

To: Full Council

Date: 30th September 2013

Report of: Head of City Development

Title of Report: Community Infrastructure Levy - approval

Summary and Recommendations

Purpose of report: To seek approval of: the CIL Charging Schedule, the date on which the levy will come into effect, and the revised CIL instalments policy.

Executive lead member: Councillor Colin Cook

Report approved by:

Finance: Nigel Kennedy

Legal: Michael Morgan

Policy Framework: The CIL Charging Schedule will produce a 'tariff-based' approach or levy for new development that is intended to make a significant contribution towards the provision of infrastructure to support new development. It will play a key role in supporting development consistent with the policies and themes in the Core Strategy, and Corporate Plan objectives.

Recommendation(s): Council is asked to:

1. approve the CIL Charging Schedule in line with the recommendation of the independent examiner
2. approve the revised CIL instalments policy
3. approve the date on which the levy will come into effect

Background to the Community Infrastructure Levy (CIL)

1. The Community Infrastructure Levy is the new mechanism for securing developer contributions towards provision of infrastructure to support growth. It is a tariff approach based on a flat-rate per square metre of new floorspace. The use of Section 106 agreements is to be scaled back so as only to cover site-specific mitigation and affordable housing.
2. Members will recall that Council approved a Draft CIL Charging Schedule in December 2012 which set out the proposed rates to be charged. That document was subsequently consulted on and then submitted for independent examination.

The findings of the independent examination of the Charging Schedule

3. The City Council asked the Planning Inspectorate to examine the Draft Charging Schedule who appointed Mr Geoff Salter BA (Econ) MRTPI to the examination. The examination was held on the 29th May 2013. Those who had responded to the consultation had the opportunity to appear at the examination in person or to rely on their written representations. Only four parties requested to be heard in person and the examination was concluded in one session.
4. The Council received the Examiner's final report on the 11th July 2013. In his summary the Examiner states: *"This report concludes that the Oxford Community Infrastructure Levy Charging Schedule provides an appropriate basis for the collection of the levy in the city. The Council has sufficient evidence to support the schedule and can show that the levy is set at a level that will not put the overall development of the area at risk. I have recommended that the schedule should be approved in its published form, without changes."*
5. This positive report means that the Council can now move to start collecting CIL monies at the rates proposed. Following the receipt of the Examiner's report the Regulations require that the Charging Schedule be formally approved by a resolution of Full Council. This report seeks that approval. The final Charging Schedule is attached at Appendix 1. Factual updates to reflect the adoption of the document are shown as tracked changes. A clean version with the amendments accepted will be published as the final document.

CIL instalments policy

6. Members will recall previously approving an instalments policy to help viability of development proposals while maintaining cash flow for infrastructure delivery. In the light of comments raised by some developers, officers recommend making some small amendments to the policy to allow for a longer period for payment on very large

schemes. The revised policy would allow for payments within 4 equal payments over the period of 3 years following commencement of development for those developments liable to pay £2 million or more. Annex 4 of the Charging Schedule (Appendix 1 of this report) includes the proposed revised instalments policy. Amendments are shown as tracked changes. Officers recommend that this policy is approved.

The Regulation 123 list

7. The City Council must also publish a so-called Regulation 123 list. Regulation 123 of the CIL Regulations provides for a CIL charging authority, which in Oxford is the City Council, to publish a list of infrastructure that will be, or may be, wholly or partly funded by CIL. The initial Regulation 123 list will be based upon the list of infrastructure that was prepared to support the CIL Charging Schedule. That list was published for consultation and considered by the independent examiner. However, the Regulation 123 list will need to be kept under regular review to reflect changing circumstances.
8. Regulation 123 also prevents the use of S106 planning obligations for infrastructure that is included on this list, in order to ensure that there is no double charging of developers for the same infrastructure project. The main legal implication of the Regulation 123 list is therefore in its relationship to planning obligations.
9. Publication of the Regulation 123 list is an executive matter delegated to the Head of City Development. Further background information explaining the role of the Regulation 123 list is set out in Appendix 2 of this report.
10. It is important to recognise that inclusion of a particular project on the Regulation 123 list does not represent a commitment by the City Council to spend CIL monies on that project. Decisions on which projects from the Regulation 123 list are to be prioritised for spending will need to be taken separately. Officers will lead the task of prioritising these projects, working with County colleagues. The proposed project prioritisation will be set out in an annual report on the intended spend of CIL monies. This report will be included in or alongside the Capital Programme Report and, as such, will be approved by City Council Members as part of the annual budget discussions.

Section 106 agreements

11. As mentioned above, the use of Section 106 legal agreements to secure developer contributions will be much more restricted once CIL has been brought into effect. As a linked project, a revised Supplementary Planning Document (SPD) on Affordable Housing and Planning Obligations has been produced to reflect these changes. The

revised SPD was approved by City Executive Board on 11th September 2013.

Bringing the levy into effect

12. The Regulations require that a date be approved by Council for the bringing into effect of the levy. The date recommended to Council for bring the levy into effect is 21st October 2013. To be clear, any planning approvals granted after this date (defined by the issuing of a decision notice) will be subject to a CIL charge, irrespective of when that application was submitted. Council is recommended to approval that CIL be brought into effect on 21st October 2013.

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Appendix 1: Charging Schedule

Appendix 2: Background information explaining the role of the Regulation 123 list