

**Decision Maker:**        **Development Control Committee**

**Date:**                    **14th February 2012**

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

**Title:**                    **MAYORAL COMMUNITY INFRASTRUCTURE LEVY**

**Contact Officer:**      Terri Holding, Planning Policy Officer  
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**Chief Officer:**        Chief Planner Bob McQuillan

**Ward:**                    Boroughwide

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**1. Reason for report**

Under powers set out in Part 11 of the Planning Act 2008 and Community Infrastructure Levy (CIL) Regulations 2010, the Mayor of London intends to collect a Mayoral CIL via each London Local Authority from 1<sup>st</sup> April 2012. LB Bromley, will therefore be acting as the collecting authority for the Mayor. This report updates Members of the Mayor's progress in introducing the Mayoral CIL, and the process of advising developers, agents and applicants of their liabilities. LB Bromley made representations objecting to the Mayoral CIL at both consultation stages in 2011 and the Examination in Public (EiP). However, following the EiP the Examiner has recommended to the Mayor that the charging schedule be approved. An announcement from the Mayor is expected shortly.

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**2. RECOMMENDATION(S)**

2.1 Members are requested to note the report

### Corporate Policy

1. Policy Status: N/A.
  2. BBB Priority: N/A.
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### Financial

1. Cost of proposal: Estimated cost net nil
  2. Ongoing costs: Recurring cost. £30-45k expenditure off set by £30-£45k income
  3. Budget head/performance centre: Planning
  4. Total current budget for this head: £3.359m
  5. Source of funding: income generated from 4% of mayoral CIL
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### Staff

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

1. Legal Requirement: Statutory requirement. Part 11 of the Planning Act 2008 and the Community Infrastructure Levy Regulations 2010 and 2011.
  2. Call-in: Call-in is not applicable.
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### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Boroughwide
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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 Under powers set out in Part 11 of the Planning Act 2008 and Community Infrastructure Levy Regulations 2010 the Mayor of London intends to collect via each London Local Authority the Mayoral Community Infrastructure Charge from 1<sup>st</sup> April 2012. The levy is intended to raise £300 million towards the delivery of Crossrail, which is essential to the capital's growing economy and to ensuring it remains a competitive global business centre in the 21st century. It forms part of the funding package for the project agreed between the Mayor and Ministers. Crossrail will bring significant benefits across London improving the transport system, creating thousands of new jobs. It is estimated by the GLA that every London borough, not just those on the Crossrail route, will see annual benefits to its economy ranging from £15 million to £115 million.
- 3.2 This report aims to advise developers, applicants and Members that collection of this new Levy is about to start and that the Council was not responsible for setting the charges and is only acting as a collecting body under the terms of the Planning Act 2008. Further, the Council had raised objections at both Mayoral CIL consultations last year, relating to the principle involved, the banding and the basis on which the Charging Schedule operates and the potential loss of valuable resources (as the Mayor's CIL is mandatory and could compete with s106 requirement locally and a local CIL) to Bromley. Council objections were put before the Examination in Public (EIP) last December.
- 3.3 On 27 January 2012 the Mayor received the report of the independent examiner who conducted the EIP, recommending the Mayor's proposed community infrastructure levy (CIL) charging schedule be approved. The Mayor will consider a report from GLA officers recommending that CIL charging commences on 1 April 2012 and we are advised a further announcement will be made shortly.
- 3.4 The Mayoral Community Infrastructure Levy will be collected by the boroughs once development commences and will be charged as per the charging schedule at the following rates:
- Zone 1 – £50 per square metre Camden, City of London, City of Westminster, Hammersmith and Fulham, Islington, Kensington and Chelsea, Richmond-upon-Thames, Wandsworth
  - Zone 2 – £35 per square metre Barnet, Brent, Bromley, Ealing, Greenwich, Hackney, Haringey, Harrow, Hillingdon, Hounslow, Kingston upon Thames, Lambeth, Lewisham, Merton, Redbridge, Southwark, Tower Hamlets
  - Zone 3 – £20 per square metre Barking and Dagenham, Bexley, Croydon, Enfield, Havering, Newham, Sutton, Waltham Forest Preliminary Draft Charging Schedule
- 3.5 At the moment affordable housing is exempt by regulation from any CIL charge. There was a recent Government consultation (Dec 2011) as to the benefits or not of including affordable housing as a form of infrastructure eligible to a CIL charge with Bromley supporting the proposal that it is for each charging authority to decide whether they wish to include affordable housing depending on their local circumstances. There are some other exemptions and or reliefs that include health and education uses, small residential development (under 100 square metres), but no additional relief for charities unless the development is used by charities for charitable purposes. All other types of development will be caught by the Levy. Payment will be due on commencement of development and in the case of large developments can be paid in phases.
- 3.6 The Council will be responsible for the collection of the Mayoral CIL and for passing the monies received to the Mayor minus the costs of administration up to 4%. An officer group, led by Planning brings the different services involved in the implementation together to ensure the Council fulfils its responsibilities as efficiently as possible. The mechanisms and systems will be put in place between now and the 1<sup>st</sup> April for the issuing of relevant notices, collection, registering as a land charge, enforcement (including non-payment of CIL and surcharges)

appeals against payment and calculation, monitoring and financial reporting in readiness to start from the 1<sup>st</sup> April. The intention is to automate as much of the process as possible to reduce costs. New software, compatible with the existing planning systems will be required. However, by working with other boroughs with similar systems the aim is to achieve economies of scale in the purchase of software and support.

- 3.7 Planning applications decided from 1<sup>st</sup> April will attract the Mayoral CIL; this will include applications already being processed at the moment, a process of informing these applicants is underway. The Council's website carries a page of information on Mayoral CIL with links to the Mayor's and Transport for London websites, to help further inform developers and the general public. Agents in the Agent's Forum have been advised in writing.
- 3.8 A previous report to the Executive last December, explained that the introduction of a Bromley local CIL requires the prior preparation of an Infrastructure Delivery Plan (IDP) and Schedule along with a CIL Viability Assessment, and these are documents that will accompany the development of the Core Strategy/Local Plan. Local authorities will need to utilise a local CIL alongside other funding streams to deliver infrastructure plans because it cannot be used to remedy existing deficiencies. CIL is purely designed to only fund gaps that have been identified through the IPD process. Currently preparatory work for a Bromley IDP is underway and it is envisaged a local CIL would be in place prior to April 2014 (the date at which s106 will be scaled back).

**4. POLICY IMPLICATIONS**

- 4.1 Bromley's Supplementary Planning Document (SPD) on Planning Obligations was adopted in December 2010 and complies with the Community Infrastructure Levy Regulation and The London Plan 2008

**5. FINANCIAL IMPLICATIONS**

- 5.1 From April 2012 the London Borough of Bromley will be responsible for collecting a Mayoral CIL on behalf of the Mayor.
- 5.2 Acting as a collecting body, Bromley is permitted to retain 4% of the CIL (estimated to be between £30k to £45k per annum) to cover both the initial set-up costs and the on-going administration costs. Additional staffing will be required to carry out this administration, however officers are aiming to automate as much of the process as possible.

**6. LEGAL IMPLICATIONS**

- 6.1 The Council has a statutory responsibility under Part 11 of the Planning Act 2008 and the CIL regulations 2010 and 2011 to collect and administer the Mayor CIL within Bromley.

**7. PERSONNEL IMPLICATIONS**

- 7.1 The Mayoral CIL involves a provision for the Council to retain 4% towards the cost of its administration and collection of the monies on behalf of the Mayor. This is a new responsibility for the Council and the additional work may require additional staff resources. However, it is envisaged that this can be paid for by the sums retained by the Council from CIL.

<b>Non-Applicable Sections:</b>	[List non-applicable sections here]
Background Documents: (Access via Contact Officer)	Planning Act 2008 The London Plan 2011 DCC report 20 <sup>th</sup> October 2009 – Community Infrastructure Levy

	<p>CLG -Community Infrastructure Levy Regulation – April 2010</p> <p>Mayor's Preliminary Draft Charging Schedule - January 2011</p> <p>DC and Executive reports: 'Consultation on the Mayoral Community Infrastructure Charging Schedule' 2<sup>nd</sup>, 8<sup>th</sup> and 14<sup>th</sup> February 2011</p> <p>Executive report: ' Proposals for a Mayoral Community Infrastructure Levy: Consultation on draft Charging Schedule 30<sup>th</sup> June 2011</p> <p>Executive report 'Community Infrastructure Levy – DCLG consultation on detailed proposals and draft regulations for reform' 14<sup>th</sup> December 2011</p>
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