



Report of	Meeting	Date
Central Lancashire LDF Coordinator	Central Lancashire LDF Joint Advisory Committee	6 th December 2012

COMMUNITY INFRASTRUCTURE LEVY

PURPOSE OF REPORT

1. To update Members as to the stage reached in the CIL implementation process and in particular the outcomes of the consultation in respect of the Draft Charging Schedules which took place between 19th October and 16th November.

RECOMMENDATION(S)

2. That Members note the fact that following an assessment of the responses received to this round of consultation, if no further changes are deemed necessary, the Draft Charging Schedules will be submitted to the Planning Inspectorate, to allow them to appoint a suitably qualified examiner who will in due course preside over the 'Examination' of the proposed CIL charges.

EXECUTIVE SUMMARY OF REPORT

3. This report seeks to keep Members updated as to the stage reached in the process to implement the CIL. Consultation took place in respect of the Preliminary Draft Charging Schedules between January and March earlier this year. That consultation attracted 61 representations. The comments and issues raised at that stage were assessed, and further viability work was carried out by our consultants Roger Tym & Partners. This work was then used to inform the Draft Charging Schedules which were subject to a further consultation between 19th October and 16th November. At the time of compiling this report 27 representations have been received and of these 21 either objects or raise issue, 5 offer support and 1 seeks clarification. These representations will be assessed and if considered appropriate in the current form, the Draft Charging Schedules will be submitted to the Inspectorate in order for an Examination to take place. If any further changes are deemed necessary then we are required to carry out consultation for an additional four weeks.
4. The Inspectorate undertakes to hold an Examination within 10 weeks of the formal submission of the Charging Schedules to them. At the close of the Examination the Inspector will advise when his or her report will be issued. If the Inspector's report deems that the legal processes have been complied with and supports the Schedules, they will then be brought back to full Committees of the respective Councils for formal adoption.

REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

5. To keep Members informed

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

6. None

BACKGROUND

PRELIMINARY DRAFT CHARGING SCHEDULE

7. Consultation took place in respect of the first stage of the CIL preparation process, that of the Preliminary Draft Charging Schedules, between 31st January and 30TH March, earlier this year. The consultation covered the development viability and infrastructure funding gap justification for the levy as well as the various discretionary elements associated with its operation. The main focus for developers in particular, was the viability reports produced by our consultants and the proposed charge rates.
8. Over 1000 local organisations were directly consulted and the wider public were invited to take part through public notices in local newspapers. Engagement meetings/workshops were organised with the following groups
 - Developers
 - Parish & Town Councils
 - Neighbouring local authorities
 - Infrastructure Providers
 - Lancashire County Council

A total of 61 parties made formal representations. The replies generally accorded with whether the respondents would stand to gain from the levy being introduced – such as Parish/Town Councils and infrastructure providers or whether they would experience a financial cost, such as developers.

9. The comments and issues raised at that stage can be summarised as below:

Housing Developers – queried the method of development viability appraisal and cost/value assumptions used by the consultants; claiming this overstates the developers' ability to afford the proposed levy charge rates. They also pointed to spatial variations in residential viability across Central Lancashire.

Commercial Developers – the main point of concern was the contended difference in viability between small and large format convenience (food) stores. Points were also raised about viability of employment and agricultural developments

Parish & Town Councils – the leading questions raised were what will be the scale of 'meaningful proportion' of CIL monies handed over by the District Councils, and what freedoms will the third tier authorities have to spend their money on local infrastructure. Guidance from Central Government is expected in this regard next year.

Neighbouring Authorities – were supportive and all intend to introduce the levy locally, few had timescales for implementation however.

Infrastructure Providers – those responding/attending the engagement event were in support of the levy proposals, a few queried the presentation of infrastructure needs and several sought for their areas of provision to be more specifically included.

Lancashire County Council – fully recognised the potential for levy expenditure in their service areas, particularly transport and education plus to a lesser extent green infrastructure. LCC also expressed concern in relation to the potential impact of the levy being applied in the Samlesbury part of the Enterprise Zone.

ASSESSMENT

10. Our consultants, Roger Tym & Partners were asked to consider the main viability points and any other issues raised by the representations and report back on whether the recommended charge rates should be amended as a result, for the next stage of consultation, which was that in respect of the Draft Charging Schedules.

DRAFT CHARGING SCHEDULES

11. This re-assessment resulted in the following conclusions and updated assumptions which were used to inform the proposed Draft Charging Schedule rates.

- It was accepted that in relation to residential development, assessment should take place of a broad range of sites in terms of size, type and location. Further work was carried out in this regard.
- A new charge zone for Inner Preston has been introduced; this is to reflect the fact that there are lower value house prices in the inner area.
- Apartment developments have been separated out and given their own lower rate.
- That the assumed residential values did not take account of discounting by developers and as such were too high, this has now been factored in and revised appraisals undertaken.
- That the land values assumed were too high and erroneously did not take account of the impact of policy requirements such as affordable housing, this has now been factored in, and the policy level of affordable housing assumed throughout.
- That the retail viability of neighbourhood convenience stores needed to be taken into account due to differences in rental and yields, as a consequence a new retail threshold has been introduced.

On the basis of the above the charge rates were amended as following:

- The dwelling house charge was reduced from £70 per to £65 per Sq.m
- All apartments charged £10 per Sq.m, according with the 'All Other Uses', category
- A new retail use category for neighbourhood convenience stores was introduced to be charged at £40 per Sq.m, the other retail charges remain unchanged
- A charge variation was introduced for Inner Preston, resulting in a reduced residential charge of £35 per Sq.m within the Inner Zone.

12. The Draft Charging Schedules, one for each borough were subject to consultation for the period 19th October, to 16th November, with the level of publicity being a repeat of that in respect of the earlier consultation. There is a Charging Schedule for each Authority these however are identical with the exception of a separate rate for a defined Inner Preston Zone within the Preston Schedule. The rates are set out in the table below.

Development	CIL charge per Sq.m
Dwellinghouses (excluding Apartments)	£65
Apartments	£10
Convenience Retail (excluding Neighbourhood Convenience Stores)	£160
Retail Warehouse, Retail Park &Neighbourhood Convenience Stores	£40
Community Uses	£0
All Other Uses	£10
Dwellinghouses Inner Preston Zone	£35

13 This round of consultation has resulted in 27 responses from neighbouring local authorities, Lancashire County Council, Parish Councils, planning practices, house builders, retailers, landowners and developers. Of the 27, 21 either object or raise issue with the evidence and proposed rates; 1 seeks clarification and 5 offer support. At the time of preparing this report the issues raised are still being summarised and will be reported verbally to the meeting

14 Following assessment and further consultation with our consultants if the Schedules are considered appropriate in their current form, the next stage is to progress to submit the Draft Charging Schedules to the Inspectorate for 'Examination'. The Inspectorate then undertakes to provide a date for the Examination which is no longer than 10 weeks after submission of the Draft Charging Schedules. If we decide to make any changes to the Schedules before submission then we are required to give publicity to the changes for a further period of four weeks. Our consultants have advised that there is the opportunity to suggest changes to the Schedules at the time of the Examination, if deemed necessary. At the close of the Examination the Inspector will advise when his or her report will be issued. Following receipt of the Inspector's report if the Schedules are supported by the Inspector, they will then be brought back to full Council meetings of the relevant Councils for formal adoption.

There are no background papers to this report.

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Background Papers			
Document	Date	File	Place of Inspection
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