

## RECORD OF EXECUTIVE DECISION

Tuesday, 16 July 2013

**Decision No:** (CAB 13/14 10797)

DECISION-MAKER:	CABINET
PORTFOLIO AREA:	LEADER OF THE COUNCIL
SUBJECT:	COMMUNITY INFRASTRUCTURE LEVY AND PLANNING OBLIGATIONS SUPPLEMENTARY PLANNING DOCUMENT ADOPTION
AUTHOR:	Suki Sitaram

### THE DECISION

- (i) To recommend the Community Infrastructure Levy Charging Schedule, the statement of Statutory Compliance (contained within the Charging Schedule) and the Community Infrastructure Levy Instalments Policy (Appendices 1 and 4) to Council for approval;
- (ii) To approve the Developer Contributions Supplementary Planning Document (Appendix 3) and to delegate authority to the Head of Planning Transport and Sustainability to approve the necessary amendments to Appendix A: Commuted Sums Tables contained therein; and
- (iii) To delegate authority to the Head of Planning Transport and Sustainability to establish the procedure, following consultation with the Leader of the Council, for how neighbourhood funding from the Community Infrastructure Levy will be allocated.

### 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 (2010) is to raise additional revenue for such 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 CIL to ensure that new development contributes towards the infrastructure needed to support it.
2. Financial contributions would be generated by CIL liable development at a rate set out within the Charging Schedule. The Council carried out the requisite public consultation in respect to the Draft Charging Schedule

which was informed and supported by viability evidence. There was a considered response to the initial proposals from various parts of the development industry. These responses were carefully considered and taken into account in the final version of the Draft Charging Schedule. In March 2013, the Draft Charging Schedule was heard before an independent examination which was held in public. The examination Inspector published his report in April 2013 which concluded that, subject to one modification in respect to reducing the rate of CIL applied to residential development, the Charging Schedule is capable of providing an appropriate basis for collecting the Community Infrastructure Levy in Southampton and that retail and residential development will remain economically viable across most of the City. The Charging Schedule has been revised in line with the modification set out within the examination report. The charge rate is proposed for residential uses but not for commercial uses with the exception of retail uses.

3. To assist with developer cash flow and economic viability, Regulation 69(b) of The Community Infrastructure Levy (Amendment) Regulations (2011) allows CIL to be paid in instalments. The Instalments Policy sets out the level of the CIL charge, the number of instalments available for that charge and the timing of instalments for that charge.
4. The Developers Contributions Supplementary Planning Document (SPD) sets out the Council's policy for securing developer contributions for new developments and should be considered alongside the Charging Schedule. Whilst some development may only be CIL liable, other development will be CIL liable and also have to make other contributions (through a Section 106 agreement) towards, for example, affordable housing and site specific transport and access requirements. The purpose of the SPD is: to explain policies and procedures for securing developer contributions; the relationship between CIL and developer contributions; and to provide evidence and guidance about the types of contributions that will be sought in regards to this. Since CIL will provide developer contributions towards strategic infrastructure, the planning obligations sought through the section 106 process need to be scaled back to ensure there is no duplication between the two mechanisms. The new SPD addresses this.
5. Under Regulation 123 of The Community Infrastructure Levy Regulations (2010) the Council will publish a list of infrastructure projects of types of infrastructure that it intends will be, or may be, wholly or partly funded by CIL. The Capital Board will make a decision on the infrastructure projects and types of infrastructure that will appear on this list.
6. The Capital Board will co-ordinate and determine requests for CIL funding from across the Council. Where appropriate, the Head of Planning, Transport and Sustainability will advise the Board on how these requests align with the City's Infrastructure Needs Assessment and Regulation 123 list. A more detailed process for the allocation of CIL on an annual basis will be developed, in close consultation with the Leader of the Council and the Cabinet Member for Resources. This will provide a clear and accountable way of managing the CIL allocation process.
7. The Community Infrastructure Levy (Amendment) Regulations 2013 make provision for the Council to utilise 15% of the revenue generated from CIL on neighbourhood funding, to help communities accommodate the impact of new development in their areas. The Council will retain the Levy receipts but should engage with the communities where development has taken place and agree with them how best to spend the neighbourhood funding.

We are required to clearly and transparently set out our approach to engaging with neighbourhoods. This approach will be developed by the Head of Planning Transport and Sustainability in close consultation with the Leader of the Council and the Cabinet Member for Resources.

#### **DETAILS OF ANY ALTERNATIVE OPTIONS**

This option is not recommended as the Council's ability to provide strategic infrastructure to support growth would be significantly compromised. After 2014, the Council would lose the ability to pool contributions from more than five schemes towards infrastructure. Planning contributions would be therefore be restricted to addressing site specific issues rather than towards strategic infrastructure. Furthermore, the Council has previously committed to seeking contributions through CIL and subsequently public consultation on the Draft Charging Schedule and its examination in public were undertaken.

#### **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: 16<sup>th</sup> July 2013

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 ( <i>if applicable</i> ) ( <i>this suspends implementation</i> )
Call-in Procedure completed ( <i>if applicable</i> )
Call-in heard by ( <i>if applicable</i> )
Results of Call-in ( <i>if applicable</i> )