

Report to: Policy and Resources Committee, 19th December 2023

Report of: Corporate Director - Planning and Governance

Subject: COMMUNITY INFRASTRUCTURE LEVY DRAFT CHARGING SCHEDULE

1. Recommendation

That the Committee:

- 1.1 approves the Community Infrastructure Levy Draft Charging Schedule, as set out in Appendix 1, for a six-week consultation under Regulation 16 of the Community Infrastructure Levy Regulations 2010 (as amended) (CIL Regulations); and**
- 2.2 authorises the Corporate Director – Planning and Governance, in consultation with the Chair and Vice-Chair of Place and Economic Development Committee to make any necessary minor amendments to the Community Infrastructure Levy Draft Charging Schedule material prior to publication.**

2. Background

- 2.1 The Council is seeking to implement an updated Community Infrastructure Levy (CIL) Charging Schedule which will set out levy rates to be paid per square metre for new development in the South Worcestershire Development Plan Review (SWDPR) area. CIL Charging Schedules must be prepared in accordance with the Community Infrastructure Levy Regulations 2010 (as amended) and adopted by each individual authority, rather than jointly between the South Worcestershire Councils (SWCs). The SWCs adopted individual Charging Schedules in 2017.
- 2.2 The overarching requirement is that CIL contributes to the infrastructure needed to support development and the sustainability of the development plan. Infrastructure includes transport improvements, roads, pedestrian and cycle routes, sports and community facilities, libraries, education, and flood defences. CIL contributions could be used to fund primary healthcare infrastructure such as extensions to GP Surgeries, where this is not funded through s106 and where this would meet the tests as set out in the CIL regulations; however the courts have confirmed that the impact of new housing development on acute healthcare services arising from population growth is funded or at least partially funded, though the national funding formula arrangements and is therefore not expected to benefit from CIL (or s106) developer contributions.
- 2.3 The CIL regulations require consultation on a Draft Charging Schedule prior to submitting it to the Secretary of State for examination. The consultation is planned to take place in early 2024 and the new Charging Schedule is expected to be

implemented by the end of 2024. This is to allow the new Charging Schedule to be consistent with and support the implementation of the South Worcestershire Development Plan Review (SWDPR).

- 2.4 The purpose of this report is to seek committee approval of the CIL draft Charging Schedule with its supporting documents for the purposes of public consultation. The work programme of the SWDP Review has been overseen by the Place and Economic Development Committee with support from the Joint Advisory Panel. However, this work on CIL charging was still in preparation at the time of the last meeting of the Place and Economic Development Committee and needs to be now progressed quickly; hence it has been placed on the agenda of the Policy and Resources Committee for a mandate to consult. Under the Council's Constitution, the final draft charging schedule will need to be approved by full Council in any event before it is submitted to the Planning Inspectorate for Examination.

3. New draft Charging Schedule

- 3.1 The proposed new charging schedule is attached at **Appendix 1**.
- 3.2 Preparation of the new draft Charging Schedule is supported by several evidence documents that have been submitted to the Planning Inspectorate for examination as part of the SWDPR. This includes the Infrastructure Delivery Plan (IDP) that sets out the infrastructure requirements to support the delivery of planned development, and viability assessments carried out to ensure that the cumulative impact of the Local Plan policies is viable and deliverable. The viability evidence includes various scenarios for development values and costs including testing different CIL rates for residential and other development types.
- 3.3 In many cases the evidence supports setting higher rates than are currently levied. The existing and proposed rates are set out in tables 1 and 2 in the draft Charging Schedule.

4. Next Steps

- 4.1 The Draft Charging Schedule is also being considered by Wychavon District Council on 6th December 2023 and Malvern Hills District Council on 30th January 2024.
- 4.2 Subject to all three Councils agreeing to take this forward to consultation, the consultation period is expected to start shortly after the 30th January 2024.
- 4.3 The outcome of the consultation will be reported to a meeting of full Council, to seek authority to make any necessary updates arising from the consultation, in consultation with the Chair and Vice Chair of Place and Economic Development Committee, and to submit the draft Charging Schedule for examination in accordance with the CIL Regulations.
- 4.4 A separate report and recommendation(s) will be brought to the Place & Economic Development Committee regarding the future governance arrangements and spending of CIL contributions.
- 4.5 The review of the CIL draft Charging Schedule has been closely aligned with the review of the SWDP as much of the development viability evidence is common to both and the new CIL Charging Schedule will support infrastructure deliver associated with development being brought forward in the SWDPR.

5. Preferred Option

- 5.1 The preferred option is to progress the current draft Charging Schedule which has been prepared based on the updated evidence base studies, viability analysis and advice from specialist development viability consultants.

6. Alternative Options Considered

- 6.1 The Council could choose to not update the CIL rates at this time however this could significantly reduce the amount of money available to deliver the necessary infrastructure to support sustainable development in the Worcester City and wider south Worcestershire area and implementation of the SWDPR.
- 6.2 Various scenarios have been tested to ensure that the proposed rates are set at the highest level possible without overburdening development. Proposing higher rates than are currently shown in the draft Charging Schedule, could undermine the deliverability of development that is to be brought forward in the SWDPR.

7. Implications

7.1 Financial and Budgetary Implications

- 7.1.1 The replacement of the current Charging Schedule with the proposed CIL draft Charging Schedule, once adopted, should significantly increase the amount levied from several development types for infrastructure investment. The associated work requirements for administering the CIL may increase but this can be covered through the portion allocated to this as per the CIL regulations and best practice.
- 7.1.2 CIL is justified and charged for limited planning and development purposes and the updated schedule would not otherwise have significant financial or budgetary implications in comparison to the existing situation.

7.2 Legal and Governance Implications

- 7.2.1 The SWCs have established practices and the SWDPR officer team will be following all necessary internal regulatory processes, utilising legal and expert advisers where appropriate. The replacement of the current CIL Charging Schedule is not expected to have significant legal or governance implications. A separate report and recommendation will be brought to the Place & Economic Development Committee regarding the future governance and spend of CIL contributions levied.

7.3 Risk Implications

- 7.3.1 Delays to the consultation or subsequent submission of an updated CIL Charging Schedule would delay adoption and the ability of the Council to secure the recommended levy rates which are required for the sustainable development planned in the SWDPR.

7.4 Corporate/Policy Implications

- 7.4.1 CIL is one of the tools available to the Council to deliver some of its strategic objectives. Updating the CIL Charging Schedule is expected to result in higher

amounts levied for investment in mitigating the impact of new development and delivering essential infrastructure.

7.5 Equality Implications

7.5.1 There are no significant equality implications expected as a result of the recommendations.

7.6 Human Resources Implications

7.6.1 There are no significant human resource implications expected as a result of the recommendations.

7.7 Health and Safety Implications

7.7.1 There are no significant human resource implications expected as a result of the recommendations.

7.8 Social, Environmental and Economic Implications

The recommendations support the delivery of the sustainable development planned for in the SWDPR, including the mitigation of environmental harm and the provision of social infrastructure. The distribution and spend of CIL receipts will be addressed in a further report to PED.

Ward(s): ALL
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Background Papers: Community Infrastructure Levy – Draft Charging Schedule
Viability Evidence Studies:
[SWDPR and Community Infrastructure Levy Viability Review](#)
[Retail and Commercial Community Infrastructure Levy Viability Review](#)
[Strategic Site Viability Assessment](#)
Small Retail Viability Addendum Report