambridge Partnership (GCP). Schemes under consideration for inclusion in the City Deal programme underwent a high-level assessment. The schemes which offered maximum benefits and value for money were prioritised for investment. Subsequently, GCP refined this approach through the development of a Future Investment Strategy (FIS) which prioritised those schemes which had the greatest potential to deliver the City Deal's objectives. The first FIS was drafted in March 2018 and updated in March 2019.

On 28 September 2023 the GCP Executive Board were advised that, because of external factors, including considerable high inflation within the construction industry, the identified gap between funding to expenditure had increased from £111m to £278m. The decision was made to pause work on CSET Phase 2 and Foxton Travel Hub.

On 6 November 2025 the GCP Executive Board received a quarterly progress report with an accompanying Draft Budget for 2026/26 with forecasts up to 2030/31. This shows that £809m is required to deliver the projects (excluding those projects that have been paused and the full cost associated with Cambridge South East (A1307) - Phase 2). The Draft Budget shows funding of £810m including circa £27m from New Homes Bonus and £230m assumed S106 income.

Since the TSCSC was adopted around £150m has been secured from signed S106 agreements towards transport projects and on initiatives aimed at reducing traffic of which £60m is specifically for GCP projects. Other developments have provided works in kind. If the additional contributions assumed by GCP are not realised the funding gap increases and more projects may need to be paused.

Section 106 agreements are limited to site specific mitigation. It is not always possible to demonstrate a contribution is necessary, especially for area wide rather than localised infrastructure, meaning it can be challenging to deliver the TSCSC infrastructure requirements via section 106 contributions alone. This has been underscored by a recent appeal decision (Hobson Street APP/Q0505/W/25/3365274) where the Planning Inspector was unable to conclude that a request of £125,000 made by Cambridgeshire County Council towards the Hills Road corridor improvement scheme met the statutory tests. Simply put many developments can and should contribute, or contribute more, towards strategic transport infrastructure but are not required to do so within the existing S106 regime.

S106 agreements also delay the grant of planning permission. This is because the details of the agreement takes time to negotiate and requires all parties with a legal interest in the land to sign the agreement. Adopting a CIL will mean that planning permissions can be issued sooner with growth delivered quicker. This is particularly the case for commercial developments where negotiation on transport contributions can add considerably to the resolution and issue of planning permissions. Adopting a CIL will reduce these delays.

Local neighbourhoods (and in South Cambridgeshire the Parish Councils) will also benefit from additional funding. Where there is no Parish or Town Council, the charging authority will retain a portion of the levy receipts and engage with the communities where development has taken place and agree with them how best to spend the neighbourhood funding which can be used on a wider range of spending that is open to the City Council.

The law does not prescribe a specific process for agreeing how the neighbourhood portion should be spent. Charging authorities should use existing community consultation and engagement processes. This should include working with any designated neighbourhood forums preparing neighbourhood plans that exist in the area, theme specific neighbourhood groups, local businesses and using networks that ward councillors use. Over the next year or so Officers will work up details of how the neighbourhood portion of CIL could be managed and will present options to Members.

A CIL is prepared and adopted as follows:

1. The Charging Authority prepares its evidence base
2. The Charging Authority prepares and publishes a draft Charging Schedule for consultation.
3. The Charging Authority submits a draft Charging Schedule for examination having considered any representations
4. An independent person examines the Charging Schedule in public.
5. The Examiner's recommendations are published.
6. The Charging Authority has regard to the examiner's recommendations and reasons for them.
7. The Charging Authority approves the Charging Schedule at Full Council.

When deciding the levy rates, an authority must strike an appropriate balance between additional investment to support development and the potential effect on the viability of developments. This balance is at the centre of the charge-setting process. In meeting the regulatory requirements, charging authorities should be able to show and explain how their proposed levy rate (or rates) will contribute towards the implementation of their relevant plan and support development across their area.

The Councils have produced a CIL Infrastructure Statement shown at Appendix A. This details the actual and expected cost of infrastructure, the viability of development, other actual or expected sources of funding for infrastructure. It shows a gross funding gap of £272m.

In addition to infrastructure evidence Councils also need to assess the potential effect of a CIL on the viability of developments. Charging authorities will need to summarise their viability assessment which should be proportionate, simple, transparent and publicly available.

The Councils commissioned BNP Paribas Real Estate to test the viability of Greater Cambridge and to help prepare a draft charging schedule having regard to that evidence. The report is Appendix B.

The recommendation is for a consultation on the following rates:

- £35 for industrial buildings and data centres
- £50 for shops, restaurants, financial and professional services, and hotels
- £60 for houses and flats, retirement homes, residential institutions, student accommodation
- £175 for offices and R&D buildings

These rates are contained in the draft charging schedule shown at Appendix C.

Estimates using these rates show that introducing a CIL based on previous levels of growth would generate at least £25m over the next 5 years. A greater income of around £50m is expected based on the actual level of growth that is anticipated taking place across the area.

Broadly speaking the full CIL payment is due within 60 days from the commencement of development unless the Council has adopted an instalment policy. Instalments are an important aspect of developer cashflow and so the Council is recommended to adopt an instalment policy.

Unlike S106 agreements, which typically require obligations to be satisfied at defined stages in the development (i.e. prior to occupation, prior to occupation of n th dwelling), the Regulations require CIL payments to be made by reference to time since commencement. Analysis shows there is no standard approach with Councils adopting varying approaches to instalments. The Councils propose consulting on an Instalment Policy which is broadly consistent with the spirit of neighbouring Councils and is not considered to be detrimental to developers cashflow. A draft Instalment Policy is shown at Appendix D. A CIL charging Council can replace its instalment policy at any time.

Because CIL is paid in instalments (the earliest being 60 days from commencement) it will take several years for CIL receipts to reach their full potential. Final governance details, noting the national intention to reform Local Government Structures in the next 2 years, are yet to be worked up but it would be expected for these to be subject to Member approval and incorporated into the Constitution.

The Council needs to consult on a draft charging schedule for a minimum of 4 weeks. Officers are proposing up to a 6 week consultation. A Statement of Representations Procedure is shown at Appendix E explaining how people can find the information and submit representations to the Council which the Council will take into account before submitting the draft charging schedule for examination.

To assist with the public consultation a Supporting Statement has been prepared and is shown at Appendix F which summarises the information shown in the Infrastructure Statement and this report.

The Council may decide that changes to the charging schedule are required after consultation and before the proposed CIL is subject to examination. These changes can be made without a further consultation provided they are not substantive changes.

The examiner will need to test (a) that the evidence is sufficient to confirm the aggregate infrastructure funding gap and the total target amount that the charging authority proposes to raise through the levy and (b) whether the authorities have struck an appropriate balance between additional investment to support development and the potential effect on the viability of developments.

The examiner should establish that:

	<ul style="list-style-type: none"> • the charging authority has complied with the legislative requirements set out in the Planning Act 2008 and the Community Infrastructure Levy Regulations; • the draft charging schedule is supported by background documents containing appropriate available evidence; • the charging authority has undertaken an appropriate level of consultation; • the proposed rate or rates are informed by, and consistent with, the evidence on viability across the charging authority's area; and • evidence has been provided that shows the proposed rate or rates would not undermine the deliverability of the plan. <p>The examiner must report their recommendations in writing and recommend that the draft charging schedule should be approved, rejected, or approved with specified modifications. Reasons for those recommendations must be given.</p> <p>If the examiner recommends the approval of the charging schedule it must then be approved by Full Council before CIL can be adopted in Cambridge. Subject to a positive consultation and examination CIL could be adopted by the end of 2026.</p>
5.	<p>Corporate plan</p>
5.1	<p><i>Explain how the decision links to the Councils Corporate Plan</i></p> <p><u>Corporate plan 2022-27: our priorities for Cambridge - Cambridge City Council</u></p> <p>Priority 1: Leading Cambridge's response to the climate change and biodiversity emergencies.</p> <p>The work we do with others through the Greater Cambridge Partnership aims to create wider prosperity and improve quality of life now and into the future through better, greener transport.</p> <p>Priority 2: Tackling poverty and inequality and helping people in the greatest need</p> <p>The Council will work with voluntary and community groups and local employers to help strengthen local communities, and we will work cooperatively with partners to address the underlying issues. And we will seek to listen to and work with our communities, making sure that we work in partnership with residents rather than simply doing things for them.</p> <p>Priority 4: Modernising the council to lead a greener city that is fair for all</p> <p>Develop co-operative, collaborative ways of working with our communities and partners, increasing our collective ability to achieve the council's vision and improve the quality of life and wellbeing of everyone in the city</p>
6.	<p>Consultation, engagement and communication</p>

6.1	<p>Cambridge City Council consulted on a preliminary draft charging schedule in 2013 and the draft charging schedule in 2014.</p> <p>The consultation on this draft charging schedule is proposed taking place for 6 weeks between Monday 16 February and Sunday 29 March 2026.</p>
7.	Anticipated outcomes, benefits or impact
7.1	Adopting a CIL ensures that the Councils follow through on their City Deal commitments to generate an adequate local contribution to fund the infrastructure necessary for the Local Plans. It also ensures that all eligible development contribute towards the infrastructure that they benefit from and that planning permissions can be issued quicker.
8.	Implications
8.1	Relevant risks
	The report seeks authority to consult on a draft CIL Charging Schedule and subsequently to submit that charging schedule (or a variation thereof) to an independent examiner. The Regulations require a charging schedule to be formally approved by a resolution of the Full Council of the charging authority. In such circumstances more detailed implications will be provided at that time.
	Financial Implications
8.2	<p>Costs associated with the adoption of CIL include the viability report and the examination. Administrative expenses associated with charging the levy include the costs of acquisition of new software and the appointment of officers to administer the collection and spend of the levy.</p> <p>To help charging authorities with initial set up costs, the regulations allow for a 'rolling cap' on administrative expenses. This covers the period comprising the first part of the year that an authority sets a levy and the following 3 financial years taken as a whole. From year 4 onwards of an authority's levy operation, the restriction works as a fixed in-year cap, meaning that an authority may spend up to 5% of receipts received in-year by the end of that year on its administrative expenses.</p>
	Legal Implications
8.3	The CIL Regulations explain the necessary steps relating to CIL consultation and examination which the Councils will follow.
	Equalities and socio-economic Implications

8.4	<p>In January 2011 Communities and Local Government published a document titled 'Localism Bill: Community Infrastructure Levy Impact Assessment' which included a section Specific Impact tests on 'Equality'. It said "The Community Infrastructure Levy is unlikely to have an adverse impact on any social group. By making communities more sustainable, the Community Infrastructure Levy will facilitate economic growth and liveability and so create opportunity for all. The infrastructure and services that the Community Infrastructure Levy will provide will enhance accessibility and liveability for all sectors of society and could help to deliver new infrastructure that serves different needs within the community, for example, by increasing mobility and accessibility.</p>
	Net Zero Carbon, Climate Change and Environmental implications
8.5	<p>The primary purpose of introducing a CIL is to ensure that strategic transport infrastructure identified in the TSCSC are delivered which will result in improvements to sustainable travel choices including reducing car dependency and the resulting emissions.</p>
9.	<p>Background documents</p> <p>Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985</p>
9.1	<p>Cambridge Local Plan South Cambridgeshire Local Plan Infrastructure Delivery Study (Peter Brett Associates) Draft Planning Obligations SPD Transport Strategy for Cambridge and South Cambridgeshire (County Council) Local Cycling and Walking Infrastructure Plan (County Council) Cambridgeshire Local Transport Plan (County Council) Cambridgeshire Active Travel Strategy (County Council) Greater Cambridge City Deal (Greater Cambridge Partnership) Future Investment Strategy 3 (Greater Cambridge Partnership) GCP Budget 2026-27 (Greater Cambridge Partnership) Local Transport and Connectivity Plan (Combined Authority) Bus Service Improvement Plan Cambridgeshire & Peterborough (Combined Authority)</p>
10.	Appendices
10.1	Appendix A: Infrastructure Statement

Appendix B: Viability Assessment

Appendix C: Draft Charging Schedule

Appendix D: Draft Instalment Policy

Appendix E: A Statement of Representations Procedure

Appendix F: Supporting Statement

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

James Fisher – Team Leader

James.fisher@greatercambridgeplanning.org

Telephone: (01954) 713217 and 07927 681965