

Community Infrastructure Levy – Draft Charging Schedule

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1. Purpose of the Report

- 1.1. To note and agree the modifications made to the Community Infrastructure Levy Draft Charging Schedule as a result of the recent public consultation. To agree that these modifications to the Community Infrastructure Levy Draft Charging Schedule be published for consultation, and to agree that the Community Infrastructure Levy Draft Charging Schedule is submitted to an independent examiner (in this case the Planning Inspectorate) on the 27th May 2016.

2. Public Interest

- 2.1. The Council is in the process of creating a Community Infrastructure Levy which will operate across the district. The Community Infrastructure Levy will be a chargeable amount levied on to certain forms of residential and commercial development in South Somerset. The submission of the Draft Charging Schedule represents the next formal stage in finalising the Community Infrastructure Levy. The Council consulted upon the Draft Charging Schedule in February 2016¹.
- 2.2. If agreed, the Council will submit the Draft Charging Schedule to an independent examiner (in this case the Planning Inspectorate) who will further scrutinise the Council's proposal for a Community Infrastructure Levy. If the Charging Schedule successfully passes through examination, the Council will then be in a position to formally adopt a Community Infrastructure Levy.

Recommendation(s):

- i. To endorse the Modifications made to the Community Infrastructure Levy Draft Charging Schedule, and recommend that these are approved by Full Council;
- ii. To endorse that the Council publishes the Modifications to the Community Infrastructure Levy Draft Charging Schedule for public consultation, and recommend that these are approved by Full Council;
- iii. To endorse the Community Infrastructure Levy Draft Charging Schedule Submission version, and all accompanying evidence, and recommend that these are approved by Full Council to be submitted to the independent examiner; and
- iv. To delegate responsibility to the Assistant Director for Economy in consultation with the Portfolio Holder for Strategic Planning to make all necessary arrangements so that the Council can carry out and complete the Examination in to the Community Infrastructure Levy Draft Charging Schedule.

¹ Draft Charging Schedule (February 2016):
http://www.southsomerset.gov.uk/media/814352/south_somerset_community_infrastructure_levy_draft_charging_schedule_issue_to_inovem_080216.pdf

3. Report

Background and Context

- 3.1. The Community Infrastructure Levy was introduced through the Planning Act (2008) and is defined through the Community Infrastructure Levy Regulations 2010 (as amended).
- 3.2. The Community Infrastructure Levy represents an opportunity to establish a clearer, more certain process for collecting contributions from development to help deliver infrastructure improvements.
- 3.3. The Community Infrastructure Levy is payable on development which creates net additional floorspace, where it exceeds 100 square metres. However, all new dwellings are potentially liable for the Community Infrastructure Levy irrespective of their size (unless there are proven exemptions).
- 3.4. The Community Infrastructure Levy will be charged by South Somerset District Council, and any amount of money received through the Community Infrastructure Levy will be collected by South Somerset District Council.
- 3.5. Under the terms of the Community Infrastructure Levy Regulations 2010 (as amended) 15% of the monies received would automatically be passed to the Parish or Town Council where the development occurred. This proportion increases to 25% where a Parish or Town Council has adopted a Neighbourhood Plan. The level of money passed to Parish or Town Council is not subject to change and will not be negotiated by either the developer or the Council.

Overview of the Process So Far

- 3.6. The Council adopted the South Somerset Local Plan (2006 – 2028) in March 2015, and this sets out the scale and location of planned growth – 15,950 homes and 11,250 jobs by 2028.
- 3.7. To ensure that this level of growth can be delivered the Council has produced an Infrastructure Delivery Plan (January 2016) which details the infrastructure requirements to support development across the district. This work concludes that there is a funding gap of approximately £128 million, which a Community Infrastructure Levy would help (in part) to bridge².
- 3.8. The Council has prepared a series of viability appraisals to inform its approach to the Community Infrastructure Levy. These appraisals examine whether development sites will still proceed if a Community Infrastructure Levy is added to the overall calculation of the costs required to develop.
- 3.9. The first appraisals originally took place in 2012 and helped inform the Preliminary Draft Charging Schedule, which was published in March 2012. Since that time, changes in circumstance have affected the overall viability of developments in South Somerset. As such, additional viability work has been prepared to inform the Draft Charging Schedule. This evidence was included as part of the formal public

² South Somerset Infrastructure Delivery Plan 2016 (January 2016):
[http://www.southsomerset.gov.uk/planning-and-building-control/planning-policy/early-review-of-local-plan-\(2006-2028/evidence-base/](http://www.southsomerset.gov.uk/planning-and-building-control/planning-policy/early-review-of-local-plan-(2006-2028/evidence-base/)

consultation on the Draft Charging Schedule, which took place between the 10th February and the 24th March 2016.

Summary of Consultation on the Draft Charging Schedule

- 3.10. The Council received 34 consultation responses to the proposed Draft Charging Schedule. These were from a mixture of landowners, housing developers, parish/town councils, and private individuals.
- 3.11. All of the consultation responses received will be forwarded to the independent examiner who will conduct the Examination into the Council’s Draft Charging Schedule
- 3.12. Six consultees have indicated that they wish to be present at the Examination into the Draft Charging Schedule. Given this level of response it is likely that a hearing/inquiry will be held to discuss the Draft Charging Schedule. The details of when, and where, the Examination will take place are yet to be determined. The Council will publicise these details once they are known.
- 3.13. A summary of the main issues raised by the consultation responses is set out in Appendix A. A full list of those persons and organisations who responded, along with their full consultation response, can be found on the Council’s consultation website: <http://consult.southsomerset.gov.uk/consult.ti/system/listConsultations>

Modifications as a Result of the Consultation on the Draft Charging Schedule

- 3.14. Having carefully considered the consultation responses, the Council believes that two modifications are required to the Draft Charging Schedule. These are summarised as:

Table 3.1: Modifications to the Draft Charging Schedule and Reasons

Modification	Reason
Removal of reference to C2 (Use Class) from the list of developments that will be subject to a £40 per square metre charge	Evidence in the viability appraisals does not support the imposition of a levy rate on this type of development.
Deletion of row referencing “Retail (A1- A5 Use Class) in Town Centres and Primary Shopping Areas” from the Draft Charging Schedule	This row of the Draft Charging Schedule was intended to clarify that retail inside defined Town Centres and Primary Shopping Areas would not be subject to a levy rate. However, it has highlighted potential unintended consequences about the effect of a levy on retail in other locations. Therefore, the simplest solution is to remove the row altogether, and Retail (A1 – A5 Use Class) will fall under the “All Other Uses” category in the Draft Charging Schedule. This type of development will still not be subject to a levy charge, and therefore the overall effect remains the same as before.

- 3.15. Full details of the proposed modifications to the Draft Charging Schedule are set out in the “Statement of Modifications” document, which can be found at Appendix B.
- 3.16. Because the Council is proposing modifications to the Draft Charging Schedule, it will need to issue a copy of the “Statement of Modifications” to all those people who have so far been invited to make representations on the Community Infrastructure Levy.

- 3.17. The Council will also publicise the “*Statement of Modifications*” on its website from the 26th May 2016. The “*Statement of Modifications*” will be available to view here: [http://www.southsomerset.gov.uk/planning-and-building-control/planning-policy/early-review-of-local-plan-\(2006-2028/evidence-base/](http://www.southsomerset.gov.uk/planning-and-building-control/planning-policy/early-review-of-local-plan-(2006-2028/evidence-base/)
- 3.18. Any person may request to be heard by the examiner in relation to the modifications. For the avoidance of doubt, the right to be heard can only be made in relation to the modifications themselves. Comments on other aspects of the Community Infrastructure Levy or other aspects of the Draft Charging Schedule cannot be made at this stage in the process.
- 3.19. Those persons who request to be heard about the modifications should include details of which modification they wish to be heard.
- 3.20. All requests to be heard must be made in writing and submitted to the Council within four weeks of the date of the submission of the Draft Charging Schedule to the examiner.
- 3.21. Therefore, requests must be submitted to the Council by 12pm on the 24th June 2016. The Council will then submit copies of any requests to be heard to the examiner.
- 3.22. Request to be heard can be made to the Council in following ways:
- **By email to:** planningpolicy@southsomerset.gov.uk; or
 - **By post to:** Spatial Policy, South Somerset District Council, Brympton Way, Yeovil, BA20 2HT

Other Changes as a Result of the Consultation on the Draft Charging Schedule

- 3.23. In evaluating the consultation responses, the Council has also made other changes to the Community Infrastructure Levy Draft Charging Schedule documentation and supporting evidence. These are summarised as follows:
- Alterations to the proposed Instalments Policy;
 - Provision of supplementary evidence on development viability linked to the Sustainable Urban Extensions in Yeovil; and
 - Provision of supplementary evidence on infrastructure requirements for a cemetery in Yeovil, and subsequent amendment to the Draft Regulation 123 List.
- 3.24. Full details on these other changes can be found in both Appendix A and Appendix B.

4. Conclusion and Next Steps

- 4.1. The Council’s position remains that it wishes to adopt a Community Infrastructure Levy, and as part of that process it must submit a Draft Charging Schedule for independent examination. A finalised version of the Draft Charging Schedule, updated to take account of the modifications and other proposed changes can be found at Appendix C.
- 4.2. The Council will publicise the proposed modifications to the Draft Charging Schedule in advance of submitting to the independent examiner; and will then submit the Draft

Charging Schedule to the examiner. Any requests to be heard in relation to the modifications will then be sent to the examiner as and when received.

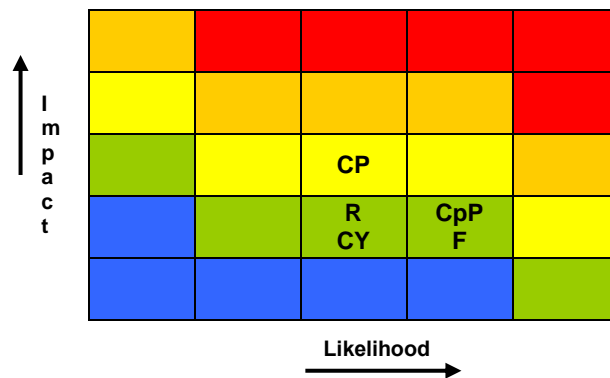
- 4.3. The Council will be submitting the modified Draft Charging Schedule, along with all of the supporting evidence and documentation, to the independent examiner on the 27th May 2016.

5. Financial Implications

- 5.1. There are no direct financial implications from this report or the recommendations.
- 5.2. However, if and when the Community Infrastructure Levy is adopted there will be financial implications for the Council in terms of the management, monitoring, and auditing of any levy monies received.
- 5.3. Similarly, practical arrangements to ensure that the correct proportion is given to Town and Parish Councils will require coordination of activity between the Council's Finance and Corporate Services directorate.
- 5.4. The governance arrangements for how the levy will be spent will be determined at a later date, but are likely to require approval from Full Council.

6. Risk Matrix

- 6.1. The matrix below sets out the risks associated with District Executive endorsing the modified Draft Charging Schedule for submission to the examiner on the 27th May 2016.



Key

Categories	Colours (for further detail please refer to Risk management strategy)
R = Reputation	Red = High impact and high probability
CpP = Corporate Plan Priorities	Orange = Major impact and major probability
CP = Community Priorities	Yellow = Moderate impact and moderate probability
CY = Capacity	Green = Minor impact and minor probability
F = Financial	Blue = Insignificant impact and insignificant probability

7. Corporate Priority Implications

- 7.1. The successful adoption of a Community Infrastructure Levy in South Somerset is an agreed Corporate Priority. Approving the Draft Charging Schedule so that it can progress to examination supports the objective to have a levy in place in the district.

8. Carbon Emissions and Climate Change Implications

8.1. None.

9. Equality and Diversity Implications

9.1. No direct implications.

9.2. The Community Infrastructure Levy is subject to a series of exemptions and qualifying criteria. These are clearly stated in the Community Infrastructure Levy Regulations 2010 (as amended). The Council will ensure that if and when it adopts the Community Infrastructure Levy it will carry out the implementation of it in direct accordance with these regulations so that the implementation is equitable.

10. Background Papers

Appendix A: Community Infrastructure Levy Draft Charging Schedule – Summary of Main Issues (May 2016)

Appendix B: Community Infrastructure Levy Draft Charging Schedule – Statement of Modifications (May 2016)

Appendix C: Community Infrastructure Levy Draft Charging Schedule – Submission Version (May 2016)