

RECORD OF EXECUTIVE DECISION

Tuesday, 21 August 2012

Decision No: (CAB 12/13 8774)

DECISION-MAKER:	CABINET
PORTFOLIO AREA:	RESOURCES
SUBJECT:	COMMUNITY INFRASTRUCTURE LEVY CHARGING SCHEDULE: CONSULTATION
AUTHOR:	Jenna Turner, Head of Partnership and Customer Services

THE DECISION

- (i) To approve the Draft Community Infrastructure Levy Charging Schedule and Implementation Guide (as set out in Appendix 1) for public consultation, with a charge of £90 per square metre for new residential development and £43 per square metre for retail development, and to delegate authority to the Senior Manager: Planning, Transport and Sustainability to carry out the necessary public consultation;
- (ii) To delegate authority to the Senior Manager of Planning Transport and Sustainability, following consultation with the Cabinet Member for Resources, to make minor editing changes to the Charging Schedule and supporting evidence approved by the Cabinet prior to submission to the Secretary of State; provided these do not change the overall direction, shape or emphasis of the document and do not raise any significant new issues; and
- (iii) To delegate authority to the Senior Manager of Planning Transport and Sustainability to submit the Charging Schedule and supporting evidence for the Community Infrastructure Levy to the Planning Inspectorate for Examination.

REASONS FOR THE DECISION

1. The 2004 Barker Review of Housing Supply noted that the lack of timely delivery of infrastructure is a key barrier to the delivery of development. The key purpose of the Community Infrastructure Levy Regulations is to raise additional revenue for infrastructure. The Southampton Local Development Framework Core Strategy Development Plan Document (2010) sets out the growth plans for Southampton up to 2026. An assessment of the infrastructure needed to support this growth, undertaken as part of this study, highlights a significant gap between the known available sources of funding for infrastructure and its total cost. In such circumstances, the CIL Regulations make it clear that it is appropriate to introduce the Community Infrastructure Levy to ensure that new

development contributes towards the infrastructure needed to support it.

2. Prior to the adoption of the Charging Schedule, the Regulations require a further public consultation exercise to be carried out. Pending the outcome of this formal consultation exercise, the Regulations also specify that before the Charging Schedule can be adopted as policy, it needs to be submitted along with supporting evidence to an independent body for examination. In this case, that body would be the Planning Inspectorate.

DETAILS OF ANY ALTERNATIVE OPTIONS

Option 1 – Do Nothing

This option is not recommended as the Council's ability to provide strategic infrastructure to support growth would be significantly compromised. Furthermore, after 2014 the Council would lose the ability to pool contributions from more than five schemes towards infrastructure. Planning contributions would therefore be restricted to addressing site specific issues rather than towards strategic infrastructure.

Option 2 – Use of geographically variable CIL rates

Throughout the City there is variation in the land values between different areas. The CIL Regulations include the provision to set different rates in different areas. This approach would be particularly useful for larger authorities, which can incorporate both urban and rural areas and therefore incur very different development costs and yield very different values. As a smaller and solely urban authority, it is considered that the variations between the different areas within Southampton are not so significant as to warrant setting variable CIL rates. In addition to this, the creation of different charging zones can never be precise and therefore lead to ambiguity for sites that lie on or adjacent to zone boundaries. Instead, the approach is recommended to set a slightly lower CIL rate which would account for any variation between areas.

Option 3 – Introduce a notional low charge for non-viable developments

The viability work that has been carried out indicates that with the exception of retail, non-residential uses would struggle to bear the Levy. These uses do clearly place a burden on infrastructure, particularly in terms of transportation. It is possible to set a notional low CIL rate for these uses in recognition of the viability issues whilst enabling some contribution to be made towards infrastructure. Since the viability work carried out clearly indicates that the viability of non-retail, commercial uses would be compromised by CIL, a zero rate is considered to be the most appropriate. If adopted, the Charging Schedule would need to be regularly reviewed to ensure that it reflects changing market conditions.

Option 4 – Increase or decrease the proposed charges

When setting the CIL rate, the Regulations require a balance to be struck between the effect of the charge on the economic viability of an area and the estimated cost of infrastructure taking into account other sources of funding available. The CIL Regulations do not permit any other factors to influence the setting of the chargeable amount. The charges set out in paragraph 14 below have been arrived at following the assessment of the impact on economic viability, the infrastructure need and funding gap. As such, it is not advised to either set the rate any higher or lower than is currently proposed.

OTHER RELEVANT MATTERS CONCERNING THE DECISION

None

CONFLICTS OF INTEREST

None

CONFIRMED AS A TRUE RECORD

We certify that the decision this document records was made in accordance with the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 and is a true and accurate record of that decision.

Date: 21 August 2012

Decision Maker:
The Cabinet

Proper Officer:
Judy Cordell

SCRUTINY

Note: This decision will come in to force at the expiry of 5 working days from the date of publication subject to any review under the Council's Scrutiny "Call-In" provisions.

Call-In Period expires on

Date of Call-in *(if applicable) (this suspends implementation)*

Call-in Procedure completed *(if applicable)*

Call-in heard by *(if applicable)*

Results of Call-in *(if applicable)*