

Local Development Framework

Community Infrastructure Levy:
Consultation on Draft Charging Schedule

July 2011

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1. Introduction

What is CIL?

- 1.1 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.
- 1.2 CIL takes the form of a tariff per m² 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. The local levy rate(s) must be set out in a CIL Charging Schedule.
- 1.3 Payments will be collected into a fund to pay for infrastructure. CIL is not intended to pay for all infrastructure – it is merely intended to fill the funding gaps that remain once other sources of funding have been explored.

This document

- 1.4 This document is the consultation paper on the draft charging schedule for the Portsmouth CIL published under regulation 16 of the Community Infrastructure Regulations 2010. As well as the draft charging schedule itself, which sets out the proposed CIL rates, it provides the background to the charging schedule, explaining general principles of CIL as well as the methodology, the assumptions made and the evidence base used in producing the draft tariff.
- 1.5 The draft charging schedule, once it has been through the rounds of consultation and the independent examination required by the Community Infrastructure Levy Regulations 2010 (as amended in 2011), will be adopted by Portsmouth City Council as part of its Local Development Framework.

Who will have to pay CIL?

- 1.6 The charge will be levied on development of more than 100m² of floorspace and those creating 1 or more dwellings even where the floorspace is less than 100 m². In principle, this affects all types of development that involve buildings 'into which people normally go'.
- 1.7 The levy will not be charged on changes of use that do not involve an increase in floorspace. Sub-divisions of existing dwellings to form other dwellings will also not be charged. Structures which are not buildings, or which people do not regularly go into to use will not be liable, in accordance with the CIL regulations. Affordable housing development and development for charitable purposes will also be exempt in accordance with the regulations.
- 1.8 In addition, the city council can choose to set the CIL charging rate for certain uses or certain areas at £zero, based on viability considerations.

Why should development pay for infrastructure?

- 1.9 Almost all development has some impact on the need for infrastructure, services and amenities, or benefits from them. So it is only fair that such development pays a share of the cost. It is also right that those who benefit financially when planning permission is given should share some of that gain with the community which granted it. By paying a contribution, developers will help fund the infrastructure that is needed to make development acceptable and sustainable.

Benefits of CIL

- 1.10 New development needs to be supported by physical, social and green infrastructure. CIL provides a funding stream for this infrastructure, and a mechanism for ensuring that new

development bears a proportion of the cost of new infrastructure that will serve the whole city.

- 1.11 Establishing a tariff will give developers certainty about the costs they need to factor in for infrastructure beyond their site.
- 1.12 CIL also means that the cost of infrastructure does not rest unfairly just with the large developments, as small ones (from 100m² upwards) will also pay, because the charge is levied per square metre of net additional floorspace.

What happens to developer contributions under Section 106?

- 1.13 Currently, the city council operates a system of pooled contributions for certain types of S106 monies, including for open space and sustainable transport. Once the CIL charging schedule is adopted, or no later than 6th April 2014 where none is adopted, the scope for pooling S106 contributions is dramatically reduced, becoming restricted to contributions from no more than five developments for each infrastructure project.
- 1.14 Many developments will be liable to both pay CIL *and* enter into a S106 agreement. The CIL payment and S106 obligations will cover different things, and developments will not be charged for the same items of infrastructure through both obligations and the levy.
- 1.15 CIL will become the main source of developer contributions towards infrastructure beyond the immediate needs of the development site¹. While CIL will therefore replace S106 agreements in many cases, S106 will still be used for local infrastructure requirements on development sites, such as local access or connection to services. Some of these requirements may be physically off site, but will be secured under S106 where they are clearly linked to the development site and needed to make that particular site acceptable.
- 1.16 In order to clarify what types of infrastructure will in future no longer fall under S106, the city council will publish a list of infrastructure projects or types of infrastructure that it intends will be, or may be, wholly or partly funded by CIL. This is known as the regulation 123 list. This list is not included in this document, but will be published on the city council's website when the CIL is adopted. It will be kept up to date to take into account any changes in circumstances and / or infrastructure needs identified in the future.

¹ NB Affordable housing lies outside of the remit of CIL, so will continue to be secured through S106

2. Evidence Base for the Draft Charging Schedule

- 2.1 This section sets out what evidence the city council has relied on to produce its draft charging schedule in section 3. This is chiefly two pieces of evidence: an identification of required infrastructure to support development, and an assessment of development viability.
- 2.2 Charging authorities wishing to introduce the levy should propose a rate which does not put at serious risk the overall development of their area. The Community Infrastructure Levy Regulations 2010 are clear that in setting rates in a charging schedule, the charging authority must aim to strike what appears to the charging authority to be an appropriate balance between:
- a) the desirability of funding from CIL (in whole or in part) the actual and expected estimated total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding; and
 - b) the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.

- 2.3 To this end, the city council has relied on the following evidence to produce its charging schedule:

The Infrastructure Delivery Plan (IDP)

- 2.4 During 2010, the city council produced its first Infrastructure Delivery Plan² - a document identifying the city's social, physical and green infrastructure needs. It was put together in partnership with external infrastructure providers. The plan has a particular focus on the infrastructure needed to support the new development planned through the core strategy³.
- 2.5 The IDP has been produced for a number of reasons, including:
- a) To help demonstrate that the council's development strategy (The Core Strategy or 'Portsmouth Plan') is deliverable and that the necessary social, physical and green infrastructure can be provided to support the planned development;
 - b) To inform the CIL charging schedule, whose starting point is an identification of the required infrastructure.

Identifying IDP projects suitable for CIL

- 2.6 Taking into account the list of infrastructure needs from the IDP, a fuller assessment was made of sources of funding for each item of infrastructure identified and whether CIL was an appropriate tool for plugging any gaps, once other sources of funding had been explored. This review resulted in the much shorter list of infrastructure items, as set out in table 1.
- 2.7 The total cost of each project is taken from the February 2011 version of the IDP. The exception to this are the costs for the two interchange facilities, where there was an editorial error in the IDP. Table 1 corrects this by using the estimated costs from the Supplementary Planning Documents (SPDs) dealing with these sites.
- 2.8 Table 1 also includes a column outlining the assumptions made on the level of CIL needed to support each project. In a small number of cases no alternative sources of funding have yet been found, so the full cost has been included for CIL funding. For most infrastructure items, CIL funding has been assumed for a proportion of the total cost of the project.

² Infrastructure Delivery Plan (IDP) <http://www.portsmouth.gov.uk/living/19934.html>

³ The Portsmouth Plan (Core Strategy to 2027) <http://www.portsmouth.gov.uk/living/7923.html>

Note on the status of Table 1

- 2.9 Table 1 is a starting point for identifying the level of CIL needed locally. It is based on identified infrastructure needs from the Infrastructure Delivery Plan, as explained on p.3. The table 1 is one element of the matters considered in setting the local CIL rate.
- 2.10 The table should not in any way be considered to be the council's programme for spending on infrastructure. Neither is it a definitive list of the infrastructure items that CIL will contribute to. The infrastructure projects or types of infrastructure that the city council intends will be, or may be, wholly or partly funded by CIL will be set out in its Regulation 123 list, which will be published on the city council's website when CIL comes into force. This will be different from table 1 in this charging schedule.
- 2.11 The CIL regime does not limit CIL spending to the items in the evidence base that is used to establish the level of the charge in the charging schedule. Authorities can respond to changing local circumstances, such as changes in infrastructure requirements or funding sources by spending revenue from the levy on different projects from those identified during the rate setting process.
- 2.12 The costs included in Column 1 (total cost) are also not set in stone. They are the best information available at this time. It is likely that these will change as schemes are refined and progress through their planning and design stages.
- 2.13 Column 3 'Other identified and potential funding sources' shows, for each project, either identified funding sources, or potential funders, or a combination of the two. There is no guarantee that these sources will actually contribute to the projects. Therefore actual CIL spending levels may need to be higher or lower than the amount / percentage identified in columns 2 & 4 (CIL contribution / basis for level of CIL contribution). The city council will continue to identify other sources of funding to ensure that projects are brought forward.
- 2.14 Table 1, then, is the best available information at this time on the funding gap for the infrastructure needed to support planned development in the city, and for which CIL is a suitable mechanism for contributing to filling that gap.
- 2.15 The total identified CIL requirement set out in table 1 has led to the initial assessment of the level of CIL needed per square metre, discussed in the next section.

Table 1: CIL Infrastructure Needs

	Total Cost (£)	CIL contribution	Other identified and potential funding sources	Basis for level of CIL contribution	calculation notes
Community buildings (including indoor sports)	not known	£6,749,000	PCC; Sport England and other grants	additional population by end of Core Strategy x standard of provision for community halls x standardised cost estimate; plus Sport England contributions calculator;	<u>Community Buildings</u> : assumed standard (220sqm per 3600 population) and cost (£1357 per sqm) from S'ton infra study; <u>Sports</u> : Sport England calculator estimates appropriate contribution as £315 per person for swimming and sports halls. For both, apply people to sqm conversion as per open space SPD. (16,963 people) Total cost: community facilities (16,963 : 3600 = 4.71; x 220 = 1,036; x 1357 = £1,406,123) plus total cost sport (16,936 x £315 = £5,343,345) = £6,749,468
Coastal Defence Strategies	129,460,000	£41,207,000	EA Grant in Aid; Developers & Landowners; Highways Agency	contributions likely to be needed based on Defra consultation on new FDGiA regime and latest total cost estimates (2011) for the coastal defence strategies	EA provided spreadsheet on likely contributions needed under new FDGiA regime (£41,206,576), populated with latest total cost estimates (2011) for the coastal defence strategies
E-W sewer	£1,500,000 or £5,200,000	£3,700,000	developer; PUSH	difference between scheme with wider benefits and scheme specifically designed for strategic sites	£5.2M - £1.5 M = £3.7M
Green Infrastructure (GI)	not known	£9,245,000	PCC; lottery grants	adopted open space contributions SPD (currently £545 per person)	dwelling planned for through Core Strategy to 2027: up to 8,900. Based on CS policies, assume 40% 3 or more (bed 3560 units), 60% 1-2 bed (5340 units); Using SPD formula: 3560 x 2.65 people plus 5340 x 1.41 people = 16,963 people, x £545 = £9,244,835
Tipner - Horsea Bridge Link	25,000,000	£6,250,000	developers; LABV ; TIF; DfT, PUSH;	Taking possible other sources of funding into account, PCC estimates that CIL should meet 25% of the total cost	25,000,000 x 0.25 = 6,250,000
Tipner junction & Park & Ride	33,000,000	£4,924,000	DfT, LABV; TIF; CIL; PCC; LTP	Taking possible other sources of funding into account, PCC estimates that CIL should meet 40% of this gap	The major scheme business case identifies a need for £12,310,000 of third party contributions. Taking possible other sources of funding into account, it is estimated that CIL should meet 40% of this amount (£4,924,000)
CCN road network	£25,000,000 to £30,000,000	£9,500,000	PCC; TIF; LABV; highways PFI	Taking possible other sources of funding into account, PCC estimates that the funding shortfall to be covered by CIL is £9.5m.	Estimated funding shortfall (£9,500,000).
Hard interchange	2,000,000	£2,000,000	LTP, network rail, PCC, land owners / occupiers	total cost	total cost
Station Square interchange	2,250,000	£2,250,000	LTP, network rail, PCC, land owners / occupiers	total cost	total cost
	£207,704,000	£85,825,000			

Initial possible CIL rate

- 2.16 As a starting point for the viability work, an initial possible CIL rate per m² of floor space was estimated. Viability testing would take this notional figure as a starting point to work with to assess viability, and to establish whether differential rates should be used for different land uses or for different areas of the city.
- 2.17 This initial figure was calculated by relating the total cost from CIL identified in table 1 to the proposed level of residential (excluding affordable housing) and commercial development in the Core Strategy, taking into account completions and permissions to date.

	Sqm floorspace	Notes
Residential	504,389	Up to 9,481 units (12,754 units planned minus 3,273 completions to 2010); assumed 76m ² as average floorspace; then assumed 30% affordable, which will not be liable for CIL (720,556 – 216,167 = 504,389).
B1-B8	228,126	PUSH apportionment minus B1-B8 completions in 2009ELR plus 2009/10 AMR (59,374 m ²)
Retail	55,637	2009/10 shows some retail losses (-4497m ²), so these have been added to the retail study figure)
Total Planned Floorspace	788,152	
		£85,825,000: 788,152m ² = £108.89/ m²

- 2.18 This calculation is of course a crude one, as it only includes the types of development for which there is planned floorspace in the Core Strategy. In addition, not all land uses are likely to be able to bear the same level of CIL, and not all developments will contribute. However, making this calculation served as a useful starting point from which to begin further work on viability. Viability consultants began looking at viability around that figure⁴, testing the scope also for higher and lower contribution scenarios.

The CIL Viability Assessment

- 2.19 CIL guidance is clear that it should strike a balance between the desirability of funding infrastructure from the levy and the potential effects of the imposition of the levy upon the economic viability of development across the council's area. For this reason, the city council commissioned development viability assessment experts the Dixon Searle Partnership (DSP) to assess the level at which CIL could be set so that development remains viable.
- 2.20 Using well established techniques to examine the impact on residual land values of added cost requirements from the proposed CIL rate, the study explored the scope for CIL charge rates in Portsmouth in relation to a range of land uses, in particular:
- Residential (dwelling houses & residential institutions)
 - Offices and Industrial uses
 - Retail (small, large, supermarket, city centre)

⁴ It should be noted that when the viability work was undertaken, and in the consultation on the preliminary draft charging schedule of March 2011, a different floorspace figure for housing was assumed (544,649 m²). The starting point for the viability work was therefore a figure of £104.99). Since that work, the city council has reviewed its urban capacity and the Regulation 27 Core Strategy includes the housing figure now set out in table 2.

- d) Hotels
- e) Community Uses

2.21 Box 1 gives an overview of the findings:

Box 1: Overview of findings of the CIL Viability Assessment

Residential (including sheltered) - £105/ m² is confirmed as a suitable figure through the viability work, although there are likely to be issues around lower values / short term market / some site specifics including some of the very smallest schemes. Generally, dropping the CIL figure would not, however, significantly improve viability for those schemes that struggle and it would certainly not guarantee to do so. There are higher value instances, but those will tend to come with higher costs and land value expectations too. All in all, going much beyond £105/m² would not be advisable and could well be counter-productive at a time when activity needs to be stimulated.

Industrial & Office (B1, B2, B8): no scope based on viability and no foreseeable prospect of any meaningful scope.

Retail – viability work shows that a figure of £105/m² could be a suitable benchmark. However proposals will be highly variable. Whilst it could be an option to make no particular distinctions between different types of and locations of retail development, a lower rate (of up to around 50% of that rate) could be considered for small scale retail – i.e. of up to 300m². Taking the case of an in-town convenience store, for example, one would expect there generally to be less viability scope than for out of town retail and supermarkets. City centre retail ought to be treated as a special case, although again the £105/m² could be applied as a starting point / benchmark (higher land, build and management costs will have the effect of pulling results back from the levels generated by very much higher rents and therefore values).

Hotels - The viability work shows that hotels are likely to be capable of supporting CIL contributions locally; and potentially up to the £105/m². However, hotel values are clearly highly dependent on location and type, which directly impacts upon the room rates and occupancy levels that can be achieved; flowing through to varying capitalised values. Much will depend on specifics and, overall, a CIL level beneath and certainly not beyond the £105/m² is suggested.

Residential Institutions (Care Homes) – In discussion with the council the viability review was focused on care homes. Proposals falling under this use class could be highly variable in nature, as well as in terms of the values and other assumptions potentially applicable to scheme specifics. Similar to hotels, much will depend on specifics and, overall, a CIL level beneath and certainly not beyond the £105/m² could be applicable.

Community Uses – no scope, as these uses generally do not see value levels which are able to support additional costs.

2.22 For a full discussion of the viability findings, please refer to the Dixon Searle Viability report at: <http://www.portsmouth.gov.uk/living/3850.html>.

2.23 The city council considered these findings alongside planning principles and development priorities for the city. These are discussed in Box 2. These considerations informed the final proposed CIL rate, which is set out in tabular form in section 3, the draft charging schedule. There has been a deliberate effort to keep the charging schedule as simple as possible. Therefore only three different rates are proposed:

- £105 per square metre (full rate);
- £53 per square metre (half rate rounded); and
- £0 per square metre.

Box 2: Discussion of proposed CIL rate taking into account viability and wider planning considerations

Residential (including sheltered): £105/m² appears to be viable in most cases, and there is insufficient justification to set this lower. Viability considerations advise against going higher, including when the strategic / longer term view is factored in. Propose CIL rate of £105/m².

Industrial & Office (B1, B2, B8): There is no scope for CIL contributions based on viability considerations: £0

Retail: differential rates proposed for different sizes and location of retail: large scale out of centre can afford to contribute £105/m², while smaller shops across the city will not, and therefore should pay a lower rate. Viability study suggests around 50% of full amount, so rounded to the nearest pound, this is £53/m².

The threshold between small and large retail is to be set at 280m² in line with Core Strategy policy for small local shops. In centre retail of any size should also pay the lower rate of £53/m², as viability in centre could be more marginal given site characteristics and overall development requirements and the city council wishes to support its town centres, so should not add high extra costs to such development.

Hotels: While viability may allow a high CIL rate, it will again be prone to great variation. In addition, the city council believes that hotel development is a key priority, particular for its city centre and to stimulate the development of the city's office market. Given the sensitivity of the market for hotels in the city, a reduced rate of £53/m² is proposed.

Residential Institutions (Care Homes): Viability considerations are similar to those for hotels, being highly dependent on scheme specifics. While the high rate might be supported, a lower one is recommended and it is therefore proposed that these uses should contribute at half rate (£53/m²).

Community : A £0, based on viability as well as the fact that these uses are in themselves considered to Community Infrastructure.

- 2.24 With many types of development paying a reduced rate and others not contributing at all, CIL revenue is likely to fall short of the initially identified 'bill'. Consideration was given to increasing the contribution levels of those uses that would be able to pay. However, regulations are clear in saying that the proposed rate must not put at serious risk the overall development of their area. The viability assessment has shown that higher rates would begin to affect the viability of those uses. It was therefore decided that the rates should be left at the level considered to be viable.
- 2.25 It should also be noted that however the rates are set, there will always be developments that will be unviable in the face of expected contributions, and the city council will need to be prepared to deal with those, being clear on its objectives and priorities. The city council intends to make exceptional circumstances relief available, under which individual schemes where viability is an issue are able to claim relief from their CIL liability. This will help to ensure that the CIL does not put at risk the delivery of development in the city.
- 2.26 It should be noted that it was never expected that CIL would be able to fund the entire funding gap identified in table 1 at the first stage of the CIL work. The city council will have to continue to identify alternative sources of funding and prioritise its CIL revenue spending to ensure that those infrastructure schemes it considers most important are brought forward.

3. Draft Charging Schedule

3.1 Below are set out the Community Infrastructure Schedule charging rates set by Portsmouth City Council and information on how to calculate the chargeable amount for a development.

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.

It is acknowledged that in individual cases developments may not be viable if they pay CIL, whether the city council charges the basic rate or a reduced rate. The CIL regime allows charging authorities to grant relief for the levy in exceptional circumstances, and the city council intends to make this facility available in Portsmouth.

Table 3:	
Proposed CIL rates (referred to as R in the formulae below) in £ per m²	
Use class / Type of Development	CIL Rate
All development types unless stated otherwise in this table	Basic CIL rate: £105
A1 - A5 In-centre retail of any size and small (< 280m ²) out-of-centre retail	£53
B1(a); B1, B2, B8 Office and Industrial	£0
C1 Hotels	£53
C2 Residential Institutions	£53
D1 Community Uses	£0

Calculating the chargeable amount

3.2 The city council will calculate the amount of CIL payable (“chargeable amount”) in respect of a chargeable development in accordance with regulation 40 of the Community Infrastructure Levy Regulations 2010, as amended in 2011. This states that:

- a) The chargeable amount is the amount equal to the aggregate of the amounts of CIL chargeable at each of the relevant rates.
- b) Where the chargeable amount is less than £50 it is deemed to be zero.
- c) The relevant rates are the rates at which CIL is chargeable in respect of the chargeable development taken from the charging schedules which are in effect:
 - at the time planning permission first permits the chargeable development; and
 - in the area in which the chargeable development will be situated.
- d) The amount of CIL chargeable at a given relevant rate (R) must be calculated by applying the following formula

$$\frac{R \times A \times I_p}{I_c}$$

where

- A = the deemed net area chargeable at rate R;
- I_p = the index figure⁵ for the year in which planning permission was granted; and
- I_c = the index figure⁵ for the year in which the charging schedule containing rate R took effect.

e) The value of A in paragraph 4) must be calculated by applying the following formula

$$\frac{C_r \times (C - E)}{C}$$

where

- C_r = the gross internal area of the part of the chargeable development chargeable at rate R, less an amount equal to the aggregate of the gross internal area of all buildings (excluding any new build⁶) on completion of the chargeable development which —
 - (a) on the day planning permission first permits the chargeable development, are situated on the relevant land and in lawful use;
 - (b) will be part of the chargeable development upon completion; and
 - (c) will be chargeable at rate R
- C = the gross internal area of the chargeable development; and
- E = an amount equal to the aggregate of the gross internal areas of all buildings⁷ which—
 - (a) on the day planning permission first permits the chargeable development, are situated on the relevant land and in lawful use⁸; and
 - (b) are to be demolished before completion of the chargeable development.

⁵ The index referred to is the national All-in Tender Price Index published from time to time by the Building Cost Information Service of the Royal Institution of Chartered Surveyors; and the figure for a given year is the figure for 1st November of the preceding year. But in the event that the All-in Tender Price Index ceases to be published, the index referred to is the retail prices index; and the figure for a given year is the figure for November of the preceding year.

⁶ In this regulation “new build” means that part of the chargeable development which will comprise new buildings and enlargements to existing buildings.

⁷ “Building” does not include—

- (a) a building into which people do not normally go;
- (b) a building into which people go only intermittently for the purpose of maintaining or inspecting machinery; or
- (c) a building for which planning permission was granted for a limited period.

⁸ Where the collecting authority does not have sufficient information, or information of sufficient quality, to enable it to establish—

- (a) the gross internal area of a building situated on the relevant land; or
 - (b) whether a building situated on the relevant land is in lawful use;
- the collecting authority may deem the gross internal area of the building to be zero.

A building is considered to be in use if a part of that building has been in use for a continuous period of at least six months within the period of 12 months ending on the day planning permission first permits the chargeable development.

How will the levy be collected?

NB This section gives only a general and brief outline of the process and more detailed procedural guidance will be issued when the local CIL comes into force.

- 3.3 The levy's charges will become due from the date that a chargeable development is commenced, unless later or staged payments have been negotiated. The definition of commencement of development for the levy's purposes is the same as that used in planning legislation, unless planning permission has been granted after commencement.
- 3.4 When planning permission is granted, the city council will issue a liability notice setting out the amount of the levy that will be due for payment when the development is commenced, the payment procedure and the possible consequences of not following this procedure.
- 3.5 The responsibility to pay the levy runs with the ownership of land on which the liable development will be situated. This is in keeping with the principle that those who benefit financially when planning permission is given should share some of that gain with the community. That benefit is transferred when the land is sold with planning permission, which also runs with the land.

What will CIL be spent on once it is adopted?

- 3.6 The levy's revenue will be spent on the infrastructure needed to support the development of Portsmouth. The levy is intended to fund the provision of new infrastructure and should not be used to remedy pre-existing deficiencies in infrastructure provision unless those deficiencies will be made more severe by new development. The levy can be used to increase the capacity of existing infrastructure or to repair failing existing infrastructure, if that is necessary to support development.
- 3.7 The 2008 Planning Act offers the definition that infrastructure includes:
- a) roads and other transport facilities,
 - b) flood defences,
 - c) schools and other educational facilities,
 - d) medical facilities,
 - e) sporting and recreational facilities,
 - f) open spaces, and
 - g) affordable housing.

However, as this is not an exclusive list, further types may be added. The city council took a broad view of infrastructure in its Infrastructure Delivery Plan (IDP) work, which included:

Transport	Road, Rail, Bus, Travel Management, Port, Harbours, cycle / pedestrian facilities, car parking
Energy	gas and electricity generation and provision
Water and drainage	Water supply, waste water, drainage, flood defences
Waste	Collection & disposal
ITC	broadband and wireless; public phones
Open space / green infrastructure	Parks, Children's play areas, Sports pitches and courts, Country parks & Accessible Natural Greenspace, Green public realm, Allotments, Footpaths; Seafront; access to Langstone and Portsmouth Harbours
Affordable housing	Social rented/intermediate
Education	Nursery and pre-school; primary, secondary; further education, higher education, adult education
Health	Hospitals; Health centres/GP surgeries; Public health and prevention

Community services	Libraries, Community centres, Youth , Social services/over-50s/support, police, fire & rescue, ambulance, cemeteries and crematoria, courts, prisons, hostels, places of worship, post offices, Children’s centres; special needs and disability
Culture & Leisure	Museum/galleries, Theatres / Venues, Cinemas, Sports centres, Swimming pools, events, festivals and town centre programmes, Markets

Many of these are provided directly by infrastructure providers or private developers, or have clear mechanisms for funding, and will therefore not require any CIL contributions. Affordable housing is excluded by the regulations from CIL. When CIL comes into force, in Portsmouth, the city council will publish on its website a list of infrastructure projects or types of infrastructure that it intends will be, or may be, wholly or partly funded by CIL in its regulation 123 list.

- 3.8 Initially, it is envisaged that the funds collected will go towards paying for the projects listed in table 1. However, over time infrastructure needs and priorities may change. The CIL regime allows authorities to respond to changing local circumstances, by spending revenue from the levy on different projects from those identified during the rate setting process.
- 3.9 The Government will require the city council to allocate a meaningful proportion of levy revenues raised in each neighbourhood back to that neighbourhood. This will ensure that where a neighbourhood bears the brunt of a new development, it receives sufficient money to help it manage those impacts. The city council will need to work closely with neighbourhoods to decide what infrastructure they require, and balance neighbourhood funding with wider infrastructure funding that supports growth. The city council will retain the ability to use the levy income to address the cumulative impact on infrastructure that may occur further away from the development.
- 3.10 It is important that the infrastructure needed by local communities is delivered when the need arises. Therefore, the regulations allow authorities to use the levy to support the timely provision of infrastructure, for example, by using the levy to backfill early funding provided by another funding body.
- 3.11 The CIL regime allows charging authorities to collaborate and pool their revenue from their respective levies to support the delivery of ‘sub-regional infrastructure’, for example, a larger transport project where they are satisfied that this would support the development of their own area. The Partnership for Urban South Hampshire (PUSH) is currently considering whether to take forward a sub-regional element of CIL. If this goes forward, the city council will publish the implications of this work, and if necessary, review its regulation 123 list and/or its CIL charging schedule.

4. Next Steps

Responding to this consultation

- 4.1 If you have any comments on the draft charging schedule for Portsmouth's Community Infrastructure Levy, please put these in writing to:

ldf@portsmouthcc.gov.uk

or

Community Infrastructure Levy
Planning Services
Civic Offices
Guildhall Square
Portsmouth
PO1 2AU

- 4.2 Please ensure responses reach us **by 8 August 2011**.

Process to adoption

- 4.3 After this consultation, the city council will consider consultation responses and decide whether to make further changes. If it does, a schedule of changes will be published. If not, the Charging Schedule will be immediately submitted for examination.
- 4.4 The CIL examination is scheduled for the autumn of 2011, following the examination into the Core Strategy. The examiner will issue a report, which will recommend that the charging schedule should be approved, rejected, or approved with modifications. If he or she considers the CIL charging schedule acceptable, the city council must formally adopt the charging schedule in order for it to come into effect. This is currently planned for the spring of 2012.

Further Information

- 4.5 Further general information on CIL can be found on the Communities and Local government website at:
<http://www.communities.gov.uk/publications/planningandbuilding/communityinfrastructurelevy/vymay11>.
- 4.6 If you have any queries about this document, please call (023) 9284 1276 and ask for Jacqueline Boulter, or email ldf@portsmouthcc.gov.uk.

