



**REPORT TO:** Cabinet

16 November 2017

**LEAD OFFICER:** Stephen Kelly, Joint Director Planning and Economic Development

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## **Withdrawal of Community Infrastructure Levy Draft Charging Schedule**

### **Purpose**

1. The purpose of this report is to secure authority from Cabinet to withdraw the CIL draft charging schedule and approve the outline timetable for the resubmission of a new draft charging schedule.
2. This not a key decision and it was first published in the June 2017 Forward Plan.

### **Recommendations**

3. It is recommended that Cabinet agrees to activate Regulation 18 of the Community Infrastructure Levy Regulations 2010 (amended) and withdraw the Council's submitted CIL draft charging schedule.

### **Reasons for Recommendations**

4. The proposed CIL draft charging schedule was submitted to the Planning Inspectorate (PINS) in October 2014. Since the draft charging schedule was submitted, there have been a number of factors which would have a detrimental affect on the likely success of the CIL examination and future operation of the proposed CIL. These factors can be summarised as follows:
  1. Modifications in relation to proposed Local Plan site allocations
  2. Infrastructure evidence and its relevance
  3. Viability evidence and its relevance
  4. The emergence of the Combined Authority
  5. Government approach to further amendments of the CIL Regulations
  6. Joint planning service with Cambridge City Council
5. Since the draft charging schedule was submitted for examination the respective Local Plans have proposed Modifications in relation to the proposed site allocation of Cambridge East (SS/3). The site land North of Cherry Hinton now comprising a total of 420 dwellings in South Cambridgeshire (rather than the previous allocation of 110 dwellings in South Cambridgeshire). The adjoining land in the Cambridge City Local Plan (ref R40) originally proposed 351 dwellings and now proposes 780 dwellings. Across both Authorities the allocation has gone from 530 dwellings to 1,131 dwellings. The original proposal for this site was that the infrastructure would be 'CIL led' with a proposed residential charge of £125 across both Cambridge City Council and South Cambridgeshire District Council administrative areas. This approach was adopted largely on the basis that there was little need of onsite infrastructure (aside from public open space etc). The new larger allocation includes a policy requirement to provide a significant area of land to contain an 8 form entry secondary school serving the east of Cambridge. The site will also be subject to a Supplementary

Planning Document (currently being drafted ahead of public consultation) and which may propose an infrastructure strategy which is incompatible with the current draft charging schedule (and that of Cambridge City Council).

6. The infrastructure evidence originally prepared in August 2012 and updated in August 2013 has since been updated in respect of the local plan examination in November 2015 following a suspension of the local plan examination. Arguably this update cannot be used in respect of a CIL examination unless the draft charging schedule was withdrawn to be re-consulted upon with the up to date evidence.
7. The viability evidence originally prepared in July 2013 has since been updated in respect of the local plan examination in November 2015, following a suspension of the local plan examination. Again arguably this updated evidence cannot be relied upon in respect of a CIL examination unless the draft charging schedule was withdrawn to be re-consulted upon. If the CIL examination was to progress without this evidence being first updated there is a risk that the evidence would not be considered sufficiently up to date.
8. A Mayor has been appointed for the Cambridgeshire & Peterborough Combined Authority which may have a number of different influences including on transport infrastructure, growth strategy and governance. Although as a factor this is less relevant than those listed above, it may be appropriate to have regard to this in the formulation of a CIL strategy for South Cambridgeshire.
9. In the Housing White Paper ('Fixing our Broken Housing Market' – February 2017) the Government acknowledged that the independent review of CIL, and its relationship with Section 106 planning obligations, found that the current system is not as fast, simple, certain or transparent as originally intended. The Government has stated that it will examine the options for reforming the system of developer contributions including ensuring direct benefit for communities, and will respond to the independent review and make an announcement in the Autumn Budget 2017.
10. Cambridge City Council and South Cambridgeshire District Council are implementing a Greater Cambridge Shared Planning Service. Under such circumstances it would be vital to have a co-ordinated approach and align (more closely) the charging schedules and ensure that the Regulation 123 infrastructure list for the two authorities mirror one another to ensure consistency when securing section 106 contributions from new development in addition to CIL.
11. Lastly on 3 October 2017 the Environment Scrutiny Committee of Cambridge City Council approved the withdrawal of the CIL Charging Schedule from examination.
12. A draft timetable for future work (should Cabinet authorise the withdrawal of the draft charging schedule) is set out in Appendix A.

### **Background**

13. The Planning Act 2008 gave way to the Community Infrastructure Levy Regulations that were introduced in 2010 as the Government's preferred mechanism for securing infrastructure contributions from new developments.
14. The public consultation on the preliminary draft charging schedule took place between 19 July and 30 September 2013.

15. Cabinet approved the draft charging schedule for consultation on 10 April 2014 and gave the Director of Planning and New Communities delegated powers to submit this (and associated evidence including the Regulation 123 infrastructure list) for public examination.
16. The public consultation on the draft charging schedule took place between 28 April and 4 August 2014 (having been extended by 4 weeks to account for modifications).
17. The draft charging schedule was submitted to PINS for independent examination on 6 October 2014. The examination was to follow the South Cambridgeshire Local Plan examination with the same planning inspector being assigned to both.
18. To inform the charging schedule the Council required infrastructure evidence to demonstrate the extent of a funding gap (to justify the principle of a CIL charge being introduced) and viability evidence (to support the rates and types of development that are proposed being charged a CIL).
19. The infrastructure evidence was prepared by Peter Brett Associates for both South Cambridgeshire District Council and Cambridge City Council dated August 2012 and which was updated August 2013.
20. The viability evidence was prepared by Dixon Searle Partnership for South Cambridgeshire District Council (although DSP were separately appointed by Cambridge City Council) dated July 2013.
21. As explained above in November 2015 both the infrastructure evidence and viability evidence was updated for both Councils as part of a local plan update in support of the ongoing examination of the plans.
22. The CIL approach that has been proposed by South Cambridgeshire can be summarised as follows:
  - I. CIL would be charged on all new residential developments (recognising that the Regulations include mandatory exemptions for charitable developments, affordable housing and self build). The rate across the South Cambridgeshire area would be £100 per square metre with a rate of £125 per square metre for 2 local plan allocations joint with Cambridge City being (a) Cambridge East (land North of Cherry Hinton) and (b) Northern Fringe East.
  - II. CIL would not be charged on strategic development sites being sites known as (a) Northstowe, (b) North West Cambridge (Darwin Green), (c) Cambridge East (Wing), (d) Waterbeach new town, (e) Bourn airfield new village and (f) Cambourne west. The onsite and offsite infrastructure needs arising from these developments would be secured via a section 106 agreement in the traditional manner.
  - III. In addition to CIL payments the Council would be able to continue to secure Section 106 contributions on sites of 200 dwellings or more (as per the draft Regulation 123 list and emerging local plan policy SC/4). Furthermore primary education contributions may also still be secured via a section 106 contribution (as per the draft Regulation 123 list).

- IV. CIL will be charged on retail development at a rate of £50 per square metre where the gross floorspace is less than 250 square metres and £125 where the gross floorspace is 280 square metres or more.

### **Considerations**

23. Given the time that has elapsed, it is considered that the draft charging schedule submitted for public examination in October 2014 is no longer fit for purpose due to a number of factors as highlighted throughout this report. As such, it is recommended that the Council should formally withdraw the draft charging schedule from examination and reassess its CIL position following the Autumn Budget Statement, closer working opportunities with Cambridge City Council and in the new environment of a Combined Authority.

### **Options**

24. The two options available to Cabinet is either to
- (a) approve the recommendation to withdraw the CIL draft charging schedule now (and with a view to resubmitting a draft charging schedule in the future have explored and identified opportunities with Cambridge City Council) or
- (b) decide not to withdraw the CIL draft charging schedule at this time and to proceed with the CIL examination on the basis of the draft charging schedule and supporting evidence that was submitted to the Planning Inspectorate in October 2014 (recognising that a risk exists that the Inspector requiring the evidence to be updated before it can be examined)

### **Implications**

25. In the writing of this report, taking into account financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, the following implications have been considered: -

#### ***Financial***

26. A direct consequence of withdrawing the CIL charge with a view of resubmission includes the need to undertake further viability and infrastructure evidence ahead of public consultation. However any additional costs associated with this work could be kept to a minimum through closer working with Cambridge City Council and may result in the setting of higher CIL rates on the basis of upward market movements over the previous 3 years.

#### ***Legal***

27. By activating CIL Regulation 18 the Council will be required to undertake a number of steps as identified in the Regulations.

#### ***Staffing***

28. A direct consequence of withdrawing the CIL charge with a view of resubmission includes some staffing resources (within existing resources) to oversee the work of consultants, undertaking consultations etc.

#### ***Risk Management***

29. There are no direct risks associated with the withdrawal of the existing draft CIL charging schedule but it is considered that there may be certain risks associated with proceeding with the examination of the submitted draft charging schedule when the relevant evidence may be considered out of date.

***Equality and Diversity***

30. None

***Climate Change***

31. None

**Consultation responses**

32. None

**Effect on Strategic Aims**

**Aim 1 - HOMES FOR OUR FUTURE**

33. **Secure the delivery of a wide range of housing to meet the needs of existing and future communities**

iv. Help Parishes and villages wishing to shape their own futures by developing Neighbourhood Plans that address community priorities

**Aim 2 - CONNECTED COMMUNITIES**

34. **Work with partners to ensure new transport and digital infrastructure supports and strengthens communities and that our approach to growth sustains prosperity**

i. Support the delivery of City Deal and Combined Authority transport, housing, technology and skills programmes

**Aim 3 - AN INNOVATIVE AND DYNAMIC ORGANISATION**

35. **Adopt a more commercial and business-like approach to ensure we can continue to deliver the best possible services at the lowest possible cost**

iii. Consolidate existing shared services and develop plans for shared Finance, Planning and Housing services

**Background Papers**

Where [the Local Authorities \(Executive Arrangements\) \(Meetings and Access to Information\) \(England\) Regulations 2012](#) require documents to be open to inspection by members of the public, they must be available for inspection: -

- (a) at all reasonable hours at the offices of South Cambridgeshire District Council;
- (b) on the Council's website; and
- (c) in the case of documents to be available for inspection pursuant to regulation 15, on payment of a reasonable fee required by the Council by the person seeking to inspect the documents at the offices of South Cambridgeshire District Council.

Attachments:

Appendix A – Proposed timetable for resubmission of draft charging schedule

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