

Decision Maker: **Development Control Committee**

Date: **17th November 2011**

Decision Type: Non-Urgent Non-Executive Non-Key

Title: **COMMUNITY INFRASTRUCTURE LEVY - CONSULTATION ON
DETAILED PROPOSALS AND DRAFT REGULATIONS FOR
REFORM.**

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Chief Officer: Chief Planner Bob McQuillan

Ward: All

1. Reason for report

1.1 This report brings to Members attention that the Government is consulting on the detailed proposals and draft regulations for reforms to the Community Infrastructure Levy. The consultation began on the 10th October and closes on the 30th December 2011. The proposed reforms are the result of changes to the levy proposed by the Localism Bill in final stages through Parliament (which provides for a new neighbourhood planning regime). The issues covered by the consultation are far broader than just planning and it is therefore anticipated that the Executive will consider a report to agree the basis of a corporate response to meet the December deadline.

2. **RECOMMENDATION(S)**

2.1 That Development Control Committee notes the publication of the consultation and questions at Appendix 1.

2.2 That Development Control Committee notes the intention for a report to go to the Executive in December with a suggested corporate response to meet the 30th December deadline.

Corporate Policy

1. Policy Status: N/A.
 2. BBB Priority: Excellent Council. Quality Environment, Vibrant Thriving Town Centres
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Financial

1. Cost of proposal: N/A
 2. Ongoing costs: N/A.
 3. Budget head/performance centre: N/A
 4. Total current budget for this head: £N/A
 5. Source of funding: N/A
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Staff

1. Number of staff (current and additional): N/A
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: Statutory requirement. Planning Act 2008 Part11
 2. Call-in: Call-in is not applicable. information item
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? No.
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 The Planning Act 2008 (Dec) enabled a planning charge to be collected locally, this is known as the Community Infrastructure Levy (CIL). Local Authorities have been empowered since April 2010, to levy this charge on most types of residential, commercial and industrial development to help fund infrastructure which is fundamental to the delivery of a vision for the area, and identified through the Infrastructure Delivery Plan (IDP) which is already required by PPS12, as part of the Local Plan/Core Strategy process. Development Control Committee has previously had reports outlining CIL in detail. CIL will provide more resources while the Government has said that core public funding will continue to bear the main burden. Local Authorities (London Boroughs are charging authorities) will need to utilise CIL if they choose, alongside other funding streams to deliver infrastructure plans locally but it cannot be used to remedy existing deficiencies locally.
- 3.2 The Government set out proposals to reform the Community Infrastructure Levy regulations in the 2010 Localism Bill, which is still going through the Parliament. The changes would require local authorities to pass a meaningful proportion of receipts to the neighbourhoods where the development that gave rise to them took place, clarifies that receipts may be spent on the ongoing costs of providing infrastructure to support the development of the area and provides more local choice over how to implement a charge. The aim of the consultation is to seek views on matters relating to the detailed implementation of the Government's proposals.

These include:

- The implementation of neighbourhood funds – to give local authorities and their communities the means and flexibility to manage the impacts of development; the local authority will retain the CIL funds and engage with communities in determining how to spend those receipts. Neighbourhoods will be able to spend the funds on the infrastructure that they want, for example open space provision, playgrounds and cycle paths, or by contributing to larger projects funded by other bodies e.g. the Council. Neighbourhood spending cannot be used to remedy pre-existing deficiencies in infrastructure provision, except to the extent that they will be aggravated by new development, as with the Council CIL spending.
- Allowing receipts to be used to provide affordable housing -the Planning Act 2008 allows for affordable housing to be included as a type of infrastructure, but the current CIL regulations prevent receipts being used for this purpose. The Government seeks views on providing local authorities with an option to use the CIL to deliver affordable housing (alongside other forms of infrastructure) where there is robust evidence that doing so would demonstrably better support its provision and offer better value for money. The purpose of the consultation is to consider whether allowing this flexibility would allow for not only more efficient provision of affordable housing but better support delivery of local policies, including off-site provision.
- Requiring charging authorities to report more openly and regularly on receipts and expenditure to improve transparency and understanding of the contribution that developers are making and how those funds are used the Levy reporting requirements are set out in current levy regulation where the levy receipts and expenditure in relation to the previous financial year are reported through the Planning Annual Monitoring Report. The Government want charging authorities to be required to make information on levy receipts and expenditure available to communities in 'real time'.
- Adding new Development Orders to the list of developments that may be liable to a CIL charge – the Localism Bill introduces new provision to allow for planning permission to be granted through Neighbourhood Development Orders, including Community Right to Build Orders.
- Providing transitional provisions to allow fair operation of the levy in Mayoral Development Corporation (MDC) areas – the Localism Bill includes a general power for the designation for

Mayoral development areas to drive regeneration. Proposed amended CIL regulation would then reflect this.

- 3.4 Views are being requested corporately before the questionnaire at Appendix 1 is compiled. Following the closure of the consultation at the end of December, and the passage of the Localism Bill through its Parliamentary stages, the Government will consider responses to this consultation before finalising the CIL regulations, which will then be laid before Parliament.

4. POLICY IMPLICATIONS

The Community Infrastructure Levy is designed to be a charge to help fund infrastructure which is fundamental to the delivery of a vision for the area, as identified through the Infrastructure Delivery Plan (IDP) which is part of the Local Plan/Core Strategy process. Council's have a choice to develop a CIL in their area at a level that will not effect the economic viability of development.

Non-Applicable Sections:	Financial, Legal and Personnel at this stage of consultation.
Background Documents: (Access via Contact Officer)	Planning Act 2008 DCC report 20 th October 2009 -Community Infrastructure Levy (CIL). SPD Planning Obligations December 2010 DCC and Executive report 8 th & 14 th Feb 2011- Consultation on Mayoral Community Infrastructure Levy. CLG - Community Infrastructure Levy Regulation- April 2010 CLG - Community Infrastructure Levy Regulation- April 2011