

CAMBRIDGESHIRE HORIZONS

Agenda Item No: 11

Community Infrastructure Levy Update

To: **Cambridgeshire Horizons Board**

Date: **23rd March 2011**

From: **Anna Keyes, Project Manager**

Purpose: **To provide an update on government changes to the Community Infrastructure Levy and progress with its introduction in Huntingdonshire and East Cambridgeshire Districts.**

Recommendation: **The Horizons Board is invited to note progress and next steps.**

Contact: Name: Anna Keyes
Job Title: Project Manager
E-mail address: Anna.Keyes@cambridgeshirehorizons.co.uk
Telephone No: 01223 714174

1.0 Background

- 1.1 The Community Infrastructure Levy (CIL) is a locally-set standard charge on new development to fund infrastructure. It covers the majority of new development and can be used to pay for investment in new infrastructure and its upkeep. Affordable Housing will not be paid for through CIL but remains in Section 106 agreements. These will be reduced in scope. An overview of the Community Infrastructure Levy can be found here:
<http://www.communities.gov.uk/publications/planningandbuilding/communityinfrastructurelevy1>
- 1.2 Once adopted, CIL will have a number of advantages over the existing system:
- Equity, as all except the lowest-impact development will contribute towards infrastructure, rather than just larger schemes as is currently the case. Affordable housing will receive relief from CIL.
 - Predictability, as developers will be able to consult the CIL charging schedule and work CIL costs into their financial modelling.
 - Speed, as CIL is not negotiated and cannot be reduced or waived except in rare circumstances.
 - Additional funding for infrastructure.
 - Transparency, as regular reporting of CIL spend is included in the legislation.
- 1.3 Regulations to allow the collection of the Community Infrastructure Levy came into force on 6th April 2010. These regulations have since been slightly amended by the new government. Through the Localism Bill, the power of independent examiners to amend a CIL charging schedule has been reduced and a duty introduced for local planning authorities to pass on CIL monies when necessary. Minor amendments to the regulations themselves have also recently been released, which will allow local planning authorities greater freedom to set instalments for CIL payment.

2.0 Progress to date

- 2.1 The six local authorities and Cambridgeshire Horizons have been working closely since 2008 on a Section 106-based tariff system and subsequently the Community Infrastructure Levy (CIL).
- 2.2 Huntingdonshire and East Cambridgeshire District Councils have a high level of member commitment to adopt a Community Infrastructure Levy and are the furthest advanced towards that end. A CIL Pilot Group has been established, including Huntingdonshire and East Cambridgeshire District Councils, Cambridgeshire County Council, and Cambridgeshire Horizons to discuss issues, share information, and make progress.
- 2.3 An adopted Core Strategy and supporting infrastructure planning are required to implement CIL. Huntingdonshire District Council adopted a Core Strategy

in September 2009. A Local Investment Framework setting out the infrastructure to support this plan was completed in December 2008 and reviewed in 2010. East Cambridgeshire District Council adopted a Core Strategy in October 2009 and an Infrastructure Investment Strategy will be adopted in early 2011. The Cambridgeshire Integrated Development Programme provides an agreed set of strategic infrastructure projects that also forms part of the CIL evidence base. This infrastructure work has been undertaken in partnership with Cambridgeshire County Council and Cambridgeshire Horizons, ensuring that critical issues, particularly funding, are fully considered from an early stage.

- 2.4 The two local authorities therefore have the evidence base work required to support the swift introduction of CIL. Both Huntingdonshire and East Cambridgeshire Districts are currently working on detailed viability assessments to determine suitable levels of charge. Once these assessments are complete, CIL charging schedules will be drafted for consultation, examination, and adoption. Huntingdonshire DC aim to adopt CIL in autumn 2011, and East Cambridgeshire DC in February 2012.
- 2.5 Cambridge City Council and South Cambridgeshire District Council are currently undertaking local infrastructure planning work jointly. This will underpin introduction of the Community Infrastructure Levy. Cambridge City Council currently operates standard charges through Section 106 for certain types of infrastructure, and pooling Section 106 contributions in this way will be greatly restricted through CIL regulations from April 2014. Fenland District Council is also undertaking infrastructure work, as part of the Shaping Fenland project. This will develop a vision and suggest the appropriate distribution of growth for the area, laying the foundations for the introduction of CIL in due course.
- 2.6 The Department of Communities and Local Government has announced a CIL Front Runners scheme, which would provide local planning authorities with additional support (non-financial in nature) for the swift introduction of the levy. Unfortunately both Huntingdonshire and East Cambridgeshire Districts were unsuccessful in bidding. However, CLG noted that the scheme was heavily oversubscribed and a second round would be announced. We are currently working to clarify how best to promote these bids through the next round of the scheme.

3.0 Outstanding Issues

- 3.1 One of the key challenges for Cambridgeshire, as a two tier local authority area, is ensuring the correct split of CIL between district and county. The government also requires a meaningful proportion of collected CIL to be provided to neighbourhoods, and will be consulting in the summer on the exact size of this proportion. The pilot group will respond to the consultation as necessary and continue to work on other apportionment, monitoring, and reporting arrangements.

4.0 Next Steps

- 4.1 The CIL Pilot Group will continue to discuss and resolve issues of governance and reporting, as well as operational and policy questions. Charging schedules will be drafted by both local authorities for consultation, with the aim of adopting and charging the levy towards the end of 2011.

5.0 Recommendations

- 5.1 As cover sheet.