

Report to: Place and Economic Development Committee, 29th January 2024

Report of: Corporate Director- Planning and Governance

Subject: COMMUNITY INFRASTRUCTURE LEVY DRAFT CHARGING SCHEDULE REVIEW

1. Recommendation

That Place and Economic Development Committee agree:

- 1.1 subject to the outcome of the Regulation 16 Publication consultation raising no material compliance issues with respect to the schedule drafting requirements (the Planning Act 2008 and CIL Regulations), to authorise the Corporate Director- Planning and Governance, in consultation with the Chair and Vice-Chair of Place and Economic Development Committee, to make minor modifications and submit the Community Infrastructure Levy Draft Charging Schedule for Examination, in accordance with Regulation 19 of the CIL Regulations;**
- 1.2 as part of the Examination process, to authorise the Corporate Director- Planning and Governance, in consultation with the Chair and Vice-Chair of Place and Economic Development Committee, to formally request that the Examiner considers approving the Charging Schedule subject to modifications that are considered necessary by the Examiner to make the Schedule compliant with the drafting requirements.**

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 Approval was given at the Policy and Resources Committee on 19th December 2023 for the (South Worcestershire) Councils to undertake public consultation on the draft charging schedule. 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 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). It was originally intended to progress the review of the draft Charging Schedule quickly to a point of consultation and thereafter submission, and therefore the timing of the Policy and Resources committee better aligned with the timetable for the review. However, since that time progress has not been as quick as anticipated, with Malvern Hills District Council expected to consider this matter later in January 2024.
- 2.4 The purpose of this report is to seek committee approval to submit the CIL draft Charging Schedule along with supporting documents, following the consultation, for examination and as part of the examination process authorise the Corporate Director- Planning and Governance in consultation with the Chair and Vice-Chair of Place and Economic Development Committee to formally request the Examiner recommends proposed modifications necessary to make the Schedule compliant with the drafting requirements.
- 2.5 Preparation of the 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.
- 2.6 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.

3. Preferred Option

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

4. Alternative Options Considered

- 4.1 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.

- 4.2 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 through the SWDPR.

5. Implications

Financial and Budgetary Implications

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. The cost associated with the review of the CIL draft charging schedule is included within the overall SWDPR budget.

5.1 Legal and Governance Implications

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.

5.2 Risk Implications

Delays 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.

5.3 Corporate/Policy Implications

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.

5.4 Equality Implications

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

5.5 Human Resources Implications

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

5.6 Health and Safety Implications

There are no significant health and safety implications expected as a result of the recommendations.

5.7 Social, Environmental and Economic Implications

The recommendations support the delivery of 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 Place and Economic Development Committee.

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