

Decision maker: Cabinet, 23 January 2012,
City Council, 24 January 2012

Subject: Community Infrastructure Levy (CIL) Charging Schedule
Adoption

Report by: Head of Planning Services

Wards affected: All

Key decision (over £250k):

1. Purpose of report

- 1.1 To report on the outcome of the examination into the Community Infrastructure Levy Charging Schedule and to recommend that it be approved for adoption.

2. Recommendations

- 2.1 That the Charging Schedule, as appended, be formally approved for commencement on 1st April 2012.**

3. Background

- 3.1 The Community Infrastructure Levy (CIL) allows local authorities to raise funds from developers to pay for the infrastructure that is needed as a result of development. CIL takes the form of a tariff per square metre of additional floorspace. The level of the tariff is set by the local authority based on the needs identified through infrastructure planning, but also tested to ensure that it will not affect the viability of developments.
- 3.2 After preparing the evidence base and consulting on proposed rates during 2011, the city council submitted its proposed charging schedule for independent examination on 15 August 2011. The examiner's role was to consider whether the proposed charging schedule meets the requirements of the Planning Act 2008 and associated regulations in respect of legal compliance and viability. The examination was held on the basis of written representations.
- 3.3 The examiner issued his report on 10 January 2012, concluding that the council had taken a pragmatic approach towards setting the charging rates. He considers that the council has tried to be realistic in seeking an appropriate balance between identifying opportunities for CIL, whilst not risking the

regeneration of the city. He further reports that the proposed rates are based on reasonable assumptions, development values and likely costs, and that the evidence suggests that, overall, residential, retail and employment development will remain viable across the city, if the charges are applied.

- 3.4 The examiner recommended that the charging schedule is approved by the city council in its published form, without changes.

4. Reasons for recommendations

- 4.1 The independent examiner has found that the charging schedule provides an appropriate basis for collecting CIL and has recommended that the charging schedule is approved without changes.

- 4.2 CIL will provide an important mechanism for the funding of infrastructure in the city.

5. Equality impact assessment (EIA)

- 5.1 An EIA is not required, as the CIL deals purely with financial matters.

6. Head of legal services' comments

- 6.1 The purpose of supplementing the existing scheme of planning obligations made under Section 106 of the Town and Country Planning Act 1990 is to capture more planning gain to finance general investment in infrastructure by the Council. Site-specific planning contributions, in particular those relating to assets, and in respect of affordable housing provision, will continue to be secured through Section 106 agreements and undertakings.

- 6.2 Liability to make payment will be calculated in accordance with the Charging Schedule when development commences.

- 6.3 Section 211 of the Planning Act 2008 requires that, in proposing to charge CIL, the Council issues the Charging Schedule. The Council has been required to have regard to the actual and expected costs of infrastructure, the economic viability of development and the actual and expected sources of funding for infrastructure. The evidence relating to those matters has been carefully prepared by planning officers, and as a result, has been examined and approved by the examiner in accordance with the statutory requirements.

- 6.4 Following the examiner's report and recommendation, the decision whether or not to adopt the charging schedule must be referred to council. If adopted, it will then be published so that it can come into effect.

7. Head of finance's comments

- 7.1 The approval of the charging schedule for commencement on the 1st April 2012 will enable Portsmouth City Council to start the collection of CIL on all qualifying developments granted planning permission from this date.
- 7.2 The Capital Programme currently forecasts that the resources arising from CIL collection to the value of £2.0m over the next 3 years will be available as funding for the programme.
- 7.3 If the recommendations contained within this report are not approved then the Council's Capital Investment plans to be considered at the forthcoming Annual Budget Meeting will need to be reduced by an equivalent sum or alternative sources of funding identified to bring the proposed Capital Programme into financial balance.
- 7.4 The collection and administration of the CIL regime will require internal resource. If the recommendation is approved an internal working group will be set up to ensure that robust processes and systems are in place to collect and administer the contributions. The working group will make recommendations as to the level of administration to be set against the CIL contributions (not more than 5% of CIL income).

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Signed by:

Appendices:

Portsmouth Community Infrastructure Levy Charging Schedule

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Inspector's report on Portsmouth CIL	http://www.portsmouth.gov.uk/media/CIL_Report_Final_100112.pdf

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

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Signed by:

Local Development Framework

Community Infrastructure Levy: Charging Schedule

Purpose

This schedule sets out the Community Infrastructure Levy charging rates set by Portsmouth City Council.

Date of Commencement

This schedule shall commence on 1st April 2012.

CIL charging rates

The basic rate for CIL in Portsmouth, in the year the CIL charging schedule is adopted, will be £105 / m². Viability considerations have shown that some uses should pay a lower rate than this. Where this is applicable, that rate is shown in the table below. For all other chargeable developments, the basic rate of £105 / m² should be assumed.

<i>Portsmouth Community Infrastructure Levy rates (£ per m²)</i>	
<i>Type of Development</i>	<i>CIL Rate</i>
<i>All development types unless stated otherwise in this table</i>	<i>Basic CIL rate: £105</i>
<i>A1 - A5 In-centre retail of any size and small (< 280m²) out-of-centre retail</i>	<i>£53</i>
<i>B1(a); B1, B2, B8 Office and Industrial</i>	<i>£0</i>
<i>C1 Hotels</i>	<i>£53</i>
<i>C2 Residential Institutions</i>	<i>£53</i>
<i>D1 Community Uses</i>	<i>£0</i>

Calculating the chargeable amount

The city council will calculate the amount of CIL payable ("chargeable amount") in respect of a chargeable development in accordance with the relevant formulae in the Community Infrastructure Levy Regulations.