



<u>Committee and Date</u>
Council
24th November 2011

<u>Item</u>
<b>12</b>
<u>Public</u>

## COMMUNITY INFRASTRUCTURE LEVY CHARGING SCHEDULE

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### 1. Summary

The Community Infrastructure Levy provides local planning authorities with a new means of obtaining contributions from developers. The Levy rates for Shropshire are set in the attached Charging Schedule, which was considered by Cabinet on 19<sup>th</sup> October. Cabinet recommends that full Council approves the Charging Schedule in accordance with section 213 of the Planning Act 2008.

### 2. Recommendations

- 2.1 That Council approves the CIL Charging Schedule, to become effective from 1<sup>st</sup> January 2012.
- 2.2 That authority to implement the Community Infrastructure Levy is delegated to the Corporate Head of Strategic Planning, the Corporate Director of Places and the Area Directors.

## REPORT

### 3. Risk Assessment and Opportunities Appraisal

- 3.1 The Community Infrastructure Levy (CIL) offers an opportunity to greatly increase developer contributions to infrastructure, with eventual contributions from 2016 onwards estimated at £4 million per annum. It will assist in ensuring that new development in Shropshire is accompanied by adequate infrastructure, in accordance with the Council's Core Strategy.
- 3.2 The levy rates are based on evidence of the viability of development. Levy rates for residential development are set at £40 per square metre in the towns and key centres and at £80 per square metre in the rural area. Levy rates for affordable housing, commercial & industrial development and all other non-residential uses are set at £0.
- 3.3 Consultation was carried out in January 2011 on a Preliminary Draft Charging Schedule, followed by publication of a Draft Charging Schedule in March 2011 and submission for its independent examination in May 2011. The independent examiner's report notes the tension between maximising the opportunities for funding infrastructure in Shropshire, and not risking

overall development of the area. It concludes that the balance struck is acceptable, having met the statutory tests required, and recommends that the Charging Schedule be approved.

- 3.4 Delegated authority for officers to act on behalf of the Council in its new role as the CIL Charging Authority in the day-to-day implementation of the Community Infrastructure Levy in accordance with the Community Infrastructure Regulations 2010 (as amended) is sought.

#### **4. Financial Implications**

- 4.1 The levy will apply to planning permissions granted from the date that the Charging Schedule is brought into effect, and will only be payable after development commences. Consequently a time lag is inevitable between the Charging Schedule coming into effect and CIL monies being received. Estimates are for CIL income to be £785,000 in 2012/13, £1.6 million in 2013/14, £2.5 million in 2014/15, £3.4 million in 2015/6 and continuing at around £4.3 million per annum thereafter.

#### **5. Background and Additional Information**

- 5.1 It is proposed that 90% of net levy funds will be spent in the settlement in which the development occurred. The geographic ring fencing of CIL will help to communicate and deliver the Council's localism agenda and new way of working and will help communities to realise some of the benefits of the development they have. The introduction of the Community Infrastructure Levy in Shropshire is part of a carefully co-ordinated approach, closely linked to the Place Plans and delivering the localism agenda. The links between the various elements are explained in Shropshire's LOCALised planning approach summarised in Appendix 3.

<b>List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)</b>
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Report to Cabinet 19 <sup>th</sup> October 2011 on the CIL: Adoption of the Charging Schedule Report to Council 12 <sup>th</sup> May 2011 CIL Charging Schedule, Declaration Required under section 212 of the Planning Act 2008
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<b>Cabinet Member (Portfolio Holder)</b>
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Mal Price, Portfolio Holder Economic Growth and Prosperity
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<b>Local Member</b> All
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<b>Appendices:</b> 1. Shropshire CIL Charging Schedule 2. CIL report to Cabinet 19 <sup>th</sup> October 2011 3. Shropshire's Localised planning approach
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