

Examiner's question ID/CIL/3:

DCLG have recently published a consultation document entitled 'Community Infrastructure Levy: Detailed Proposals and Draft Regulations for Reform'. The Inspector can only give little weight to the document because of its status, nevertheless he would welcome any initial comments on whether or not there may be any implications with regard to the Council's approach of which he should be aware.

Portsmouth City Council response:

The city council has reviewed the current consultation and considered its implications. It will be making representations to CLG.

The consultation deals chiefly with (a) the passing on and spending of the neighbourhood proportion, (b) the use of CIL to fund affordable housing.

The suggested approach for the neighbourhood proportion does not affect the charging schedule before the examiner, because the proposed new regulations deal with CIL spend, rather than CIL collection. The proposed regulations will affect how the council administers CIL spend, but not how it charges CIL. However the neighbourhood proportion is set, it will not affect the CIL rate being proposed in the charging schedule before the examiner.

By contrast, new regulations on whether or not affordable housing should be funded through CIL could affect the council's proposed charging rates. If it were to become a requirement to fund affordable housing through CIL, then the council may wish to review its charge rate. The current proposed rate assumes that affordable housing is to be funded through S106 rather than CIL, and the viability work took into account the cost to developers of funding affordable housing as well as CIL. Were affordable housing to be integrated into CIL, it is likely that viability considerations would allow a higher rate of CIL than is currently proposed. While in this case the council could continue to use the currently proposed charging schedule, it would likely wish to review its rates to ensure adequate funding for affordable housing and other infrastructure.

Notwithstanding the above, the current consultation does not appear to suggest that it would be mandatory for councils to integrate affordable housing into CIL and therefore the council would remain free to continue to seek it through S106. This being the case, the currently proposed charging regime would be unaffected.

Therefore, depending on the outcome of the consultation and subsequently published regulations, the council may in due course seek to review the city's charging schedule. However, the council does not consider that this needs to be taken into account by the examiner in considering the CIL charging schedule currently before him.