

REPORT TO EXECUTIVE

Date of Meeting: 29 November 2022

Report of: Director of City Development

Title: Community Infrastructure Levy: Partial Review consultation

Is this a Key Decision?

No

Is this an Executive or Council Function?

Executive

1. What is the report about?

The report explains the progress made on a partial review of the Council's Community Infrastructure Levy (CIL) Charging Schedule - the document which identifies the CIL rates to be charged on different types of development. The reports seeks approval to consult on a draft charging schedule from December 2022 and, depending on the nature of the responses and any revisions, submit for examination.

2. Recommendations:

2.1 That the Executive approves the Draft Charging Schedule (Appendix A) and supporting evidence (Appendix B and Appendix C) as the basis for public consultation for six weeks commencing in December 2022;

2.2 That the Executive gives delegated authority to the Director of City Development, in consultation with the Council Leader, to agree minor changes to the Draft Charging Schedule (Appendix A) before it is published for consultation;

2.3 That the Executive approves the submission of the Draft Charging Schedule (Appendix A), supporting evidence (Appendix B and Appendix C), consultation responses and other information as may be required, to enable an independent examination on the Draft Charging Schedule to take place, subject to there being no revisions to the proposed CIL charges following consultation; and

2.4 That if further revisions to the CIL charges are proposed following consultation, an updated draft will be brought to Executive in advance of submission for examination.

3. Reasons for the recommendation:

3.1 As the Local Planning Authority and Community Infrastructure Levy (CIL) Charging Authority for Exeter, the City Council has the authority to charge CIL in the city. The City Council has been charging CIL since December 2013. In the intervening nine years there have been significant changes in the city and the development industry which means the current CIL charges in the City should be reviewed.

3.2 The City Council and consultants have undertaken significant evidence work and assessment to prepare a draft Charging Schedule which proposes a series of revised CIL charges for development in the city. Not all of the current charges are proposed to be revised and as such the review is only 'partial'.

3.3 Consultation is a statutory requirement of the CIL process. The consultation will enable to provide comments on the draft Charging Schedule and supporting evidence.

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

4.1 The budget required to prepare a draft Charging Schedule, and to commission consultants, was agreed by Council in July 2019. The recommendations made in this report result in no direct or additional resource implications at this stage because the recommended next step is a consultation.

4.2 If, following consultation and examination, the rates in the draft Charging Schedule were taken forward to implementation, there would be a potential impact on CIL revenue. However, CIL revenue is wholly reliant on the activity of the development industry which brings forward the projects which pay CIL and it would take some time for the full implications of the revised CIL rates to take effect. Once established, it is anticipated that future annual CIL revenues generated by the new rates would be comparable to those related to charges in the current Charging Schedule. These charges have historically generated between £2.5 and £4.5m per annum depending on the rate of development.

5. Section 151 Officer comments:

5.1 Whilst there are no specific financial implications for Council to consider in this report, CIL is an important funding stream for Council's to deliver or maintain the infrastructure required to for new developments to integrate into the City.

6. What are the legal aspects?

This report seeks approval to hold a consultation on a Draft CIL Charging Schedule to comply with the provisions of the Community Infrastructure Levy Regulations, 2010, Part 3, Regulation 16 and the Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019.

7. Monitoring Officer's comments:

Given that local authorities are obliged to consult on the proposed charging schedule, the Monitoring Officers is happy to support the recommendation.

8. Report details:

Background

8.1 The City Council implemented CIL in 2013 and currently charges for residential development, purpose built student accommodation and retail outside of the city centre. The current charges are set out in the [existing Charging Schedule](#) which is available online.

8.2 Over time, the CIL rates have been uplifted to take account of indexation. The [current charges including indexation](#) are available:

8.3 The Council has previously agreed to undertake a partial review of the City Council's CIL Charging Schedule. This review will take account of changes to development viability and the evolving maturity of some forms of development in the city.

Evidence base for the CIL Charging Schedule partial review

8.4 A significant amount of work has been undertaken to provide an evidence base for the CIL review. More information on the supporting evidence is included in the Appendices but in summary it includes:

- Engagement with the local development industry and the wider planning team to inform assumptions for a viability assessment.
- An assessment of policy requirements and their costs within the development process.
- A viability assessment process to determine which CIL rates could be appropriate for different development types.
- An updated infrastructure delivery plan (IDP).

This evidence is documented in Appendix B, a general background document and infrastructure delivery plan, and Appendix C, a viability report.

8.5 It should be noted that this IDP is an update of a previous document which covers the period to 2026 which is the end date of the adopted Core Strategy. This is the document which the revised CIL regime would be linked to. This is not a list of infrastructure for the emerging Exeter Plan – An Exeter Plan IDP will be produced in 2023 covering the period up to 2040.

Proposed CIL rates for consultation

8.6 The work undertaken has led to a revised series of CIL rates which are being proposed for consultation. These are listed in Table 1 alongside the current rates.

Development use	Levy (per sq m)	Notes
Residential (excluding Use Class C2, flats, build to rent, purpose built student accommodation and co-living)	£80	No change. This rate is from the October 2013 Charging Schedule. This is currently indexed to £118.57
Flatted residential	£0	New rate for 2022 Draft Charging Schedule. Currently charged the wider residential rate.
Build to Rent	£50	New rate for 2022 Draft Charging Schedule. Currently charged the wider residential rate.
Purpose built student accommodation (PBSA)	£150	New rate for 2022 Draft Charging Schedule. The current Charging Schedule includes a rate of £40 currently indexed to £59.29.
Co-living	£50	New rate for 2022 Draft Charging Schedule. Currently not charged CIL.
Retail outside city centre	£125	No change. Part of October 2013 Charging Schedule. This is currently indexed to £185.27
All other development	£0	No change.

Table 1: Proposed CIL rates for consultation

Consultation details:

8.7 The CIL consultation will be undertaken in accordance with the Community Infrastructure Regulations 2010, the City Council's recently adopted Statement of Community Involvement and the Consultation Charter.

8.8 On this basis, the draft Charging Schedule and the supporting evidence in the Appendices to this report, together with a Statement of Representations Procedure, will be made available for public comment.

8.9 The material will be made available at the reception of the Civic Centre and the libraries in the city and will also be published online. The consultation will be advertised locally. Contact will also be made with Devon County Council, adjoining Local Planning Authorities and other stakeholders as necessary.

8.10 The consultation will run for six weeks in December 2022 and January 2023.

8.11 The CIL is a technical area of work and therefore, although available publically, the consultation will be focused on the development industry, stakeholders and anyone with a specific interest in the subject.

After the consultation

8.12 After the consultation, and subject to the responses received, the draft CIL Charging Schedule, the associated evidence and the responses received will be submitted for examination. An examination will then be arranged to enable interested parties to discuss the CIL charges with an appropriately appointed independent examiner. The examiners will then be published before the City Council has regard to the findings. If the CIL rates are considered appropriate through the examination process the City Council can approve and then implement the new Charging Schedule and the rates included within it.

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

9.1 The consultation on the CIL Draft Charging Schedule will play a role in supporting the three corporate objectives set out in the Council's Corporate Plan. It will contribute to the aspirations of the Exeter Vision 2040 by helping to progress the new establishment of a new CIL regime in Exeter which will provide funding to support growth, shape places and deliver infrastructure and community services related to development.

9.2 In doing so the new CIL regime will help to deliver the City Council's strategic priorities of a prosperous local economy through improving Exeter as place to attract investment. It will also enable investment in infrastructure and services which improve health and activity in the city and support place-making, housing delivery, building neighbourhoods and communities. Finally the CIL regime will support the progress towards a new zero carbon city by taking into account sustainable construction requirements when setting appropriate CIL rates.

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

10.1 The recommendations in this report relate to consultation and the submission of the Draft CIL Charging Schedule for examination. There are no specific decisions to be made at this stage about the implementation of the revised CIL charges. The costs of the CIL review have already been agreed by Council in 2019. On this basis, the risks associated with the recommendations are minimal.

10.2 Looking beyond the specific subject of this report to the point at which an examiner makes conclusions regarding the proposed CIL rates, if at that point, the City Council did not consider it appropriate to implement the revised rates, the current CIL charges would remain.

11. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- Eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- Advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- Foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act and an Equalities Impact Assessment has been included in the background papers for Members' attention.

12 Carbon footprint (environmental) implications

There are no significant and direct carbon/environmental impacts arising from the recommendations. However, the proposed CIL charges for consultation have been developed in the context of potential costs associated with sustainable construction requirements to ensure that the CIL rates do not undermine the ability to deliver these environmental policy aspirations.

13 Are there any other options?

The recommendations in this report respond to statutory requirements for CIL Charging Authorities (including the City Council); to undertake consultation on a Draft Charging Schedule and for the Draft Charging Schedule to be submitted for Examination. There are therefore no other options if pursuing a CIL regime.

Director of City Development, Ian Collinson

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

Background papers used in compiling this report:-

[Current CIL Charging Schedule:](#)

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