



**COUNCIL**

**26<sup>TH</sup> FEBRUARY 2019**

**AGENDA ITEM (14)**

**COMMUNITY INFRASTRUCTURE LEVY (CIL)**

<b>Accountable Member</b>	Councillor NJW Parsons Deputy Leader and Cabinet Member for Forward Planning
<b>Accountable Officer</b>	James Brain Forward Planning Manager 01285 623000 james.brain@cotswold.gov.uk

<b>Purpose of Report</b>	To note progress with preparatory work associated with the implementation of the Community Infrastructure Levy (CIL); and to consider a revised implementation date (as recommended by the Cabinet).
<b>CABINET Recommendations</b>	<b>(a) That the Community Infrastructure Levy be implemented with effect from 1<sup>st</sup> October 2019;</b> <b>(b) that delegated authority be given to the Deputy Leader and Cabinet Member for Forward Planning to make necessary and consequential amendments to the CIL Charging Schedule and supporting documents to reflect recommendation (a).</b>
<b>Reason(s) for Recommendation(s)</b>	To ensure that the Council: (i) secures an appropriate level of resources to implement and operate CIL before charging the levy; (ii) complies with the relevant provisions of the Planning Act 2008, and the CIL Regulations 2010 (as amended) when administering its CIL; and (iii) secures an appropriate level of infrastructure provision to support new development identified in the Cotswold District Local Plan (2011 to 2031).

<b>Ward(s) Affected</b>	All
<b>Key Decision</b>	No
<b>Recommendation to Council</b>	Yes, from the Cabinet

<b>Financial Implications</b>	The Regulations allow for the Council to recover the costs of CIL preparation, including the Infrastructure Delivery Plan (IDP) and Viability Study, as well as the on-going administration costs, from CIL receipts. Based on current estimates, it is unlikely that CIL will be cost neutral for several years. However, CIL receipts will provide
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	<p>an increasing contribution over time. The CIL is a long-term investment, which is critical to the delivery of the Local Plan and maintaining a five year housing land supply.</p> <p>Three planning applications have been submitted or are expected to be submitted imminently (67, 76 and 250 dwellings). These are all Local Plan allocations, which are shown in the CIL revenue forecast for delivering housing later in the forecast. The Council aims to determine these applications within the 13 week timeframe. Given that CIL is liable at the point planning permission is granted, if CIL is delayed then there is a risk that CIL will not be collected for some or all of these developments; as well other windfall developments. However, S106 agreements can still be entered into with the applicant where mitigation is required to make the development acceptable in planning terms.</p>
<b>Legal and Human Rights Implications</b>	The Council's CIL Charging Schedule complies with the requirements of Part 11 of the Planning Act 2008 (as amended) and the CIL Regulations 2010 (as amended).
<b>Environmental and Sustainability Implications</b>	Placing a levy on new development helps the Council to secure an appropriate level of infrastructure provision and help deliver the Cotswold District Local Plan (2011 to 2031).
<b>Human Resource Implications</b>	Implementing CIL requires additional specialist staffing resources - these were approved by the Cabinet on 14 <sup>th</sup> February 2019
<b>Key Risks</b>	<p>The date on which the Council is able to implement CIL is dependent on adequate resources being available. Although Cabinet has approved funding for specialist staffing resources, time is required to secure those new resources to set up the system and to operate CIL.</p> <p>Implementing CIL before system infrastructure and resources are in place is likely to impact the Council's ability to determine planning applications within the statutory time, owing to the additional checks and processes.</p> <p>If resources are not in place to operate and monitor processes, and given the complexity of the processes, there is an increased risk that the Council would not be fully compliant with the CIL Regulations 2010 (as amended).</p>
<b>Equalities Impact Assessment</b>	An Equalities Impact Assessment was prepared to support the CIL charging schedule.
<b>Related Decisions</b>	<ul style="list-style-type: none"> <li>(i) Cabinet 14<sup>th</sup> February 2019: Community Infrastructure Levy - Approval of purchase of monitoring software and funding for additional specialist staff resources</li> <li>(ii) Council 3<sup>rd</sup> August 2018: Community Infrastructure Levy - Charging Schedule adoption</li> <li>(iii) Council 13<sup>th</sup> June 2017: Community Infrastructure Levy - Draft Charging Schedule</li> <li>(iv) Cabinet 20<sup>th</sup> October 2016: Community Infrastructure Levy - Draft Charging Schedule</li> </ul>
<b>Background Documents</b>	<ul style="list-style-type: none"> <li>(i) Cotswold District Infrastructure Delivery Plan (April 2016)</li> <li>(ii) Cotswold District Whole Plan and CIL Viability Study (April</li> </ul>

	2016) (iii) Cotswold District Preliminary Draft Charging Schedule (June 2016) (iv) Cotswold District Draft Charging Schedule (October 2016) (v) Cotswold District Post PDCS Viability Note (October 2016) (vi) Cotswold District Infrastructure Delivery Plan Funding Gap Analysis (April 2017)
<b>Appendices</b>	None

<b>Options for Joint Working</b>	<p>West Oxfordshire District Council (WODC) aims to adopt its CIL Charging Schedule in 2020 and has agreed, in principle, to split the set up costs equally.</p> <p>There are further opportunities for economies of scale, which would enable WODC and the Forest of Dean District Council (FoD) to fast track the implementation of their CILs.</p> <p>Demanding CIL Regulations provide an additional impetus for joint working.</p>
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<b>Performance Management Follow Up</b>	Implement Council decision(s)
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<p><b>Background Information</b></p> <p>1. At a Special Meeting on 3rd August 2018, the Council adopted the CIL Charging Schedule (and supporting documents) and agreed to implement CIL from 1st April 2019. The report to Council stated that additional resource was likely to be required and that a report would be prepared setting out how best to implement and administer CIL.</p> <p>2. In recent months, Officers have undertaken a review to assess the practicalities and feasibility of setting up and operating CIL. Key findings included:-</p> <ul style="list-style-type: none"> <li>• CIL adds additional processes to the planning application process;</li> <li>• Project management/tracking and accuracy is essential;</li> <li>• Administering CIL and monitoring S106 agreements requires various expertise (finance, planning, legal, enforcement and prosecution);</li> <li>• There was no current capacity or specialist expertise within the Council or its partner organisations to operate CIL.</li> </ul> <p>3. Neighbouring LPAs were also interviewed to ascertain how they operated CIL. Enquiries focussed on system/software and staffing resources.</p> <p>4. Discussions highlighted the benefits of procuring a dedicated system over an in-house spreadsheet system. It was generally agreed that a dedicated system provided the following benefits over an in-house spreadsheet system:-</p> <ul style="list-style-type: none"> <li>• process automation;</li> <li>• back office support and system updates (especially useful when regulations change);</li> <li>• the ability to link with other Council systems; and</li> <li>• the ability to monitor S106 agreements and self-build applications.</li> </ul> <p>5. Nevertheless, in autumn 2018, Officers did investigate the potential for developing a dedicated CIL/S106 system for the partner Councils. Officers established that whilst it would be technically</p>
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feasible, the cost would be the equivalent of procuring three off-the-shelf systems. It would also require a team of developers at least 15 weeks to build and test the system.

6. Advice highlighted the importance of providing sufficient time to recruit and train staff, and set up and test the IT software, before going live. Practitioners recommend a transition period of at least six months, before charging the levy, is a sensible and robust timeframe.

7. A report was submitted to the Cabinet on 14<sup>th</sup> February 2019, to address the outcomes of the review. Cabinet agreed as follows:-

*(a) that the procurement of dedicated CIL and S106 monitoring software (including annual maintenance costs of £9,000) be approved;*

*(b) that additional funding be awarded to the Publica contract to fund the recruitment of one senior officer and one technical support officer (both permanent contracts) to operate CIL and monitor S106 agreements;*

*(c) that funding for resolutions (a) and (b) above be met from earmarked revenue reserves until income from CIL for administration of the Levy fully funds on-going revenue costs.*

8. The Cabinet was also mindful of advice received regarding the necessary transition/lead-in time before implementing CIL. In this connection, the following options were considered:-

(i) Defer CIL for 3 months - insufficient time to recruit staff and set up the system. One quarter of the financial year revenue will be lost. Some potential of securing levies against planning applications identified in the financial risks section.

(ii) Defer CIL for 6 months - sufficient time to recruit and set up system. However, half a financial year will be lost and there is only limited potential of securing levies against the planning applications identified in the financial risks section.

(iii) Defer CIL for 12 months - sufficient time to recruit and set up system. However, a full financial year of CIL revenue would be lost and planning applications identified in the financial risks section would most likely be determined before the levy goes live.

9. Having considered all factors, Cabinet recommended to defer the implementation of CIL by six months, until 1<sup>st</sup> October 2019. In so doing, it was acknowledged that amendments would be required to the CIL Charging Schedule and supporting documents – hence the delegated arrangement set out in recommendation (b).

10. The recommendations will enable the Council to operate and collect CIL in a professional and timely manner. It will help to ensure the planning application process is not unduly affected by new processes. It will also enable the monitoring of S106 agreements and Self-Build applications; ensuring infrastructure is delivered on time. These all contribute to providing a visibly better service.

(END)