

Meeting Executive
Portfolio Area Environment and Regeneration
Date 14 July 2021



COMMUNITY INFRASTRUCTURE LEVY (CIL) - 12 MONTH REVIEW

KEY DECISION

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1 PURPOSE

- 1.1 To inform Members of the amounts of Community Infrastructure Levy (CIL) secured and projected.
- 1.2 To seek agreement that the current Charging Schedule (CS) be maintained.

2 RECOMMENDATIONS

- 2.1 That the amounts of Community Infrastructure Levy (CIL) secured and projected be noted.
- 2.2 That the current CIL Charge Schedule (CS) rates be maintained until after the outcome of a review in 2022/2023.

3 BACKGROUND

- 3.1 The Community Infrastructure Levy (CIL) is a planning charge introduced by the Planning Act 2008, as a tool for local authorities to help deliver infrastructure to support the development of their area. It allows local authorities to raise funds from developers undertaking new building projects. The money can be used to fund a wide range of infrastructure, such as

transport schemes, schools, community facilities, parks and leisure facilities, which are needed as a result of development taking place.

- 3.2 The Council adopted a CIL Charging Schedule in January 2020 and started to implement the Charging Schedule on 1 April 2020.
- 3.3 CIL is an alternative way of collecting financial contributions towards infrastructure to the Section 106 mechanism. CIL is fairer, faster, more certain and transparent mechanism than using Section 106 agreements, which often cause delays as a result of lengthy negotiations that take place behind closed doors and are subject to viability. The benefit of CIL is that once it is collected it can be used to deliver any infrastructure that the Council wish – it is not ring-fenced for a specific scheme or type of project.
- 3.4 The Council will continue to use Section 106 agreements for site-specific mitigation, particularly for the larger schemes such as where a whole school is required as part of a single development (e.g. North Stevenage and West of Stevenage) or where road/cycleway improvements are required within or in close proximity to the development. However, Section 106 agreements can only secure funding towards infrastructure that is directly related to the scheme and is required for the development to be considered acceptable. CIL payments on the other hand, can be pooled together and used to fund infrastructure more strategically across the borough rather than funding elements of mitigation on a site-by-site basis.
- 3.5 Since the 1st of April 2020 the Council has been using the Charging Schedule included in Table 1 (subject to minor changes to reflect indexation) for relevant schemes that have come through the planning system:

Table 1: Existing CIL Charging Schedule

Development type	CIL rate	
	Zone 1: Stevenage Central, Stevenage West and Stevenage North	Zone 2: Everywhere else
Residential Market housing	£40/m ²	£100/m ²
Sheltered Housing	£100/m ²	
Extracare housing	£40/m ²	
Retail Development	£60/m ²	
All Other Development	£0/m ²	

- 3.6 When the Executive and Council approved the adoption of a CIL Charging Schedule in 2019/ 2020, they agreed to review the rates after a year.

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

Recommendation 2.1: That the amounts of Community Infrastructure Levy (CIL) secured and projected be noted.

- 4.1 Since the implementation of CIL on 1 April 2020, the Council has secured the CIL receipts shown in Table 2. Appendix 1 gives a breakdown of the applications that have secured CIL liabilities. Appendix 2 shows the estimated large scale liabilities that are due in the next few years. Appendix 2 omits non-strategic developments, windfall developments and householder applications and only includes the strategic developments expected to make up the majority of the Council’s future CIL income.

Table 2: Overview of CIL finances since 1 April 2020

Allocation	Potential	Due	Collected	Allocated	Spent
Totals	£1,199,693	£29,247	£10,355	£0.00	£0.00

- 4.2 “Potential” means a CIL-liable application has been granted permission and the CIL liability has been agreed. “Due” means a CIL-liable development has commenced on site. “Collected” means CIL instalments that have been paid following commencement on site.
- 4.3 Officers will shortly commence work with Councillors on the Planning and Development Committee to determine Governance and decision-making systems for how to decide what future CIL receipts should be spent on in the future.

Recommendation 2.2: That the current CIL Charging Schedule rates be maintained until after the outcome of a review in 2022/2023.

- 4.4 As can be seen in Table 2 and Appendix 1, there have not been a significant number of CIL-liable proposals that have been granted permission since the Council started implementing CIL on 1 April 2020. As such, only a limited amount of CIL funding has been secured and collected.
- 4.5 As shown in Appendix 2, there are a number of large scale proposals progressing through the Council’s planning system which the Council will secure CIL liabilities for once they have finalised Section 106 agreements and the Council has issued decision notices.
- 4.6 As such, officers are still in the very early days of assessing the impact of the rates and will be in a better position to review them in a year’s time when a larger number of CIL-liable schemes have gained planning permission.
- 4.7 The pandemic has had a variety of impacts on the development and housing markets within high levels of Planning activity but mixed effect on the residential housing prices. Given the UK is still at the early stages of a recovery, it is felt any upward review is premature.
- 4.8 It is proposed to review the rates in the next financial year, 2022/2023.

5 IMPLICATIONS

Financial Implications

- 5.1 The financial expectations remain as previously reported.

Legal Implications

- 5.2 The preparation of Community Infrastructure Levy is given effect by the 2008 Planning Act.
- 5.3 Detailed statutory requirements for the preparation of CIL, including consultation requirements, are set out in The Community Infrastructure Levy Regulations 2010 (as amended).

Risk Implications

- 5.4 None.

Planning Implications

- 5.5 None.

Environmental & Climate Change Implications

- 5.6 CIL has the potential to have a positive impact on the environment, as monies can be used towards improving/maintaining/new environmental infrastructure.

BACKGROUND DOCUMENTS

None.

APPENDICES

- 1 List of CIL Liabilities by permission
- 2 Approximate income from future large schemes yet to commence or be approved

Appendix 1 - List of CIL Liabilities by permission

App. No	Site Address	Site Description	Ward	CIL Liability
20/00133/FP	Former Shephall Green Infant School	Construction of 2 No. 4 bedroom semi detached houses	Shephall	£22,800.00
20/00142/FP	Courtlands	Proposed detached dwelling to replace existing mobile home.	Symonds Green	£7,100.00
20/00256/FP	188 Bedwell Crescent	Part two storey, part single storey rear extension and single storey front extension to existing dwelling, erection of 1no. four bedroom dwelling	Bedwell	£20,800.00
20/00227/FP	Land To The Rear Of 36 Fellowes Way And 57 Woodland Way	Erection of 1no. one bedroom bungalow	Roebuck	£8,700.00

App. No	Site Address	Site Description	Ward	CIL Liability
20/00290/FP	Former DuPont	Change of use from commercial (use classes A1/A2/A3/D1) to 6 no: one-bed units and 3 no: two-bed units with associated facade alterations, cycle parking, 12 car parking spaces and 3 visitor spaces.	St Nicholas	£0.00
19/00123/FP M	Land To West Of A1(M) And South Of Stevenage Road	Erection of 133 dwellings with associated amenity and open space provision, landscaping and access.	Symonds Green	£1,130,989.00
19/00721/FP	19 Made Field	Change of use of amenity land to private residential land, erection of part single-storey, part two-storey side extension, single-storey rear extension and conversion of existing dwellinghouse into 3 no. one bedroom apartments.	Bedwell	£5,168.00

App. No	Site Address	Site Description	Ward	CIL Liability
20/00593/FP	49 Fellows Way	Erection of 1no. Three bedroom dwelling	Roebuck	£12,900.00
20/00672/FP	Garages And Forecourt Area To Rear Of 13-19 The Chace	Erection of 3no. three bed dwellings, parking and amenity space following demolition of garages	Roebuck	£21,136.53
20/00671/FP	Land Adjacent To 24 Shackledell	Construction of 1no Two storey three bed house with associated parking and 3 additional public parking spaces.	Shephall	£9,752.71

Appendix 2 – Approximate income from future large schemes yet to commence or be approved

Address	Ward	Approximate income
Land To West Of A1(M) And South Of Stevenage Road, Todds Green	Symonds Green	£1.1 Million
Former BHS Store	Bedwell	£500,000
SG1 Phase 1	Bedwell	£1.8 Million
SG1 Phase 2-4	Bedwell	£2.4 Million
Land North of Stevenage	Woodfield	£1.8 Million
Land To The West Of Stevenage Phase 1	Symonds Green	£850,000
Land To The West Of Stevenage Phases 2-4	Symonds Green	£2.5 Million
Land To The West Of Lytton Way	Old Town	£4.3 Million
South Stevenage	Longmeadow	£3 Million
Land At Maxwell Road	Symonds Green	£325,000