

Meeting: **PLANNING & DEVELOPMENT  
COMMITTEE**

Agenda Item:

**5**

Date: **13 SEPTEMBER 2016**

**PLANNING & DEVELOPMENT COMMITTEE BRIEFING:  
STEVENAGE COMMUNITY INFRASTRUCTURE LEVY (CIL)**

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**1. PURPOSE**

- 1.1 To bring to the Committee's attention new emerging planning policies and planning issues particularly around the Community Infrastructure Levy (CIL) in Stevenage.

**2. RECOMMENDATIONS**

- 2.1 That the update below concerning the Community Infrastructure Levy (CIL) be noted.

**3. BACKGROUND**

- 3.1 The Community Infrastructure Levy (CIL) is a new system of securing developer contributions from planning permissions which local authorities are empowered but not required to charge on new development in their area. The levy is to be used to support growth and is in effect an infrastructure tax on new development.

**4. DETAILS OF THE PROPOSAL**

- 4.1 CIL is a charge on new development, expressed as a cost per metre, set at the time planning permission is granted and paid on the commencement of development. In Hertfordshire CIL is set by the local planning authority (SBC for Stevenage). The Community Infrastructure Levy Regulations were brought into force on the 6 April 2010 have been updated 5 times and are currently under review again.
- 4.2 One of the benefits of CIL is that once it is set it is non-negotiable therefore developers and the Council will be given far clearer guidance on the levels of infrastructure contributions that are likely from the outset, enabling developers to better consider this in any development appraisals.
- 4.3 The Council will be able to use anticipated CIL receipts to better plan and deliver capital infrastructure improvements. Under CIL regulations there is a wider scope of what monies can be spent on as mitigation is replaced by

infrastructure that supports growth as the key reference in applying monies. CIL can also be spent on maintenance associated with the new infrastructure.

- 4.4 Regulations state that after a transition period leading up to 2015 or once a CIL is in place, existing S106 tariff arrangements must cease and S106 can only be used for site specific matters. Consequently, CIL will be main way for local authorities to obtain general monetary contributions from developers towards the cost of providing large-scale community infrastructure. Some site specific mitigation alongside affordable housing will remain as S106 obligations.
- 4.5 Any different levels in setting the CIL charge for either different land uses or different geographic areas can only be made on viability grounds otherwise it may be considered state aid. Looking at house prices in the borough, a key part of the viability testing, the wide range of prices means a variable rate is the most likely outcome to ensure we are secure a reasonable level of CIL. SBC has conducted an initial viability CIL test as part of the work on the local plan but it will be updated.
- 4.6 SBC will need to formally consult upon potential rates of CIL through a preliminary draft charging schedule (6 weeks) and a draft charging schedule (4 weeks) before submitting to the Planning Inspectorate for consideration.
- 4.7 Currently we are re-working a timetable to do this in 2017, with an expected adoption in early 2018. At the same time as drafting the levels of proposed CIL, SBC will also be drafting a Regulation 123 list which details the areas that future S106 will not be sought from. For example if CIL is expected to pay for a certain Highways improvement, then it will be noted in the Regulation 123 list that SBC cannot seek S106 for it in the future. The list can be updated regularly and should reassure developments that both S106 and CIL will not be sought for the same project.

### **WHO PAYS CIL?**

- 5.1.1 SBC will set out an Instalment Policy in due course to state when payments are due, they are triggered on implementation of the planning permission and the default payee is the freeholder.
- 5.1.2 The triggers for CIL are either:
  - the creation of a new residential unit or
  - more than 100sqm of NEW non-residential floor space
- 5.1.3 In Stevenage it is only likely to apply to residential and retail floor space in certain areas.
- 5.1.4 Affordable housing, self- build and charities can apply for relief from CIL

### **APPENDICES**

None