



AGENDA ITEM: 10
SUMMARY

Report for:	Cabinet
Date of meeting:	29th April 2014
PART:	1
If Part II, reason:	

Title of report:	Community Infrastructure Levy (CIL) - Submission
Contact:	<p>Cllr Andrew Williams, Leader of the Council and Portfolio Holder for Planning and Regeneration</p> <p>Robert Freeman – Strategic Planning and Regeneration Officer (Infrastructure Planning) (ext 2663)</p> <p>James Doe – Assistant Director, Planning, Development and Regeneration (ext 2583)</p>
Purpose of report:	To seek authorisation to submit the CIL Charging Schedule and associated policies to the Planning Inspector for Examination.
Recommendations:	<p>That Cabinet recommends to Council:</p> <ol style="list-style-type: none"> 1. Approval of the response to the comments made on the Draft Charging Schedule (DCS) 2. Approval of the proposed modifications to the DCS and associated policy documents 3. Approval of the Statement of Compliance with the CIL Regulations and Guidance 4. The submission of the DCS, a Statement of Compliance with the CIL Regulations and associated policy documents on Discretionary Charitable Relief, Exceptional Circumstances Relief, Instalments and Payments in Kind (Land) and supporting evidence to the Planning Inspectorate for Examination together with any representations on our proposed modifications. 5. That authority is delegated to the Assistant Director for

	<p>Planning, Development and Regeneration to submit further evidence to the CIL examiner where necessary to support the DCS.</p>
<p>Corporate objectives:</p>	<p>Preparation and implementation of a CIL contributes to all of the corporate objectives.</p> <p><u>Affordable Housing</u> Affordable housing will be exempt from paying CIL, and the CIL revenues cannot currently be used for provision of Affordable Housing, which will continue to be provided via S106. Officers from the Strategic Housing service are involved in developing the CIL charging schedule, for which affordable housing requirements will be a key consideration. If CIL is set too high then developers may not be able to meet the affordable housing policy requirements.</p> <p><u>Safe and Clean Environment</u> The infrastructure provided through CIL monies is likely to include open space and urban realm improvements to support the development of the borough, both of which contribute to a safe and clean environment.</p> <p><u>Building Community Capacity</u> CIL revenues may be used to social enterprise and local community infrastructure which supports those in the most deprived areas.</p> <p><u>Regeneration</u> CIL will be used in combination with S106 to support the delivery of the key regeneration priorities for the Council.</p> <p><u>Dacorum Delivers</u> Developing the CIL represents Value for Money as it will become cost-neutral once it is up and running as explained below. It will lead to the delivery of infrastructure required to support new development so will improve the reputation of the Council.</p>
<p>Implications:</p>	<p><u>Financial</u> The Planning Inspectorate charges £993+VAT for each day the Examiner spends on the examination of the Charging Schedule plus the Examiners travel and subsistence costs in accordance with the PINS travel and subsistence policy. It is anticipated that the examination of the CIL Charging Schedule will take only one day.</p> <p>The Council will require the support of BNP Paribas Real Estate at the CIL examination. The costs associated with the preparation of evidence and attendance at the CIL examination by Anthony Lee, Senior Director, BNP Paribas Real Estate are</p>

	<p>£200 per hour (exclusive of VAT and expenses) and Sacha Winfield-Ferreira, Associate Director, BNP Paribas Real Estate are £175 per hour (exclusive of VAT and Expenses).</p> <p>The cost of developing and implementing CIL is being borne by the Local Development Framework (LDF) budget, and may be repaid from future CIL receipts. Once implemented, up to 5% of CIL receipts may be used for its administration. The project is therefore expected to be cost-neutral in the long term.</p> <p>Once CIL is in place the Council will be responsible for collecting and allocating significant sums of money.</p> <p><u>Value for money</u> Where possible, technical work that supports the CIL has been jointly commissioned with adjoining authorities to ensure value for money. Also, see above regarding the project ultimately being cost neutral.</p> <p><u>Legal</u> CIL should reduce the need for involvement of the Council's planning solicitor, as it will reduce the role of s106 agreements. The Council's legal department may need to become involved in cases where liable parties do not pay CIL.</p> <p><u>Human Resources</u> A member of the Strategic Planning and Regeneration team has taken over the role of leading CIL development and associated infrastructure planning work, for an initial two year period. This secondment has recently been extended until March 2015, in order to cover the period of examination and early implementation. Any additional staff needs will be considered as the project develops and affect the Development Management, Legal and Financial teams.</p> <p><u>Land</u> Once in place, CIL will be payable for any chargeable development on Council owned land. The opportunity also exists for the Council to accumulate land for the delivery of infrastructure in lieu of CIL payment in accordance with Regulation 73 of the CIL Regulations. A draft policy on Payments in Kind will be submitted as evidence.</p>
<p>Risk implications:</p>	<p>The Project Initiation Document (PID) was updated in February 2013 and sets out full details of the risks associated with the introduction of a CIL. They include insufficient buy-in from infrastructure providers and key stakeholders, changes in Government policy and team capacity.</p> <p>The risk of the Charging Schedule being rejected was considered to be unlikely, but such a rejection would have significant financial consequences for the funding of</p>

	<p>infrastructure by the Council and infrastructure providers. It is noted that a number of recent Charging Schedules have been amended at the direction of their CIL examiner.</p>
<p>Equalities implications:</p>	<p>An Equality Impact Assessment has been carried out for CIL in support of the PID. No significant issues have arisen, largely as any expenditure from CIL monies will need to be reflective of the need to develop infrastructure in the Borough, as set out in the Borough's Infrastructure Delivery Plan.</p>
<p>Health and safety implications:</p>	<p>None</p>
<p>Sustainability implications:</p>	<p>The CIL charging schedule is intended to enable the delivery of infrastructure required to support development planned through the Core Strategy; the Core Strategy has been subject to Sustainability Appraisal incorporating a Strategic Environment Assessment.</p>
<p>Monitoring Officer/S.151 Officer Comments</p>	<p>Deputy Monitoring Officer:</p> <p>A robust CIL charging schedule is essential if the Council is to continue to meet the infrastructure requirements arising from development in the Borough. The draft charging schedule (DCS) appears to be based on sound evidence relating to the infrastructure requirements for the Borough and it is therefore appropriate to submit the DCS for examination. Careful consideration has been given to the representations made to the DCS and the Council's response appears reasonable and proportionate. The independent Inspector will consider the representations made in due course and make his recommendations which will be considered further by Cabinet and Council before final adoption.</p> <p>The annexed Compliance Statement demonstrates how the Council has complied with the procedural requirements of the Planning Act 2008, accompanying regulations and guidance, and this appears satisfactory.</p> <p>The policies on discretionary relief, exceptional circumstances relief, instalments, payment in kind and the proposed viability 'buffer' will be important to ensure that the viability of development schemes and consequently housing delivery are not adversely affected by CIL.</p> <p>Furthermore, robust governance procedures will need to be agreed to ensure that funds can be allocated to appropriate infrastructure in a timely and efficient manner. Progress on the governance framework has been made as reported to Cabinet in March and further work will be done to finalise these procedures to make sure they are appropriate before final</p>

	<p>approval by Cabinet in the autumn.</p> <p>Deputy S.151 Officer:</p> <p>No further comments to add.</p>
Consultees:	<ul style="list-style-type: none"> • CIL Task and Finish Group • CIL Officer Working Group • Officers at Hertfordshire County Council • Key landowners of strategic housing sites and Local Allocations. • Statutory Consultees under the CIL Regulations
Background papers:	<ul style="list-style-type: none"> • Cabinet Report – 23rd July 2013 • Cabinet Report – 26th November 2013 • CIL Guidance Notes 2014 (Department for Communities and Local Government) • CIL Regulations 2010 (amended 2011, 2012 and 2013 and 2014) • Community Infrastructure Levy Viability Study (BNP Paribas Real Estate) (December 2012) • Community Infrastructure Levy Viability Study Update (BNP Paribas Real Estate) (June 2013) • Community Infrastructure Levy Viability Study – Strategic Sites (BNP Paribas Real Estate) (November 2013) • Core Strategy 2006-2031 • Dacorum Infrastructure Delivery Plan (June 2012) • Dacorum Infrastructure Delivery Plan Update (January 2014) • Finance and Resources OSC – November 2013 • Infrastructure Funding Gap Assessment (December 2012) • Infrastructure Funding Gap Assessment Update (January 2014) • Preliminary Draft Charging Schedule (December 2012) • Project Initiation Document <p>Key documents are available on the Council's CIL web pages.</p>
Glossary of acronyms and any other abbreviations used in this report:	<p>BCIS – Building Cost Information Service CIL – Community Infrastructure Levy DCLG – Department for Communities and Local Government DCS – Draft Charging Schedule ECR – Exceptional Circumstances Relief EPR – Early Partial Review GDV – Gross Development Value IFGA – Infrastructure Funding Gap Assessment InDP – Infrastructure Delivery Plan NPPF – National Planning Policy Framework</p>

	PDCS – Preliminary Draft Charging Schedule PID – Project Initiation Document PINS – Planning Inspectorate
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BACKGROUND

1.0 Introduction:

- 1.1 The Community Infrastructure Levy (CIL) is a new way of collecting financial contributions from new developments to help fund the provision of infrastructure required to support growth in the Borough. The Charging Schedule sets out the type and level of charges to be applied over the Council's geographical area and the associated Regulation 123 list sets out the Council's framework for delivering new items of infrastructure.
- 1.2 The current mechanism for raising funds from new developments to mitigate the impact upon infrastructure is through the use of planning obligations secured under Section 106 of the Town and Country Planning Act 1990 (as amended). These will continue to play a role in funding new infrastructure. However the way that they may be applied to new developments will significantly change. The Government has made it clear through the CIL Regulations and CIL Guidance that it expects the use of S.106 to be scaled back to those matters that are directly related to a specific site and those which are not identified in CIL spending plans. The Government introduced restrictions upon pooling of S.106 agreements at an early stage in the introduction of CIL and although the deadline for pooling restrictions has been extended the government remains committed to this objective.
- 1.3 Once agreed, the Charging Schedule will effectively supersede the current Planning Obligations Supplementary Planning Document given the pooling restrictions set out in the CIL Regulations. The Council's CIL Regulation 123 list explains how sums will be secured towards items of infrastructure items under both CIL and S.106.

2.0 The Draft Charging Schedule

- 2.1 The next stage towards the adoption of a CIL is to submit the Draft Charging Schedule (DCS) together with relevant evidence for an examination.
- 2.2 The DCS is required by the CIL Regulations to contain information on (a) the name of the charging authority, (b) the rates (in pounds per square metre) at which CIL is to be charged, (c) the location and boundaries of the zones for differential rates, on an Ordnance Survey base showing grid lines and references, and (d) an explanation of how the charge will be calculated. A copy of the DCS is included in Appendix 1 to this report. Cabinet are asked to recommend that Council approves the submission of the DCS for examination.
- 2.3 The DCS was subject to consultation between the 22nd January 2014 and the 12th March 2014. Some 20 representation forms/emails were received from a range of organisations and individuals.

- 2.4 A summary of the key issues raised in the responses is included in Appendix 2 of this report. The Council is required to submit both this summary and the full representations for examination under the CIL Regulations. It is not required at this stage to address the comments made within the representations although some initial feedback from the Council is included in our statement to assist the examiner in his/her consideration of those comments. A more detailed commentary on the key issues raised in the consultation is set out in Section 3 below.
- 2.5 The DCS would charge new development as set out in Table 1 below. Charges would not be applicable to affordable housing. The charges themselves remain unchanged from those sent for consultation, although Officers are proposing a modification (MOD1) to the associated maps within the DCS to reflect the mapping requirements within the CIL Regulations.

Table 1: CIL Charging Schedule rates as set out in the DCS.

Development Type	CIL rate (per sq.m)			
	Zone 1: Berkhamsted and surrounding area	Zone 2: Elsewhere	Zone 3: Hemel Hempstead and Markyate	Zone 4: Identified Sites
Residential	£250	£150	£100	£0
Retirement Housing	£125	£0		
Convenience based supermarkets and superstores and retail warehousing (net retailing space of over 280 square metres)	£150			
Other	£0			
Retirement housing is housing which is purpose built or converted for sale to elderly people with a package of estate management services and which consists of grouped, self-contained accommodation with communal facilities amounting to less than 10% of the gross floor area. These premises often have emergency alarm systems and/or wardens. These properties would not however be subject to significant levels of residential care (C2) as would be expected in care homes or extra care premises.				

3.0 Representations

- 3.1 The representations received by the Council on its DCS are broadly supportive of the overall approach towards CIL with objections falling within three main areas

Housing Supply and Residential CIL Buffers

- 3.2 The concerns regarding residential charges within the CIL Charging Schedule are concentrated on the charges imposed for the town of Berkhamsted and its surroundings with both Savills (representing Grand Union Investments) and Vincent and Gorbings (representing Taylor Wimpey) amongst those providing adverse comments thereon. It is claimed that the charge is too high. The representations encourage the Council to adopt a higher buffer between its proposed charge and a maximum charge identified within the Viability Report. It is claimed that a higher buffer is required given the acute need to ensure the delivery of housing and as a result of the Council's failure to plan for its full objective housing need. This would be exacerbated by a disproportionately low allocation of housing within the town of Berkhamsted in the Council's Core Strategy.
- 3.3 Savills have indicated that they consider it inappropriate to proceed with setting a CIL given uncertainties over the totality of housing and infrastructure needs within the Borough and in view of their client's legal challenge to the soundness of the Core Strategy. The Council has, subject to a decision by the High Court, a sound Core Strategy upon which it has based its assessment of infrastructure needs. These infrastructure needs will need to be reconsidered following the proposed Early Partial Review (EPR) of the Core Strategy. The Dacorum Strategic Infrastructure Study (2011) considered the infrastructure needs arising from higher levels of growth than envisaged in the Core Strategy and provides greater information over potential infrastructure needs. It would be prudent to pursue the adoption of a CIL Charging Schedule in these circumstances (noting that a CIL Charging Schedule can be withdrawn under the Regulations should the need arise). Notwithstanding this objection in principle, Savills are of the view that given a shortfall in housing against the objective housing need for the Borough (as highlighted by the Inspectorate at paragraphs 24 and 25 of the Inspectors report on the Core Strategy) and against their projections for the town itself, it is crucial to adopt a lower CIL rate to ensure the delivery of housing.
- 3.4 Vincent and Gorbings have highlighted that the charges for Berkhamsted, Northchurch and the surrounding area (Zone 1) within the Draft Charging Schedule are significantly higher than other authorities and adjoining charging zones. The charge also represents a much higher percentage of the Gross Development Value (GDV) for developments in this zone than elsewhere within the Borough. This they argue is disproportionate and will stifle the delivery of housing and affordable housing on Strategic and Local Allocations in Berkhamsted thereby undermining the delivery of the Core Strategy. Their representation does not appear to acknowledge the site specific viability testing undertaken in relation to their client's (Taylor Wimpey) site at the Egerton Rothsay School site (SS1). This demonstrates that the CIL proposed does not undermine the delivery of this site. Furthermore, they do not acknowledge that CIL would not be charged on their current planning application (4/00262/14/MFA) for the development of part of this allocated site, were it to be successful. This site forms a significant element of the remaining housing expected to occur within the settlement within the plan period (25%). It is noted that they have not provided any evidence to substantiate their assertion that the rate as proposed would put the delivery of the Council's Core Strategy at risk.
- 3.5 These representations indicate that as a minimum, the CIL buffer within the Viability report should be increased. This is currently between 30% and 50%

depending on location and sub market area¹. Savills have suggested that the buffer is increased from 30% to 40%. In Berkhamsted, this would represent a fall of some £40 per square metre against the proposed CIL charges (approximately £3,040 per dwelling). The difference between these charges is considered negligible in viability terms. It is noted that Savills have not provided evidence to demonstrate why a rate with a 40% buffer is more appropriate than that proposed.

- 3.6 It is worth noting the recent experience of Hertsmere Borough Council, who undertook their CIL examination late last year. The Examiner's report into their CIL Charging Schedule concluded that:

"It is of some relevance to this CIL examination that the CS Examiner had concerns about housing numbers. Modifications were necessary to increase the CS housing requirement to a minimum sound level.... A commitment to undertake an early partial review of the CS (within 3 years) was also required.... The CIL implication of this context, in my view, is that there is no margin for error in viability terms in setting CIL rates" (Paragraph 9, CIL Examination Report – Hertsmere Borough Council)

- 3.7 Amendments were made to the CIL rate for Zone B within the Hertsmere Charging Schedule (Bushey, Radlett and Shenley) to reduce the risk to the delivery of development in this zone under the instructions of their CIL examiner. The margin of CIL buffer applied by the examiner in this case was around 20%, over double that initially proposed by Hertsmere Borough Council.

- 3.8 Although Savills have been critical of the supply of housing, it is noted that at paragraph 29 of the Inspectors report on Dacorum's Core Strategy that:

"...there would be a general over-supply of housing in the short-medium term, especially over the next three years (as identified in the up-dated Trajectory). This over-supply would broadly be the equivalent to meeting the annualised CLG projection figure of 538 dwellings."

- 3.9 The Council is implementing a significant new build housing programme and a significant level of new residential development will benefit from planning permission by the time CIL is introduced². This will boost the supply of new homes within the Borough over the short/medium term.

- 3.10 BNP Paribas Real Estate have applied a 30% CIL buffer to the residential charges for Berkhamsted as set out in paragraph 7.4 and table 7.7.1 of the Dacorum CIL Viability Report. The Council considers that allowing for a buffer of 30% has complied with the CIL Regulations which requires Charging Authorities to 'strike an appropriate balance' between raising money through CIL towards infrastructure and the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area. This buffer is considered

¹ The CIL charge for Hemel Hempstead is some £100 per square metre. This represents a 0%-50% buffer against the three housing sub markets for the town. It is accepted that CIL is at the margins of viability for northern wards within the town. Limited growth is envisaged in these locations (excluding Spencer's Park).

² As of the 1st April 2013, there were extant planning permissions for some 1726 dwellings across the Borough. Since April 2013 planning permission has either been granted (or is expected to be granted) for a number of sites including Royal Mail (86) The Elms (41) and London Road (36) Hemel Hempstead, Egerton Rothsay School (92) High Street Berkhamsted (48) and Farm Place (26), Berkhamsted

appropriate in this context and allows for changes in economic circumstances over the life time of the Charging Schedule. Although it is still important to set a charge which is not at the margins of viability, Officers consider that its importance has been overstated in objections to the Charging Schedule.

- 3.9 The BNP Paribas report continues to measure the scale of the CIL contribution against the GDV of the site with the CIL charges for Berkhamsted amounting to a modest 4.5% of GDV under the tested scenario. This assumes the cost of CIL is an entirely additional burden upon development. We are advised, by BNP Paribas Real Estate, that a figure of 5% of GDV has been accepted at a number of CIL examinations as being a reasonable charge and one which is unlikely to be the determining factor as to whether or not a scheme comes forward. The true additional cost as a percentage of GDV is likely to be much lower than 4.5% as Section 106 is scaled back in most cases.

CIL Assumptions

- 3.10 Only 2 representations, those of Savills and W.M Morrisons Supermarket Plc, directly challenge the assumptions within the BNP Paribas Real Estate Viability report for Dacorum.
- 3.11 Savills question the consideration of affordable housing within the viability appraisals by suggesting that it is inappropriate for the Council to apply a lower profit margin to the affordable housing elements within a scheme. Savills suggest that profit should be considered at a flat rate of 20% regardless of tenure.
- 3.12 Savills also suggest that we should not be adjusting the Benchmark Land Values (BLV) against which proposals are judged in the viability report to account for a loss in Social Housing Grant claiming that developers were not reflecting the grant available in acquisitions at this time. They also claim that the scale of reduction on the BLV suggested by BNP Paribas is inconsistent with that suggested for Chelmsford City Council.
- 3.13 These views are not shared by BNP Paribas Real Estate. With regard to the application of profit on the affordable housing, a 6% profit has been adopted in order to reflect the reduced risk associated with developing affordable housing. Any risk associated with take up of intermediate housing is borne by the acquiring Registered Provider (RP), not by the developer. A reduced profit level on the affordable housing reflects market practice and in BNP Paribas Real Estate's experience has been extensively accepted on CIL Viability, Local Plan Viability and site specific viability testing. Further, this approach is adopted in the GLA 'Development Control Toolkit' guidance and Homes and Communities Agency's guidelines in its Economic Appraisal Tool.
- 3.14 With respect to BLV, in BNP Paribas Real Estate's experience the BLV would have been inflated by developers factoring grant payments into their land transactions at this time and would reflect the development industry taking proportionate risk on reducing the planning requirements for such sites. It is noted viability testing was undertaken internally at Chelmsford City Council and that the 20% reduction in BLV associated with planning risk was their assumption not that of BNP Paribas Real Estate.

- 3.15 W.M Morrisons Supermarket Plc contend that build costs, rents for supermarkets, developers profits and professional fee assumptions should all be reconsidered by BNP Paribas Real Estate within their viability appraisals.
- 3.16 An additional note on Retail Viability is to be provided by BNP Paribas to address these concerns in detail and will be submitted as supporting evidence to the Examination. We are advised that BNP Paribas have re-run viability appraisals for retail development to take account of this representation. No changes to the retail rates are proposed as a result of these tests.

The Content of the Council's Regulation 123 list

- 3.17 Following publication of changes to the CIL Regulations and the publication of DCLG Guidance, the Council's draft spending plan for CIL (Regulation 123 list) is now identified as part of the evidence which should be submitted to support the Examination into the CIL Charging Schedule. It therefore forms part of the CIL Examination.
- 3.18 The Council has been criticised in a number of responses for providing a Draft Regulation 123 list which is considered too generic in nature.
- 3.19 Officers are however confident that the Draft Regulation 123 list clearly identifies where the Council would use CIL and where it will use S.106 to secure infrastructure improvements and is sufficiently clear on such matters to be considered appropriate in the context of the CIL examination. The Regulation 123 list is clearly distilled from our evidence on infrastructure needs as set out in the Infrastructure Delivery Plan Update (InDP Update) and based upon those items included in the Infrastructure Funding Gap Assessment (IFGA).
- 3.20 The Council has considered the infrastructure requirements of Strategic Site, Local Allocations and those requirements for new infrastructure identified within the Core Strategy and made clear judgements over the approach to securing such infrastructure works as evidenced in the Site Specific Viability Study of BNP Paribas Real Estate and the Regulation 123 list. These infrastructure proposals are clearly cross referenced to the Core Strategy within these documents, thereby providing clarity over the use of CIL and S.106.
- 3.21 Some small modifications are proposed to the Regulation 123 list to clarify the approach to securing some items of infrastructure. These are set out in Appendix 3
- 3.22 The Council has collaborated with the County Council over the preparation and amendment of the Regulation 123 list and will continue to do so as the CIL project is implemented. The Borough Council has set out through its initial proposals on CIL Governance (see Cabinet report of the 25th March 2014) that there is a role for the County Council on determining CIL spending priorities and that the County should be an integral part of the Infrastructure Advisory Group, whose remit should include setting and reviewing these priorities.

4.0 Modifications to the Charging Schedule

- 4.1 The CIL Regulations allow the Council to publish a list of proposed modifications to its Charging Schedule. Officers need to add some additional information to the base maps within the Charging Schedule to fully comply with the CIL Regulations (MOD1) as mentioned above. We are also proposing to make minor amendments to the Regulation 123 list, which is required to form a core element of our infrastructure evidence for the examination and also its Draft Exceptional Circumstances Relief policy (which is not subject to examination) to address comments that were made during consultation on the DCS. It is proposed to publish a single list of Modifications under the Regulations as set out in Appendix 3 to this report.
- 4.2 Cabinet are asked to consider the list of Modifications and recommend that Council approves these for consultation and submission. Notification of the proposed modifications will be given to those invited to make comment on the DCS and a four week period will be given to comment. This consultation will run concurrently to the submission of the CIL Charging Schedule and evidence, with any response being forwarded to the Examiner by a CIL Programme Officer.
- 4.3 The proposed modifications are required to clarify the Councils approach to CIL and do not change the Council's approach towards the application of CIL as set out in previous reports.

5.0 The Examination

- 5.1 The Council is required to submit the DCS for an examination by a suitably qualified and independent organisation. The examination will test whether the Council has set a CIL charge which reflects an appropriate balance between the need to fund infrastructure and the economic viability of new development in accordance with the CIL Regulations
- 5.2 The majority of Councils have submitted their CIL Charging Schedule to the Planning Inspectorate (PINS) for examination and it is recommended that the Council appoints PINS to undertake its CIL examination rather than a third party.
- 5.3 The Council will also need to appoint a Programme Officer to be in post at the date of submission of the Draft Charging Schedule whom must have no connection with the preparation of the submitted Draft Charging Schedule.
- 5.4 The Council has a substantial evidence base to submit both electronically and as a hard copy to the examiner as set out in Appendix 4 to this report. The examination library will be published as a separate section on the CIL page of the Council's website.
- 5.5 The evidence briefly comprises the following:
 - (a) Background Evidence
- 5.5.1 The Council will need to supply background information over the levels of growth expected in the Borough and more detailed information over the breakdown of housing across its geographical area in order that the examiner can draw firm conclusions over how the charges affect the delivery of housing and growth as set out within the Core Strategy. The Core Strategy itself will clearly form part of

this background evidence, but it will also be useful to supply details relating to the contributions that those scenarios or sites tested within the viability evidence make towards the overall housing requirements within the Core Strategy.

(b) Evidence of Infrastructure Need

- 5.5.2 The Council's evidence on Infrastructure needs for the Borough comprises the Dacorum Strategic Infrastructure Study (2009) and the Council's Infrastructure Delivery Plan (InDP) Update (January 2014). Specific reference would be made to the Infrastructure Delivery Schedule (IDS) within the InDP Update which provides a list of infrastructure projects needed to deliver growth and the Core Strategy. The projects within the IDS were used to form the basis of the Infrastructure Funding Gap Assessment (IFGA) and its subsequent update (both of which will be referred to in evidence)
- 5.5.3 The work on infrastructure needs is underpinned by work undertaken on infrastructure at a County level and incorporated in the Hertfordshire Infrastructure and Investment Strategy together with a number of technical reports on infrastructure issues supporting the Core Strategy.

(c) Viability Studies

- 5.5.4 The Council's CIL rates are set on the basis of viability. The Council employed BNP Paribas Real Estate to produce viability evidence to support its CIL. The Council's viability evidence is contained in the Viability Report (July 2013) and a Site Specific Viability Study (October 2013) It is intended to supplement the evidence by an additional statement by BNP Paribas Real Estate on retail viability tests early next month. The Council should also quantify the impact of CIL on recognised typologies of development contained within the Core Strategy and should produce a statement of fact on such matters based upon information contained within its note on the housing trajectory submitted in relation to the Core Strategy examination.

(d) Income and Funding Evidence

- 5.5.5 Officers have continually revised income projections over the course of the CIL project to reflect changing assumptions over the delivery of sites, funding of infrastructure items and in an attempt to interpret the impact of changing CIL legislation on infrastructure funding. It is intended to submit two new documents; CIL – Bridging the Infrastructure Funding Gap (April 2014) and CIL – Historic S.106 Data (April 2014) to provide background information and help explain our approach to CIL and infrastructure delivery.

(e) Implementation Evidence

- 5.5.6 The Council will submit a range of documents which aim to set out how it intends to implement CIL and how CIL will be used to support the delivery of infrastructure. The Council's Draft Regulation 123 list sets out our initial plans for spending CIL. Policies on CIL relief (Discretionary Charitable Relief/Exceptional Circumstances Relief) and those on payment options (Instalments/Payment in Kind (Land)) are also available and will be used at Examination to support the

Councils view that appropriate measures have been taken to ensure that the CIL rates will not threaten delivery of the Core Strategy (as required under the NPPF)

- 5.6 The Council must also submit a Statement of Compliance with the CIL Regulations and Guidance. This is incorporated at Appendix 5 of this report. Members are requested to recommend the approval of this statement.
- 5.7 The submission of the Charging Schedule, the Statement of Compliance with the CIL Regulations and Guidance and associated documents and policies requires the approval of Council as set out in Section 212 of the Planning Act 2008. It is hoped that, subject to the approval of the Chief Executive and Mayor that such matters will be considered at Annual Council on the 28th May 2014. This should enable the Council to submit CIL for examination around the 4th June 2014, thereby enabling the Council to continue to meet the challenging timetable for the introduction of CIL as set out in previous reports and the CIL PID. A failure to consider the submission of CIL at the May Council meeting would delay its submission and would have a knock on effect for the remainder of the timetable. The Council would need to delay the date of implementation of CIL as recorded in the DCS and make an associated modification to the Charging Schedule

6.0 Recommendations

- 6.1 Cabinet are asked to consider the content of the DCS in Appendix 1 and recommend that Council approves its submission to PINS for examination.
- 6.2 Cabinet are asked to consider the representations on the DCS and our commentary on the representations at Section 3. Cabinet are asked to recommend that Council submits these representations together with our summary of representations and comments thereon to PINS for examination as set out in Appendix 2.
- 6.3 Cabinet are asked to consider the proposed modifications to the DCS contained in Appendix 3 and recommend that Council approves these modifications for consultation and submission to PINS together with any subsequent representations thereon.
- 6.4 Cabinet are asked to consider the proposed evidence base at paragraph 5.5 and Appendix 4 and delegate authority to the Assistant Director for Planning, Development and Regeneration to prepare and submit any relevant evidence considered necessary to support the CIL Charging Schedule in its examination.
- 6.5 Cabinet are asked to recommend the approval of the Statement of Compliance with the CIL Regulations and Guidance at Appendix 5 of this report.