Cabinet Report

Report of Head of Policy & Programmes

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Wards affected: All

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To: CABINET

Paper for Cabinet on 3 February 2022

Draft Community Infrastructure Levy (CIL) Charging Schedule and Draft Developer Contributions Supplementary Planning Document

Recommendations:

Cabinet agrees:

a) the proposed new Community Infrastructure Levy rates for public consultation, as set out in Table 1 of this report.

b) to delegate to the Head of Policy and Programmes, in consultation with the Cabinet Member for Planning, any necessary further minor changes to the Draft Community Infrastructure Levy Charging Schedule and associated maps and Draft Supplementary Planning Document, prior to public consultation.

c) that the Draft Community Infrastructure Levy Charging Schedule and draft Developer Contributions Supplementary Planning Document are published for public consultation for a minimum of a four-week period.

d) following public consultation, to delegate to the Head of Policy and Programmes, in consultation with the Cabinet Member for Planning, consideration of all representations made, making any necessary amendments to the Draft Community Infrastructure Levy Charging Schedule and Draft Supplementary Planning Document. The Draft CIL Charging Schedule document and associated information will then be submitted for independent examination.

Purpose of Report

1. The purpose of this report is to seek agreement from Cabinet on the proposed new Community Infrastructure Levy (CIL) rates for the District (as set out in Table 1), so that a draft CIL Charging Schedule and a revised Developer Contributions Supplementary Planning Document (SPD) can be published for public consultation and that following any necessary changes that are required as a result of the consultation responses, the draft CIL Charging Schedule can then be formally submitted for independent examination.

Corporate Objectives

2. Securing developer contributions through CIL will contribute towards achieving the corporate objective of 'Homes and Infrastructure that meet local needs' as set out under Theme 5 of the South Oxfordshire Corporate Plan 2020 to 2024.

Background

3. Infrastructure to support new development is funded in a variety of ways. Developers may be asked to provide contributions (financial or works) for infrastructure by the following means:

   - S106 planning obligations;
   - Community Infrastructure Levy;
   - S278 highway agreements; and
   - planning conditions.

4. S106 obligations are legal obligations entered into to mitigate the impacts of a development proposal. A significant amount of the District's infrastructure is delivered through S106 and, in respect of highway works, through S278 agreements. The allocated strategic sites, as identified within the adopted Local Plan 2035, will be delivering the majority of the District's housing requirement and will provide a range of supporting infrastructure (including transport improvements, schools, open space, health, leisure and community facilities), which may be on or off-site. Affordable housing is also secured through S106 agreements.

5. Policies for S106 planning obligations are set out in local plans and examined in public. Such policies should be informed by evidence of infrastructure and affordable housing need and a proportionate assessment of viability. This has been undertaken in relation to the adopted Local Plan 2035 policies. An SPD provides the opportunity for further guidance on the adopted planning policies, in terms of how we can secure appropriate contributions (financial or works). Before the council can adopt an SPD, it must consult and consider the issues raised in the consultation.

6. In addition to S106 planning obligations, the council can charge a Community Infrastructure Levy (CIL) to help further fund infrastructure required to support the development needs of the District. The CIL is a charge which can be levied by local authorities (as the charging authority) on new development in their area. The expenditure of CIL is not tied to infrastructure related to a specific development, although a proportion (either 15% or 25%, depending on whether they have an adopted neighbourhood plan) is provided to local parish / town councils. The National Planning Policy Guidance (PPG) advises that a levy can be used to fund a wide range of infrastructure, including transport, flood defences, schools, hospitals, and other health

and social care facilities. This definition allows the levy to be used to fund a very broad range of facilities such as play areas, open spaces, parks and green spaces, cultural and sports facilities, healthcare facilities, academies and free schools, district heating schemes and community safety facilities. This flexibility gives local areas the opportunity to identify the infrastructure they wish to fund through the use of CIL receipts as identified in the Local Plan (Infrastructure Delivery Plan - IDP) or Neighbourhood Plans. Charging authorities may not use the levy to fund affordable housing.

7. The PPG advises that charging authorities should consider relevant national planning policy when drafting their charging schedules and they should be consistent with, and support the implementation of, up-to-date relevant local plans. CIL can only be applied in areas where, firstly, a local authority has identified a funding gap to deliver the necessary infrastructure, and secondly, where a local authority has consulted on (and approved) a charging schedule which sets out its CIL charging rates and has published the schedule on its website.

8. When considering the draft CIL rates, the charging authority must strike an appropriate balance between achieving additional investment to support development and the potential effect on the viability of developments and be able to explain how CIL will contribute towards the implementation of their relevant local plan and support development across their area. In doing so, charging authorities should use evidence in accordance with planning practice guidance and take account of national planning policy on development contributions. It is therefore appropriate to consider preparing a Developer Contributions SPD (S106 SPD) concurrently with a draft CIL Charging Schedule.

9. The CIL Regulations allow charging authorities to apply differential rates in a flexible way, to help ensure the viability of development is not put at risk. Charging authorities should consider how they could use differential rates to optimise the funding they can receive through the levy. Differences in rates need to be justified by reference to the viability of development. Consequently, sites with an existing higher use value (e.g. brownfield sites) will have a lower uplift and will generally not be able to support a higher CIL rate compared to greenfield sites. CIL is a pooled contribution towards infrastructure and is not specific to a particular development (unlike S106). It is, therefore, justifiable to levy differential rates in relation to viability.

10. Differential rates may be appropriate in relation to:

- geographical zones within the charging authority's boundary;
- types of development; and/or
- scales of development.

11. However, the PPG also advises that charging authorities, in setting differential rates, should seek to avoid undue complexity. Charging schedules with differential rates should not have a disproportionate impact on particular sectors or specialist forms of development and differential rates should not be used as a means to deliver policy objectives.

12. CIL is levied on new floorspace and there are several exemptions where CIL is not levied (subject to specific provisions including CIL relief where applicable). These include:

- development of less than 100 square metres, unless this consists of one or more dwellings;
- buildings into which people do not normally go or only intermittently for the purpose of inspecting or maintaining fixed plant or machinery;
- structures which are not buildings, such as pylons and wind turbines;
- specified types of development which local authorities have decided should be subject to a ‘zero’ rate and specified as such in their charging schedules;
- residential annexes and extensions less than 100 square metres;
- self-build houses and flats;
- affordable housing
- development for charitable purposes.

NEED FOR THE REVIEW

13. The council adopted its current CIL Charging Schedule and the S106 Developer Contributions SPD in April 2016. Since then, the new Local Plan has been adopted (December 2020) and there have been changes to the Community Infrastructure Levy (Amendment) (England) (No.2) Regulations 2019. The changes to the CIL Regulations include:

- the removal of pooling restrictions for S106 obligations (i.e. the requirement that no more than five S106 obligations can fund a single infrastructure project);
- removing the need for a Regulation 123 list (i.e. a list of infrastructure projects to be funded by CIL as opposed to S106); and
- introducing a new requirement to produce an annual Infrastructure Funding Statement.

14. It is therefore necessary to review the current CIL Charging Schedule and S106 SPD to take account of the new site allocations and policies in the Local Plan 2035 and the changes to the CIL Regulations. Furthermore, it is evident that the current CIL rates do not generate sufficient funds to help deliver the necessary infrastructure to support new development. In particular, funding for education is falling short and it is now proposed, in the main, to secure education through S106. During the time CIL has been operating it is evident that the viability and delivery of new housing in the District has not been adversely affected.

PROCESS FOR REVIEWING THE CIL CHARGING SCHEDULE AND S106 SPD

15. The process for preparing and reviewing a CIL charging schedule is identified in Government’s Planning Practice Guidance[1] (PPG) and is as follows:

- the council prepares its evidence base in order to prepare its draft levy rates, and collaborates with neighbouring authorities and other stakeholders;
- the charging authority prepares and publishes a draft charging schedule for consultation;
- representations are sought on the published draft documents;

[1] Planning Practice Guidance Ref 25-013-20190901

- the charging authority must take into account any representations made to it before submitting a draft charging schedule for examination;
- an independent person (the "examiner") examines the charging schedule in public;
- the examiner's recommendations are published;
- the charging authority has regard to the examiner's recommendations and reasons for them; and
- the charging authority approves the charging schedule.

16. We are currently at the first stage, which is preparing our evidence base in order to prepare our draft CIL Charging Schedule. The evidence includes the following:

- an Infrastructure Funding Gap Statement (using evidence set out in the Infrastructure Delivery Plan produced to support the adopted Local Plan 2035)
- Viability Evidence CIL Viability Report 2021 including an Executive Summary
- Engagement with stakeholders in the development industry – workshop held 20 September 2021 (100 stakeholders were invited and 15 attended)
- A copy of the stakeholder presentation and associated draft papers prepared by the consultants Aspinall Verdi were shared with Oxfordshire County Council 22 September 2021

17. The process and requirements for producing a Supplementary Planning Document are set out in the Town and Country Planning (Local Planning) Regulations 2012. Before an SPD can be adopted, the local authority will need to undertake public consultation for a minimum of 4 weeks. Following public consultation and consideration of all representations received, the SPD can be considered for formal adoption by the council. We have reviewed and provided a draft of the S106 SPD alongside this paper. The next step will be to undertake public consultation on the draft S106 SPD, alongside the draft CIL Charging Schedule.

CIL CHARGING SCHEDULE: INFRASTRUCTURE FUNDING GAP STATEMENT

18. The PPG states we need to demonstrate there is an infrastructure funding gap, so the council can show there is a need for CIL to be put in place to assist in funding infrastructure across the District. This is undertaken by reviewing the infrastructure required to support development, as identified in the Infrastructure Delivery Plan (IDP), produced to support the adopted South Oxfordshire Local Plan, and comparing expected costs of infrastructure items with expected sources of funding. It is prepared with regard to infrastructure requirements at district and county levels.

19. The Infrastructure Funding Gap Statement (IFGS) (Appendix 1) demonstrates there is a funding gap within the District. The total cost of infrastructure equates to circa £6.2 billion. Other sources of funding need to be considered in determining the funding gap, as funding for infrastructure can also be secured through S106 (both works and contributions) and national and sub-regional funding sources such as the Government's Housing Infrastructure Fund and Oxfordshire Housing and Growth Deal. Further details on this are provided in the Infrastructure Funding Gap Statement and the Infrastructure Delivery Plan. When other sources of funding are discounted from the total cost of infrastructure, a funding gap of circa £123.7 million remains. It should

be noted, there are some infrastructure projects where the cost is unknown or uncertain and, therefore, it is likely that this funding gap will be higher.

CIL CHARGING SCHEDULE VIABILITY EVIDENCE

20. The PPG advises that authorities must strike a balance between achieving additional investments (infrastructure) to support development and the potential effects on the viability of developments when drafting their rates. To demonstrate this, a viability assessment has been undertaken and has provided recommendations on the appropriate level of charge we can levy on developments in the District. The viability assessment has been undertaken by consultants Aspinall Verdi on behalf of the council.

21. A Local Plan Viability Assessment was undertaken in relation to the evidence base for the South Oxfordshire Local Plan (SOLP) examination in July 2020, which considered the viability of the strategic sites, and tested the cumulative impact of the SOLP policies in the context of CIL. The CIL rates were also reviewed in the light of the Local Plan viability evidence but it was recognised that further refinement and sensitivity testing for CIL rates would be was required.

22. A new viability assessment for CIL was commissioned in 2021 although this does not revisit the strategic sites as these were covered in the Local Plan Viability Assessment. The findings from the CIL viability assessment are presented in a CIL Viability Report (December 2021) which combines and summarises the assessment and recommendations. [An Executive Summary of the CIL Viability Report is appended (Appendix 2 – [to follow]) and the full CIL Viability Report is available upon request.]

23. The viability for CIL is a general viability assessment across the District. The assessment incorporates a number of assumptions, for example, with regard to sale values, build costs, contingency, and also allowances related to SOLP policies for example increased costs relating to adaptable housing and space standards, carbon reduction and net gain in biodiversity. Various development typologies were assessed (e.g. different numbers/housing densities) and sensitivities applied (e.g. percentage increases / decreases in costs or income). This ensured that the viability was applicable for a range of development and captured most scenarios. The range of land values means there is also a range of buffer or contingency. A buffer is necessary between the maximum CIL rate and the CIL rate levied, so that generally development across the District will be viable.

24. In response to the change in the CIL Regulations (i.e. removing the pooling restrictions for S106 contributions) and the shortfall in education funding, the 2021 CIL viability assessment has included education as a S106 cost. To ensure education is adequately funded it is considered favourable to secure the majority of future education through S106 contributions rather than CIL.

25. Key findings from the viability assessment show that:

- Strategic sites provide a significant contribution to infrastructure through S106 (ranging from £48k to £88k per dwelling[2]) and therefore are unlikely to be able to support CIL;

[2] Identified in the Local Plan Viability Assessment

- A wide range of maximum rates for residential development were found across the District, due to varying land values;
- Land values were higher in the southern part of the District and development could support a higher CIL rate there than across the Rest of the District;
- The built-up areas of Berinsfield and Didcot have marginally lower land values and cannot support a rate applied to the Rest of District;
- Student accommodation and Build to Rent housing can support CIL;
- Elderly persons accommodation (e.g. extra care, assisted living, sheltered housing and age restricted housing) can support CIL;
- Residential care homes where there is no element of independent living cannot support CIL;
- Minor development (fewer than 10 dwellings) can support a higher CIL rate than major development, as it does not have to provide affordable housing;
- Supermarkets and retail warehousing can continue to support CIL; and
- Development for business and industry could not support CIL, as was the case in the previous charging schedule

26. CIL is a mandatory charge and needs to be set at a rate which the majority of developments can pay. A contingency or buffer is, therefore, necessary and maximum rates should not be charged. In relation to a S106 agreement, the viability issues on a particular site can be considered and the infrastructure can be negotiated. However, the inclusion of education within S106 costs results in the maximum CIL rates being slightly lower than otherwise. Overall, the council will be able to secure more funding towards education through S106 than through CIL.

CIL - CONSIDERATION OF DIFFERENTIAL RESIDENTIAL RATES

27. In preparing the suggested differential residential rates, officers have considered the CIL Viability Report prepared by Aspinall Verdi, the CIL Regulations, the National Planning Policy Framework, National Planning Practice Guidance, and also the practicality and costs of implementation plus the experience and evidence of other charging authorities, gleaned through research.

28. The viability assessment suggests that differential rates for minor schemes (less than 10 dwellings) could be levied. This is because these schemes do not contribute towards affordable housing or S106 costs. S106 costs for education are factored into the viability and this will not affect the viability for minor schemes. It is evident that other authorities have adopted this approach.

29. In the AONB, the council can seek off-site contributions for affordable housing on schemes for 6 - 9 dwellings (where 10 dwellings and more on-site provision applies). Within the AONB, the minor scheme rate should therefore be applied to schemes of 5 dwellings and under. The rate for minor schemes would also apply to residential extensions (over 100 sq m) and annexes, although in practice these schemes usually benefit from an exemption under the self-build regulations.

30. The viability consultants have considered viability in relation to brownfield and greenfield use values. Officers have considered the possibility of differential rates for residential development on brownfield and greenfield land and investigated other authorities who have approached the levying of CIL in a similar way. The CIL Regulations state that charging authorities may set differential rates by reference to different intended uses of development. Greenfield and brownfield land are not an

intended use of development. Whilst residential development is an intended use of development it would not be practically possible to geographically zone all the greenfield and brownfield land for residential use across the District. Evidence from other authorities demonstrated that the delineation of zones on the basis of brownfield / greenfield land use is not possible. It is evident that no other charging authorities currently differentiate between brownfield and greenfield sites in their rates, despite attempting this approach.

31. As viability varies across the District the viability report recommends three charging zones in relation to residential development. The parishes in the southern part of the District have higher land values and a higher CIL rate can be levied. In Berinsfield and Didcot the value of brownfield sites is generally lower, compared to the rest of the District. The parishes of Berinsfield and Didcot do contain some greenfield land which can support a higher rate as per the Rest of the District. It is therefore recommended that the built-up areas of Berinsfield and Didcot are zoned so that a specific rate for the built-up areas is applied and the remainder of the parishes are levied at the same rate as the Rest of the District.

32. Whilst the viability assessment demonstrates there is scope to support higher rates (in the southern parishes particularly), the council must allow a contingency or buffer, particularly in the current economic climate. The proposed uplift is considered an acceptable step change for this CIL review and is comparable to the approach taken by other authorities which levy differential rates. Overall, across the District, development needs to remain viable and the council needs to ensure it can come forward with the requisite policy requirements for infrastructure and affordable housing. The recommended rates allow for additional funding to take account of the infrastructure needs for the District yet will not undermine the deliverability of new development and the Local Plan.

IMPACT OF COVID 19

33. In the 2021 CIL Viability Report the consultants highlight the government's initiatives to 'build back better' after Covid-19. Some of these proposed changes could lead to delays as plan-makers transition to the new regime and landowners wait for policy to crystallise. For those actively involved in setting policy and negotiation of S106 agreements, careful consideration will need to be given to the implications on land value, profit and planning policy requirements. In terms of the setting of rates for CIL the council need to ensure there is a sufficient contingency or buffer for changes to economic conditions.

THE 'PLANNING FOR THE FUTURE' WHITE PAPER

34. In 2020, the Government published the *Planning for The Future* White Paper, which proposed major reforms to the planning system, including the possible removal of CIL in favour of a National Infrastructure Levy. Currently very little is known about when new proposals might come forward and what form they could take. We understand there may be concerns over implementing a revised Charging Schedule for the District when CIL could be abolished shortly after. However, due to the length of time it may take to implement any changes to the planning system and the uncertainty around the progress of these initial proposals, we consider there is a greater risk in loss of income from not implementing a revised Charging Schedule. The proposed increased in CIL rates would enable the District to collect significantly more funds for infrastructure than

the current Charging Schedule allows, even if the revised Schedule was only in place for a short period.

CIL CHARGING SCHEDULE: ENGAGEMENT WITH STAKEHOLDERS

35. The NPPF advises that where the Community Infrastructure Levy is in place for an area, charging authorities (i.e. the council) should work proactively with developers to ensure they are clear about the authorities' infrastructure needs.

36. Developer engagement was carried out in September 2021 to enable the consultants (Aspinall Verdi) to share the assumptions that were used in their viability assessments and to seek views from the development industry on these assumptions. One hundred agents and developers were invited to the session and fifteen representatives attended. To date, we have not received any feedback, querying or confirming the assumptions used in the viability assessments. Any future feedback will be considered following the public consultation, before the draft CIL Charging Schedule and associated evidence documents are submitted for independent examination.

CIL CHARGING SCHEDULE - RECOMMENDED RATES

37. The proposed CIL rates are based on findings of the viability assessment, as well as consideration of how CIL is administered and its associated complexity and costs. The recommended charges for residential schemes relate to three defined geographical zones within the District. Table 1 also sets out differential rates for minor schemes (those under 10 dwellings, or under 6 dwellings in the AONB). Officers advise that development on strategic sites and institutional care accommodation should be nil rated. Rates for supermarkets and retail warehousing would be set district-wide, as at present. The rates in the council's current charging schedule are included, for reference.

Table 1: Proposed and Current CIL charges (per sq. m of chargeable floorspace)

Development type	**Proposed CIL Rate**			**Current CIL Rate**[3]	
Residential Development (including student accommodation, HMOs, elderly persons accommodation[4])	Zone 1: Southern Parishes[5]	Zone 2: Built up areas: Berinsfield and Didcot	Zone 3: Rest of District	Zone 1: District	Zone 2: Didcot and Berinsfield

[3] The current rates were originally set as £150 (Zone 1) and £85 (Zone 2) and have risen in line with annual indexation set nationally.
[4] Under the current 2016 CIL Schedule, elderly persons accommodation is not charged. Elderly persons accommodation includes extra care, assisted living, sheltered housing and age restricted housing. For the purposes of CIL it does not include nursing care homes where there is no element of independent living. Student accommodation and Build to Rent are charged separately.
[5] The Southern Parishes are: Binfield Heath, Bix and Assendon, Checkendon, Eye and Dunsden, Goring Heath, Goring on Thames, Harpsden, Henley on Thames, Highmoor, Ipsden, Kidmore End, Mapledurham, Nettlebed, Nuffield Rotherfield Greys, Rotherfield Peppard, Shiplake, Sonning Common, Stoke Row, South Stoke, Whitchurch on Thames, Woodcote.

Major Schemes (10 dwellings and more net)*	£325	£200	£225	£181.64	£102.93
Minor Schemes (9 dwellings and fewer net)**	£360	£215	£260	N/A	N/A
* Schemes of between 6 and 9 dwellings in the Area of Outstanding Natural Beauty are charged as major development					
**Other chargeable residential development (e.g. residential extensions over 100 sq m and annexes) will be charged at the relevant zone rate					

Development type	**District Wide**	
	Proposed CIL Rate	Current CIL Rate
Residential development on Strategic Sites[6]	£0	£0
Student accommodation[7] and Build to Rent[8] housing	£150	£0
Retail – Superstores and supermarkets [9]	£200	£84.76
Retail Warehousing[10]	£85	£84.76
Offices and Industrial development	£0	£0

[6] Land at Chalgrove Airfield, STRAT 7; Land adjacent to Culham Science Centre, STRAT 9; Land at Berinsfield Garden Village – STRAT 10i; Land south of Grenoble Road, STRAT 11; Land at Northfield, STRAT 12; Land North of Bayswater Brook, STRAT 13; and Core Strategy Sites: Ladygrove East, Didcot North East and Wallingford Site B

[7] Under the current 2016 CIL Schedule student accommodation that is self-contained is charged at the relevant zone residential rate

[8] Build to Rent housing will be secured by S106 agreement and is purpose built housing that is typically 100% rented out. It can form part of a wider multi-tenure development comprising either flats or houses, but should be on the same site and/or contiguous with the main development. Schemes will usually offer longer tenancy agreements of three years or more, and will typically be professionally managed stock in single ownership and management control.

[9] Superstores and supermarkets are shopping destinations in their own right, selling mainly food or nonfood goods, which normally have a dedicated car park. Supermarkets can be defined as retail stores that exceed 280 sqm and are classified as larger stores under the Sunday Trading Act 1994.

[10] Retail warehouses can be defined as retail stores that exceed 280 sqm and are classified as larger stores under the Sunday Trading Act 1994

38. Table 1 shows that the proposed charging rates are higher than those in the adopted Charging Schedule:

    - Zone 1 (Southern Parishes) has a higher charge compared to the other zones as the development values in this area are greater and there would be a relatively higher uplift in values, therefore, development can support a higher CIL rate. (A list of parishes falling within Zone 1 is provided at footnote 5)

    - Zone 2 in the proposed charging schedule relates specifically to the built-up areas of Berinsfield and Didcot. These built-up areas are essentially brownfield locations where land values are lower and development costs are likely to be higher. A lower charge is therefore recommended in these areas.

    - Zone 3 relates to the Rest of the District and the viability shows that a higher rate can be levied than is currently set.

    - Within each zone, a higher rate for minor schemes will be levied to account for the higher viability of these sites, which do not provide affordable housing or other S106 contributions. For residential schemes within the Chilterns or North Wessex Downs Areas of Outstanding Natural Beauty, the higher rate will only apply to those of 5 or fewer dwellings, as schemes of between 6 and 9 dwellings are expected to make affordable housing contributions.

39. Table 1 also shows:

    - Strategic Sites: There are several strategic allocations that are exempt from paying CIL in the current charging schedule (two of these already have planning permission with S106 agreements). The newly allocated sites in the South Oxfordshire Local Plan will also be exempt from paying CIL. This is because strategic sites will mitigate their development impacts through site-specific S106 contributions and, in doing so, will generally not be viable to pay CIL as well.

    - Supermarkets: The viability identifies that supermarkets can levy a rate appreciably higher than the current rate

    - Retail Warehousing: The viability of retail warehousing has not changed and the proposed rate remains in line with the current rate

    - Elderly persons accommodation including extra care, sheltered housing, assisted living and age restricted housing has been found to be viable to implement a charge. Institutional homes where there is no element of independent living, e.g care homes and nursing homes are known not to be viable. The charge for elderly persons accommodation will be applied in accordance with the relevant residential zone rate.

40. The proposed charges represent a viable increase on the previous CIL charging rates as set out in Table 1. This will help the council to secure more funding towards necessary infrastructure in the District. Based on the planned housing over the Plan period, it is estimated that the new CIL rates could generate £70.3 million. The strategic sites would be exempt from CIL but substantial infrastructure would be secured through developer contributions (i.e. S106 and S278 agreements). The new charging rates are set out in the updated draft CIL Charging Schedule (Appendix 3).

S106 DEVELOPER CONTRIBUTIONS SPD REVIEW

41. The S106 Developer Contributions SPD has been updated (Appendix 4) to reflect the policies of the new Local Plan 2035 (adopted December 2020) and reflect changes made to the CIL regulations since the previous document was adopted in 2016.

42. As explained above, the majority of funding for infrastructure is secured through S106 and the SPD provides guidance on how and when the council will seek funding through S106. Pooling limitations no longer apply and the council can collect S106 monies from as many developments as necessary and pool the contributions towards a particular project. That project can also receive CIL funding. Specifically, the revised SPD states that education contributions will be sought through S106, yet CIL can also be used for education, if needed.

43. The SPD provides further guidance on the policies set out in the adopted Local Plan 2035 and in respect of all types of infrastructure, including affordable housing. Unless a facility is being provided through a strategic development, the majority of community and leisure facilities will be provided through CIL. With regard to these community and leisure facilities, the SPD notes that engagement with local district ward councillors and town and parish councils is recommended to help identify the type of projects that would be appropriate to gain funding in the locality. The town or parish proportion of CIL can also be spent on these facilities.

NEXT STEPS

44. Table 2 below sets out the key milestones for the review of the CIL Charging Schedule and Developer Contributions SPD.

Table 2: Indicative Programme and Key Milestones

Milestone	Anticipated Date(s)
Public consultation on the Draft CIL Charging Schedule & Draft Revised Developer Contributions SPD	Week commencing 14 February 2022 for a minimum 4 week period (subject to council-wide officer capacity)
Submission of the Draft CIL Charging Schedule for independent examination[11]	May 2022
Examination of Draft CIL Charging Schedule	July / August 2022
Adoption of the CIL Charging Schedule and Developer Contributions SPD	November / December 2022

[11] The Developer Contributions SPD does not need to be submitted for Examination, but it is necessary to see the correlation of both funding mechanisms, hence why we are conducting a review of both documents simultaneously.

Options

45. The following alternative options have been considered:

- Differential rates for brownfield/greenfield land are not recommended, due to the regulatory issues and the complexity and costs associated with administration as highlighted in the report;

- Maintaining the rates in the current CIL Charging Schedule (in the context that Government's planning reforms could replace CIL with an alternative National Infrastructure Levy). This is not recommended for the reasons highlighted in the report and it is recommended to progress with a revised CIL Charging Schedule.

Financial Implications

46. As set out in paragraph 40, the proposed charges represent a viable increase on the previous CIL charging rates, which will help the council secure more funding towards necessary infrastructure in the District.

47. There will be increased administration costs associated with levying new and differential rates. However, operational costs can be covered by the increased CIL income.

Legal Implications

48. There are no legal implications arising from this report.

Risks

49. The following risks have been identified:

- Proposing higher CIL rates in this current period of economic uncertainty could have implications (albeit currently unknown) for future development viability in the District. However, by not proposing the higher range of CIL rates (based on the findings of the Viability Assessment), we are maintaining a good buffer to take account of any short term fluctuations in the local economy.

- If public consultation on the draft CIL Charging Schedule and Developer Contributions SPD does not begin in February 2022, it is unlikely that the independent examination of the Charging Schedule will take place before Summer 2022, which would significantly delay the timeframe within which new CIL rates could be adopted (potentially beyond 2022).

Conclusion

50. Officers recommend that the revised draft CIL Charging Schedule be progressed in order to maximise the effectiveness of CIL in helping to deliver the necessary infrastructure to support development across our District, as set out in our adopted Local Plan 2035.

Background Papers

- Appendix 1: Draft Infrastructure Funding Gap Statement
- Appendix 2: CIL Viability Report (including Executive Summary)
- Appendix 3: Draft Community Infrastructure Levy Charging Schedule
- Appendix 4: Draft Developer Contributions Supplementary Planning Document