

REPORT TO: EXECUTIVE and COUNCIL

Date of Meeting: 9 July 2019 and 23 July 2019

Report of: Director, Bindu Arjoon

Title: REVIEW OF COMMUNITY INFRASTRUCTURE LEVY (CIL) CHARGING SCHEDULE

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

1.1 This report seeks Executive and Council's approval to initiate a review of the Council's Community Infrastructure Levy (CIL) Charging Schedule.

2. Recommendation:

2.1 That Executive recommends and Council approves:

- (1) The initiation of a review of the CIL Charging Schedule in the Appendix to this report; and,
- (2) The allocation of a budget of up to £75,000 in order to instruct Consultants to review the Community Infrastructure Levy Charging Schedule.

3. Reasons for the recommendation

3.1 The Council's CIL Charging Schedule came into effect on 1 December 2013, at the back end of a recession caused by the Global Financial Crisis. The viability evidence that underpinned the Charging Schedule dates from 2013 and preceding years. Development was a riskier and more challenging proposition at this time.

3.2 Although there are current economic uncertainties, it is considered prudent to undertake a review of the Charging Schedule, (bearing in mind the process can currently take 18 months to two years from start to finish). This is because it is anticipated that development viability, in which CIL rates must be grounded, has improved in some particular respects since the Charging Schedule was first prepared.

4. What are the equality and diversity impacts of this decision?

4.1 An Equalities Impact Assessment is included in the report.

5. What are the resource implications including non-financial resources

5.1 There will be a need to commission external consultants to assist with reviewing the CIL Charging Schedule. It is anticipated that the review can be funded using CIL receipts from the 5% of CIL set aside for administration, assuming costs are spread across more than one year, although there may be a need to reconsider the resource implications, depending on consultants' estimations of costs in response to any tender. If the costs of

the review exceed the amount available in the CIL administration fund, a subsequent report will be brought to Executive to seek Members' view on the way forward.

- 5.2 There has not been the opportunity to assess the impact on City Development staff, which may need to be reviewed as the requirements of the review exercise become clearer in the context of current strategic planning initiatives.

6. Section 151 Officer Comments:

- 6.1 The proposal to fund from CIL Administration is noted, if the tender process exceeds the available budget, then a further paper will be brought forward as stated in section 5.1

7. What are the legal aspects?

- 7.1 Part 3 of the Community Infrastructure Regulations 2010 sets out, inter alia, the procedure to be followed in order to effect changes to the Charging Schedule. The Regulations are in the process of being amended. The amending legislation was laid before the House of Commons for approval by resolution on 4 June 2019.

The provisions set out in the Community Infrastructure Regulations 2010 in relation to the CIL charging schedule will result in some changes to the process to be followed in order to amend the charging schedule in order to simplify the process. Accordingly, the amendment process should take place on the basis on the Regulations as amended.

8. Monitoring Officer Comments:

- 8.1 The statutory process must be followed in order to effect changes to the Charging Schedule. This will be considered in light of the anticipated amendments to the Community Infrastructure Regulations 2010 which are due to be brought into force later in 2019.

9. Report Details / Background

- 9.1 A CIL Charging Schedule is the schedule of rates which are levied from types of development which are considered sufficiently viable (i.e. profit making) to sustain making such contributions. The rates are set following a lengthy evidence gathering and public consultation process culminating in a Public Examination carried out by a Government-appointed Planning Inspector. In Exeter, CIL is currently levied on residential development, purpose built student accommodation, and out of city centre retail development.

- 9.2 Exeter introduced its CIL Charging Schedule at the back end of a recession caused by the Global Financial Crisis. Insofar as CIL rates are grounded in development viability, there is a need to keep CIL charges under review, to reflect prevailing macro and local economic circumstances. While economic circumstances remain uncertain, it is considered appropriate to initiate a review of the Council's CIL Charging Schedule to ensure it remains responsive to market conditions.

- 9.3 It is anticipated that reviewing the Charging Schedule will take 18 months to two years, although impending changes to the CIL regulations have the potential to shorten this period.

10. How does the decision contribute to the Council's Corporate Plan?

10.1 The Council's Corporate Plan 2018-21 sets out a vision, which is to be supported by three broad strategic delivery programmes (as follows) to address the City's current major challenges, each of which will give rise to the need to develop and deliver infrastructure projects which could be funded in part or in full from CIL receipts:

- Tackling congestion and accessibility.
- Promoting active and healthy lifestyles.
- Building great neighbourhoods.

10.2 It is possible that CIL could also be used to support the delivery of infrastructure that does not fit neatly into any of these three delivery programmes.

11. What risks are there and how can they be reduced?

11.1 There is a risk that, without appropriate review, the Council's CIL charges will not be responsive to current economic circumstances. The recommendations in this report seek to address this risk.

12. What is the impact of the decision on health and wellbeing; safeguarding children, young people and adults with care and support needs, economy, safety and the environment?

12.1 The decision will impact positively on health and wellbeing, the environment and, potentially, community safety, by ensuring that funds that are raised for the delivery of infrastructure (which may be necessary to promote health and wellbeing, to deliver economic and environmental enhancements, and improvements to community safety) are used as efficiently and effectively as possible.

13. What other options are there, and why have they been dismissed?

13.1 There is an option not to proceed with reviewing the CIL Charging Schedule, but it is considered prudent to initiate the process to take account of changing economic circumstances.

Bindu Arjoon, Director

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

- Exeter City Council Corporate Plan 2018-21 – see: <https://exeter.gov.uk/council-and-democracy/council-information/corporate-plan-2018-21/>

Contact for enquires:
Democratic Services (Committees)
Room 2.3
01392 265275

Appendix – Exeter City Council CIL Charging Schedule

(NOTE that charges shown in the Charging Schedule are index linked, i.e. that the charges shown in the Charging Schedule below differ to the charges which are currently applied)



Community Infrastructure Levy Charging Schedule

Approved on 15 October 2013

Levy Rates

The rates below will generally be levied against the gross internal floor area of all new dwellings (irrespective of size) and all other new development exceeding 100 square metres. There are exemptions for buildings into which people do not normally go and buildings used by charities. Relief is also available for social housing.

Development Use	Levy (per sq m)
Residential (excluding Use Class C2)	£80
Student housing whose occupation is limited by planning permission or planning obligation	£40
Retail (includes Use Classes A1–A5) outside city centre	£125
All other development	£Zero

Charging Zones

Charging Zones are set out in the map below. The Exeter Local Plan First Review City Centre Inset Map provides a more detailed version and is available from www.exeter.gov.uk/planning or the Civic Centre, Paris Street Exeter, EX11JN.

How the Chargeable Amount will be calculated

Where applicable the Council will issue a Liability Notice that states the chargeable amount as soon as possible after the grant of planning permission. The Council will calculate the amount of CIL chargeable to a qualifying development utilising the formulae set out in Parts 5 and 6 of the CIL Regulations. In summary the amount of CIL chargeable will be calculated as follows:

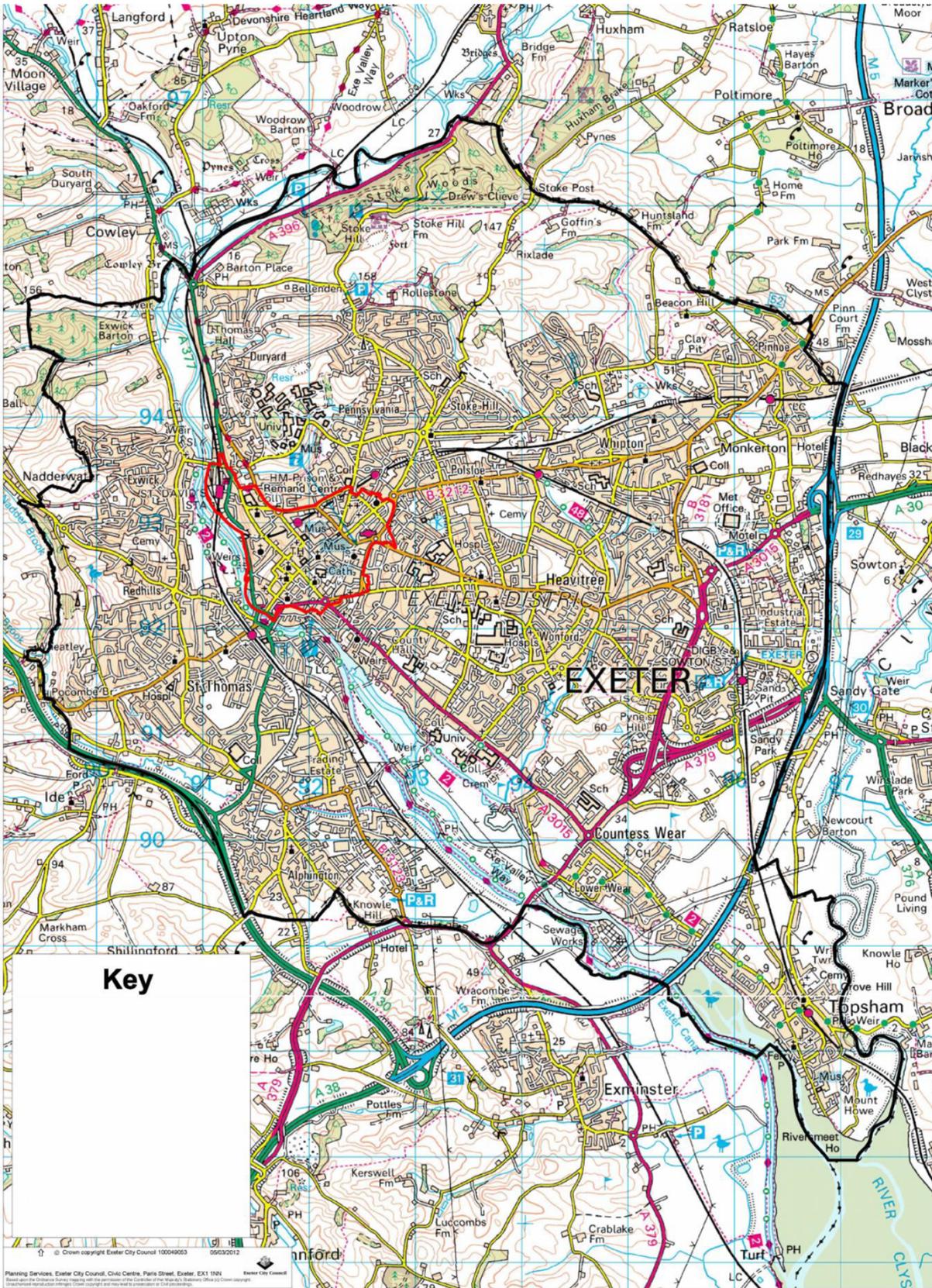
$$\frac{\text{CIL Rate} \times \text{Chargeable Floor Area} \times \text{BCIS Tender Price Index (P)}}{\text{BCIS Tender Price Index (S)}}$$

P = The BCIS Tender Price Index published on 1st November of the year preceding the grant of planning permission

S = The BCIS Tender Price Index published on 1st November of the year preceding Charging Schedule adoption

The Chargeable Floor Area makes allowance for previous development on the site. The net chargeable floor area amounts to the gross internal area of the chargeable development less the gross internal area of any existing buildings that qualify for exemption on the site.

This summary does not take account of every aspect of the CIL Regulations, which are available to view at the Council's website (www.exeter.gov.uk/planning) or at the Civic Centre, Monday to Friday: 08:30 – 17:00.





Equality Impact Assessment - To be completed using the checklist of questions at the end of the table

Title of work being assessed: Review of Community Infrastructure Levy (CIL) Charging Schedule

Introduction

The report recommends the initiation of a review of the Council's Community Infrastructure Levy (CIL) Charging Schedule.

Lead officer: Peter Hearn, Principal Project Manager, Strategic Infrastructure Planning.

Service Manager: Andy Robbins, City Development Manager.

Stakeholders: Councillors and the Community.

For each of the areas below, an assessment has been made on whether the proposal has a **positive, negative or neutral impact**, and brief details of why this decision was made and notes of any mitigation are included. Where the impact is negative, a **high, medium or low assessment** is given. The assessment rates the impact of the proposal based on the current situation (i.e. disregarding any actions planned to be carried out in future).

High impact – a significant potential impact, risk of exposure, history of complaints, no mitigating measures in place etc.

Medium impact – some potential impact exists, some mitigating measures are in place, poor evidence

Low impact – almost no relevancy to the process, e.g. an area that is very much legislation led and where the Council has very little discretion

	Neutral	Positive	Negative
Protected characteristic/ area of interest Race and ethnicity (including Gypsies and Travellers; migrant workers asylum seekers etc.)	There is no evidence to suggest that the proposed review of the CIL Charging Schedule would have a potential impact on this characteristic.		
Disability (as defined by the Equality Act - a person has a disability if they have a physical or mental impairment that has a substantial and long-term adverse effect on their ability to carry out normal day-to-day activities)	There is no evidence to suggest that the proposed review of the CIL Charging Schedule would have a potential impact on this characteristic.		
Sex/Gender	There is no evidence to suggest that the proposed review of the CIL Charging Schedule would have a potential impact on this characteristic.		
Gender reassignment	There is no evidence to suggest that the proposed review of the CIL Charging Schedule would have a potential impact on this		

	characteristic.		
Religion and belief	There is no evidence to suggest that the proposed review of the CIL Charging Schedule would have a potential impact on this characteristic.		
Sexual orientation (including heterosexual, lesbian, gay, bisexual)	There is no evidence to suggest that the proposed review of the CIL Charging Schedule would have a potential impact on this characteristic.		
Age (children and young people aged 0 – 24, adults aged 25 – 50, younger older people aged 51 – 75/80; older people 81+. The age categories are for illustration only as overriding consideration should be given to needs).	There is no evidence to suggest that the proposed review of the CIL Charging Schedule would have a potential impact on this characteristic.		
Community relations	The proposed review of the CIL Charging Schedule would not prevent Members from working with independent organisations to support		

	the local community.		
Human Rights	There is no evidence to suggest that the proposed review of the CIL Charging Schedule would have a potential impact on this characteristic.		
Actions identified as a result of the impact assessment	None.		

Equality Impact Assessment Report Questions checklist	
1.	Describe the piece of work you are assessing and the reason it is being carried out. Are you: <ul style="list-style-type: none"> ○ Making a strategic budget proposal ○ Developing a new policy, strategy or project ○ Reviewing and revising a policy, strategy or project ○ Reviewing a function or a service ○ Restructuring a service. Include any options appraisal and if you have a preferred option explain why.
2.	What are the timescales for completing the work? What committee deadlines do you have to meet?
3.	What are the aims and objectives of the work? How do these link to wider council or strategic objectives.
4.	Who will be the main beneficiaries of the piece of work and in what way? All people in Exeter? Council staff? A specific stakeholder group? A combination of these?
5.	What data do you have on how different groups would be affected by the work?
6.	What research studies or reports have been carried out in other areas of the country or nationally that provide information about the likely impact of your work on equality groups?
7.	What consultation has taken place or is planned with customers (individuals and groups) from equality groups?
8.	What does the consultation indicate about any differential positive or negative impact(s) of this piece of work?
9.	If there are gaps in your previous or planned consultation and research are there any experts/relevant groups that can be contacted to get further views or evidence on the issues? If so please explain who they are and how you will obtain their views.
10.	If you have indicated there is a negative impact on any group, is that impact Legal; Intended; of high or low impact?
11.	If you identified any negative impact that is of low significance, can you minimise or remove it? If so how?

12.	Could you improve the strategy/policy/project's positive impact and if so how?
13.	How do you intend to continue monitoring the impact of this strategy/policy/project?
14.	If there are gaps in your evidence base, do you need to carry out any further research about the likely impact of your work on equality groups?
	There might be a time delay here as you will need to get the results of your consultation before you can continue working your way through the questions.
15.	As a result of this assessment and available evidence collected, including consultation, what if any changes do you need to make to the strategy/policy/project?
16.	Will the changes planned ensure that the negative impact is: Legal; Intended; of low impact?
17.	What monitoring/evaluation/review process have you set up to check the successful implementation of the strategy/policy/project?
18.	How will this monitoring/evaluation further assess the impact on the equality groups/ensure the strategy/policy/project is non-discriminatory?
19.	Please provide an action plan showing any recommendations that have arisen from the assessment and how you plan to take them forward. Are your actions SMART (specific, measurable, achievable, relevant and time-based).
20.	When will you next review this work and the impact assessment?