



AGENDA ITEM:

SUMMARY

Report for:	Strategic Planning and Environment Overview and Scrutiny
Date of meeting:	18th July 2017
Part:	1
If Part II, reason:	

Title of report:	Community Infrastructure Levy (CIL) and Section 106 Update
Contact:	<p>Cllr Graham Sutton, Portfolio Holder for Planning and Regeneration</p> <p>James Doe, Assistant Director (Planning, Development & Regeneration)</p> <p>Robert Freeman, Strategic Planning and Regeneration Officer (Infrastructure and Project Delivery)</p>
Purpose of report:	The report seeks to update members on the progress being made in relation to the governance and collection of both CIL and S106 receipts.
Recommendations	That the report is noted.
Corporate Objectives:	<p><u>Affordable Housing</u></p> <p>Affordable Housing is not considered to be infrastructure under the CIL Regulations 2010 (as amended) and continues to be secured through use of planning obligations under Section 106 of the Town and Country Planning Act 1990 (as amended)</p> <p><u>Building Community Capacity</u></p> <p>CIL revenues are not restricted by geography they can be targeted in areas where there are existing deficiencies and/or where needs are most acute. CIL revenues may be used on social enterprise and local community infrastructure which supports those in the most deprived areas. Local communities</p>

	<p>should feel empowered to carry out improvements within their neighbourhood by the distribution of a proportion of CIL funding to them under Regulation 59 of the CIL Regulations 2010 (as amended).</p> <p><u>Delivering an Efficient and Modern Council</u></p> <p>A clear and precise Infrastructure Business Plan will enable the long term planning of infrastructure improvements and facilitate the efficient delivery of infrastructure projects by the Council. The funds secured from CIL and S106 will enable the provision of modern facilities for the enjoyment of those living and working in the Borough.</p> <p><u>Ensuring Economic Growth and Prosperity</u></p> <p>Despite the majority of commercial developments not being liable to CIL payments, the development of the key employment area at Maylands and the Enterprise Zone is a corporate priority to which CIL funding may be allocated. It is anticipated that significant CIL funds will be committed to the development of supporting transport and ICT infrastructure to enable this area to thrive thereby increasing the prosperity of the area.</p> <p>Public realm improvement works are secured separately under S106 from those developments within the commercial areas to the east of Hemel Hempstead</p> <p><u>A Safe, Clean and Enjoyable Environment</u></p> <p>CIL and S106 receipts may be allocated to the improvement of infrastructure which supports a safe, clean and enjoyable environment. Significant funds have been allocated from the S106 contributions towards the improvement of public open spaces and in support of the Council's programme of playground improvements.</p>
<p>Implications:</p>	<p><u>Financial</u></p> <p>The Council is on target to deliver a cost neutral CIL service from 18/19. The costs of the long term delivery of CIL services will be funded from the allocation of administrative costs applied under Regulations 61 of the CIL Regulations 2010 (as amended) This allows the Charging Authority to use up to 5% of the total receipts to cover administrative expenses including staff, training, software and subscriptions. The ability of the Council to maintain a cost neutral CIL service is dependent on changes to legislation and increasing housing delivery.</p> <p>A number of legal agreements or undertakings under S106 have also secured funds for administration and monitoring purposes.</p> <p>Further information is provided within the report.</p>

	<p><u>Value for Money</u></p> <p>The Council is responsible for allocating CIL expenditure and thus has a responsibility to ensure that funding is used both appropriately and effectively in the delivery of infrastructure. Requests for CIL funding will be expected to demonstrate that the infrastructure project offers value for money with such matters being considered through the submission and scoring of projects. Infrastructure projects will be subject to procurement processes.</p> <p>The Infrastructure Business Plan and Infrastructure Delivery Plan will take an overview of infrastructure needs and provide a prioritisation of infrastructure projects enabling us to maximise the benefits of CIL funding and other sources of infrastructure funds.</p> <p><u>Staff</u></p> <p>The Council now employs two full time officers to deal with the daily administration and management of CIL and S106. These officers will be responsible for the initial consideration of CIL project submissions, the progression of the Infrastructure Business Plan, the evolution of the CIL Charging Schedule, supporting policies and strategies together with the wider infrastructure planning function of the Council.</p> <p>Other Council staff will be involved in individual projects relating to the spending of CIL funds as the need arises. Where possible such matters have been incorporated into existing work practices (for example; Resident Services are expected to work closely with Ward Councillors and Neighbourhood Action Groups over the allocation of the Neighbourhood Proportion of CIL)</p> <p><u>Land</u></p> <p>The Council has an adopted Payment in Kind policy which allows for land to be transferred to the Council upon which they can deliver infrastructure necessary to support growth. No requests have been made to date to pay CIL via this mechanism.</p>
<p>Risk Implications</p>	<p>Officers have implemented a number of recommendations from the CIL audit to ensure that the collection of CIL funds is as efficient and robust as possible. It is however concerning that a number of statutory requirements from the developers continue to go unmet (for example the submission of commencement notices) and to the detriment of its collection.</p> <p>In relation to CIL expenditure, the Council will, where possible, oversee the delivery of infrastructure projects to ensure that they are delivered on budget and in accordance with the timescales agreed by the Infrastructure Advisory Group and</p>

	set out in the Infrastructure Business Plan. The Council may withhold CIL funds in the case of slippage in the delivery of infrastructure projects or require schemes to be funded in advance of CIL payments.
Community Impact Assessment	The process for the submission and allocation of CIL funds should be open, fair and equitable for all applicants. The application process has been designed to be inclusive and both the application form and guidance notes will be available via the website.
Health And Safety Implications	None arising from this report
Consultees:	<p>The governance arrangements for CIL have been discussed in detail with members of the Infrastructure Advisory Group and other key Council staff at both Hertfordshire County Council and Dacorum Borough Council including:</p> <ul style="list-style-type: none"> • Mark Brookes, Solicitor to the Council • Mark Gaynor, Director for Planning and Housing • James Doe, Assistant Director for Planning, Development and Regeneration • Chris Taylor – Group Manager, Strategic Planning and Regeneration • Nathalie Bateman – Team Leader, Strategic Planning and Regeneration (Infrastructure and Project Delivery) • Sarah McLaughlin – Principal Infrastructure Officer, Development Services, Herts County Council <p>The Infrastructure Advisory Group includes the Portfolio Holder for Planning and Regeneration and representatives of the Hertfordshire Local Enterprise Partnership (LEP).</p>
Background papers:	<ul style="list-style-type: none"> • Cabinet Report titled “Community Infrastructure Levy Governance Update” – 27th June 2017 • Cabinet Report titled “Governance Arrangements of the Community Infrastructure Levy (CIL) – 29th November 2016 • Cabinet Report titled “Community Infrastructure Levy (CIL) – Adoption of Charging Schedule and associated documents” – 10th February 2015 • Cabinet Report titled “Governance Arrangements for the Community Infrastructure Levy (CIL)” – 25th November 2014 • CIL charging schedule, regulation 123 list and policies, 2015 <p>These documents may be viewed at www.dacorum.gov.uk</p>
Glossary of acronyms and any other abbreviations used in this report:	<p>CIL - Community Infrastructure Levy IAG – Infrastructure Advisory Group IBP – Infrastructure Business Plan IDP – Infrastructure Delivery Plan POS – Planning Officer Society</p>

S106 – Section 106 Agreement

Background

1.0 Introduction

- 1.1 This report seeks to update members on the collection of financial contributions towards infrastructure and how such contributions are being managed by the Strategic Planning and Regeneration team.
- 1.2 The Community Infrastructure Levy (CIL) is the primary mechanism for collecting financial contributions from new developments to help fund the provision of infrastructure required to support housing and commercial growth in the Borough.
- 1.3 The Council started charging CIL on all new developments receiving planning permission from the 1st July 2015. The extent of applicable charges by use and geography is set out within the Council's adopted Charging Schedule (www.dacorum.gov.uk/cil).
- 1.4 The charge is calculated in accordance with Regulation 40 of the CIL Regulations 2010 (as amended). Relief from the charge is available for affordable housing units, self build homes, domestic annexes, house extensions and those developments carried out by charitable organisations.
- 1.5 In addition to CIL, the Council continues to secure affordable housing, site specific infrastructure items undertakings which are not financial in nature (for example restrictions on use or management plans) through the use of legal agreements under Section 106 (S106) of the Town and Country Planning Act 1990 (as amended).
- 1.6 The Council is restricted in its pooling of financial contributions under S106 by Regulations 122 and 123 of the CIL Regulations 2010 (as amended) The Council has adopted a list of projects, 'The Regulation 123 List', upon which it will use CIL funding and for which it will not enter into a S106.

2.0 Legislative Changes

- 2.1 The CIL review group was set up by DCLG in November 2015 to assess the extent to which CIL does or can provide an effective mechanism for the infrastructure and make recommendations on changes to improve its operation in support of the Governments wider housing and growth objectives.
- 2.2 The resulting report "A New Approach to Developer Contributions" was published on the 7th February 2017 and we are advised that the government's response will be published alongside its Autumn Statement.
- 2.3 The key findings of the review are as follows:
 - CIL has not been provided the 'fair and transparent' approach to developer contributions originally envisaged,

- The amount raised from CIL is less than anticipated (between 5%-20% of funds required) and has been undermined by the ongoing introduction of exemptions,
 - CIL has not necessarily delivered on larger sites with complex site specific mitigation either as the local authority is poorly placed to deliver infrastructure or as a result of the pooling restrictions on the use of S106
 - The CIL system is overly complex and bureaucratic and aggravates existing capacity issues in the planning system.
- 2.4 The review group has made recommendations for a hybrid system of a low level Local Infrastructure Tariff (LIT) applicable to all development without exception with an additional S106 negotiated for larger sites (10 units or more) The restrictions on the use of S106 and pooling would need to be relaxed in such an event.
- 2.5 An additional recommendation is that combined authorities could develop a Strategic Infrastructure Tariff (SIT) for a small number of very major schemes (similar to Mayoral CIL).
- 2.6 Officers would recommend that a formal response to any consultation on changes to CIL or the approach to securing developer contributions is agreed with the Portfolio holder and advocates a simplification of the CIL process with no exemptions.
- 2.7 The Council is a member of the POS CIL Implementation Group and POS are already formulating a response to the published report for consideration in consultation with the group.

3.0 CIL Governance

- 3.1 Members of SPAE OSC will already be aware that the governance structure for CIL broadly sets out how a newly formed Infrastructure Advisory Group (IAG) would consider bids for CIL funding and set out how such funds would be spent via an Infrastructure Business Plan (IBP) The IBP would be scrutinised and approved by OSC, Cabinet and Council with funding released in the following financial year. Such decisions would be strongly linked to our infrastructure evidence in support of the CIL and Local Plan.

4.0 Changes to the Infrastructure Delivery Plan

- 4.1 The Council has an IDP which provides a technical assessment of the infrastructure required to support the existing and proposed levels of housing and employment growth within the Borough up to 2031. This assessment is based on growth identified within the Core Strategy and incorporates the strategies and key infrastructure priorities of external infrastructure providers.
- 4.2 A number of projects within the IDP are of a long term nature. Because of their reliance on external funding sources, some may be delayed and may be unlikely to materialise within the lifetime of the Core Strategy.
- 4.3 Although it may be desirable for these projects to be included in the IDP and aspirations of infrastructure providers, to give a full picture of infrastructure

needs in the Borough, their inclusion detracts from the strategic planning value of this document and its worth for allocation of CIL funding.

- 4.4 It appears prudent to attempt to rationalise and prioritise those infrastructure items within the IDP and differentiate between those that are essential to meet the needs arising from development and those which are more 'visionary' or desirable for the infrastructure provider in view of limited CIL funds available.
- 4.5 A new settlement based version of this document – focusing on the needs of Hemel Hempstead, Berkhamsted and Tring in particular – will soon be published. This illustrates the infrastructure requirements for each place, those in the process of being delivered and those funded by CIL or other Council funds. It also includes a prioritised schedule of all infrastructure requirements per settlement.

5.0 Changes to the Infrastructure Business Plan (IBP)

- 5.1 The IBP draws on infrastructure requirements set out in the IDP. Its purpose is to provide a statement of the Council's intent in relation to funding and delivering infrastructure over a shorter timescale. It is intended to focus on actual delivery of infrastructure projects.
- 5.2 In preparing the IBP, a stronger focus is required to ensure that bids for strategic infrastructure items are not lost in favour of smaller 'quick wins'. CIL funding is limited and the IBP is now needed to guide the Council priorities for infrastructure, and be proactive in setting the infrastructure agenda.
- 5.3 An IBP will now be produced in advance of CIL submissions to set the infrastructure agenda and provide a Council steer on the allocation of CIL funds.
- 5.4 The IBP will seek to establish the Council's short/medium term infrastructure priorities and details of those essential infrastructure projects which it would strongly support through the use of CIL or other funding. As per the original timetable, this IBP will be developed by officers for consideration by the IAG in September 2017 taking projects based on items in the IDP that fit with the strategic priorities for CIL spend that were approved by Cabinet in November 2016. In subsequent years the IBP will be updated to incorporate information on the success or otherwise of CIL project submissions under the direction of the IAG.
- 5.5 An additional stage is now anticipated in advance of encouraging CIL submissions and to encourage early engagement with the Council as Charging Authority. Expressions of interest in the use of CIL will now be encouraged from July 2017 to gauge the extent to which our infrastructure priorities align with those of external infrastructure providers and to explore the likely scope of bids for funding. Formal expressions of interest will be requested each financial year between November and February with the objective of facilitating a productive CIL submission stage.
- 5.6 The IDP together with the IBP will help us identify the most suitable submissions for CIL funds and reduce the prospect of spending funds on bids not identified as Council priorities..

6.0 Changes to the CIL Submission Programme

- 6.1 In the report to its meeting on 27 June 2017, Cabinet have been asked to authorise deferring receiving requests for CIL expenditure until April 2018 to enable additional work to be undertaken on the prioritisation and timing of infrastructure projects within the IDP, to account for the addition of significant transport proposals emerging from the SW Hertfordshire Growth and Transport Plan and allow for the further accumulation of CIL funding. An amended programme for the submission of requests for CIL funding and for the development of a plan covering its allocation is set out in Table 1 below.

Table 1 - Amended CIL Submission Timetable and Programme for Adoption of IBP

July 2017	Invite expressions of interest for the use of CIL
September 2017	Consideration of the IBP by the IAG
October 2017	IAG agree IBP for submission to Overview and Scrutiny and Cabinet
November 2017- January 2018	IBP considered by Overview and Scrutiny and Cabinet
November 2017- February 2018	Formal expressions of interest for the use of CIL funds requested
February 2018	IBP approved by Council
April 2018	Invite CIL project submissions
May 2018	Deadline for the receipt of CIL project submissions (6 weeks)
July 2018	IAG consider project submissions for inclusion in IBP

7.0 CIL Collection

- 7.1 A summary of CIL income and expenditure is set out in Table 2 below. Members should note that these figures differ from those held for accounting purposes, as they do not include sums for which a Demand Notice has been raised and for which there is currently an outstanding debt or instalment. This shows that from the total CIL monies received, the Borough Council would be left with some £453,501.53 towards the provision of new infrastructure once its administration costs and neighbourhood CIL – paid to town and parish councils and neighbourhood plan areas (Regulation 59 payments) have been made.

Table 2 – Summary of CIL Income and Expenditure

	<i>Financial Year</i>		
	<i>2015/16</i>	<i>2016/17</i>	<i>Total</i>
<i>Income</i>			
CIL Receipts	£65,119.53	£498,673.38	£562,792.38
<i>Expenditure</i>			
Administration (5%)	£3,255.96	£24,933.67	£28,189.63
Neighbourhood CIL (15%)	£9,767.90	£72,333.67	£81,857.42

<i>Balance</i>	<i>£52,095.49</i>	<i>£401,406.04</i>	<i>£453,501.53</i>
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7.2 Town and Parish Councils were passed the latest instalment of CIL funding in April. A breakdown of funds available for Town/Parish Councils and those councillors within Hemel Hempstead is published on the CIL pages of the website and is reproduced at Appendix 1.

7.3 These receipts, whilst providing a useful source of infrastructure funding, fall significantly short of that required to fund infrastructure (circa 10% of the annual requirement). Although CIL was never intended to fully plug the infrastructure funding gap calculated for the CIL examination we had anticipated a more significant contribution (15%-20%) towards the shortfall in infrastructure funding. The reasons for this shortfall can be summarised as follows:

- There are now a range of exemptions from payment under the CIL Regulations 2010 (as amended) is greater than anticipated.

The Council's representations to the CIL Review identified that only 30% of those applications being identified as being liable for CIL had resulted in a charge being levied once relief claims had been processed by the Infrastructure Officer¹.

- the Borough Council has been relatively successful in granting planning permission for the regeneration of previously developed land

These schemes generate lower CIL receipts as any existing 'in use' floor area may be subtracted from the chargeable floor area.

- the Borough Council has a successful new build affordable housing programme.

Affordable homes built under the new build programme are generally exempt from the payment of CIL charges.

- the CIL process is still relatively new and in some cases, not fully understood by developers.

CIL is only payable when development starts. The Council has a significant number of sites for which the recorded CIL stage is "awaiting Commencement Notice" Despite the submission of a Commencement Notice being a requirement under the CIL Regulations 2010 (as amended) these are seldom received. The checking of sites is resource intensive and inevitably has resulted in a lag in securing payments against individual schemes. Further delays are often caused as a result of the CIL process as surcharges are levied, insufficient funds are available for payment and/or appeals are lodged.

7.4 At the end of the last financial year, the Council recorded a contingent asset in relation to CIL amounting to some £6,917,196.51. The contingent asset

¹ The Council is not proactive in encourage the submission of relief claims from those who may be eligible.

represents the overall monetary value of the Liability Notices as issued at that date²

- 7.5 The contingent asset should be treated with caution as such sums are only due upon commencement of works, if at all, Liability Notices are subject to changes as a result of relief claims (affordable, charitable, extensions or self build) being processed prior to the commencement and a number have been reissued since CIL has been implemented. The majority of planning permissions last some 3 years and could remain 'live' or part of the contingent asset for the duration of this period. These more historic consents tend to have multiple planning permissions covering the site and thus a further element of duplication is introduced into the value of the asset.
- 7.6 The following schemes forming part of the current value of the contingent asset should be noted
- 4/03441/15/MFA – A total of £3,167,682.78 is to be provided in relation to the development of 'The Beacon' at Whiteleaf Road, Hemel Hempstead. Any Demand Notice for this scheme will require the payment in four instalments (£791,920.70 each) and over a period of 2 years.
4/00029/16/MFA – A total of £664,443.31 is associated with the development of St Francis De Sales Preparatory School, Tring.

4/03552/15/MFA – A total of £244,793.31 is associated with proposals for 36 units at Hewden Hire Ltd, Two Waters Road, Hemel Hempstead. It is understood that the landowner is considering an alternative scheme.
4/02488/16/FUL – A total of £159,424.21 is associated with the construction of a new dwelling within Aldbury.

4/02528/16/FUL – A total of £145,927.56 is associated with the construction of four dwellings at Gannel Farm, Tring

4/1801/16/FUL – A total of £127,939.96 is associated with the development of land at the r/o Grove Road, Tring. It is understood that an alternative scheme which pre-dates the CIL charges has been implemented.

4/02678/15/FUL - A total of £100,708.01 is associated with the construction of three dwellings at Loxley Farm, Long Marston
- 7.7 Members should note that the above figures should be treated with caution, as the amounts paid in the future could be less if legitimate claims for reduction are made and accepted (for example for social housing).
- 7.8 It is estimated that around £1.5m of the value of the contingent asset was made up of units subject to unclaimed affordable housing reliefs. The bulk of this related to schemes submitted by DBC and Hightown Praetorian and Churches Housing Association (HPCA)
- 8.0 CIL Expenditure**
- 8.1 The Council has not spent any CIL funds directly on the provision of infrastructure and there are currently no plans to do so before April 2019.

² As generated on the 23rd June 2017.

- 8.2 Such expenditure will be identified in the IBP and will result from the IAG's consideration and recommendations on CIL project submissions. These submissions will be considered by the IAG from July 2018 and approved by Council from December 2018.

Administration

- 8.3 The Council has set aside some 5% of its CIL income to cover the set up, monitoring and administrative costs associated with the charging of CIL as is permissible under the CIL Regulations 2010 (as amended)
- 8.4 The main costs associated with CIL are those covering staffing, software and subscriptions. The ongoing maintenance costs associated with CIL are set out below.
- 8.5 The annual standard maintenance costs associated with software are £8000 index linked to RPI plus VAT per annum with a further £5000 plus VAT per annum being attributed to subscriptions.
- 8.6 This financial year a further £1000 has been spent on legal representation associated with the on going recovery of associated debts. The Courts have awarded costs in relation to these matters.
- 8.7 The administrative costs are currently insufficient to cover staffing costs, which are being met from alternative budgets.

Neighbourhood Proportion

- 8.8 In accordance with Regulation 59 of the CIL Regulations 2010 (as amended) the Borough Council is required to pass on some 15% of its CIL funds to the Town and Parish Councils (and Neighbourhood area in unparished areas) for use by the local community. The sums that have already been transferred are identified in Table 2 above and are broken down in more detail in Appendix 1. The Council did not report any CIL expenditure by Town and Parish Councils for 2015/16 and is not aware of expenditure by Town and Parish Councils covering the last financial year. Such information should be reported by the end of the calendar year (see Regulation 62 statement at www.dacorum.gov.uk/cil) either directly by the Town/Parish Council or via the Charging Authorities website.

9.0 Section 106

- 9.1 The Council continues to receive a relatively high level of income from S106 as set out in Table 3 below

Table 3 – Summary of Annual Section 106 Income

Financial Year	Sums received by DBC
2016/17	£1,158,264
2015/16	£1,641,138
2014/15	£628,487
2013/14	£444,840

- 9.2 This is surprising given a notable fall in the number of obligations being entered into and is largely attributed to the amounts of money secured for affordable housing in lieu of direct provision (circa £896,000) over the last financial year. Such funds directly support the Council New Build housing programme.
- 9.3 The decline in the number of S106 being entered into reflects the gradual restriction on the use of S106 following the introduction of the CIL Regulations 2010 and annual amendments thereto, the Ministerial Statement from November 2014 and introduction of CIL on the 1st July 2015. The CIL regime has not completely replaced S106 and the hybrid approach and additional bureaucracy is one of the primary criticisms of CIL.
- 9.4 The current balances of S106 extend to some £3,693,723 which is broken down by responsible officer/theme in Table 4 below.

Table 4 – Section 106 Balances at 31st March 2017.

Responsible Officer	Purposes	Amount
David Barrett (Group Manager, Strategic Housing)	Affordable Housing	£2,191,478
Chris Taylor (Group Manager, Strategic Planning and Regeneration)	Cycle Contributions and Regeneration Works	£317,900
Craig Thorpe (Group Manager, Environmental Services)	Open Space and Environment	£32,953
Julie Still (Group Manager, Resident Services)	Playing Pitches, Playgrounds and Community Development	£870,647
Nicholas Brown (Group Manager, Commercial Assets and Property)	Allotments, Open Space and Playing Pitches	£241,772
Richard Baker/Unallocated (Group Manager, Financial Services)	Miscellaneous	£10,637
Hertfordshire County Council (to be transferred)	HCC Services/Traffic	£28,336
Total		£3,693,723

- 9.5 The Borough Council currently holds some funds that are directly applicable to services delivered by HCC and some sums that need to be transferred to Hertfordshire Constabulary. These have been erroneously paid to the Council.

- 9.6 The following expenditure has occurred or is included in the capital programme.

Table 5 – Section 106 Expenditure

	Capital Expenditure			Revenue Expenditure
	2016/17	2017/18	2018/19	
Amount	£247,640	£385,500	£337,500	£9,262

- 9.7 The majority of capital expenditure has been on the provision of play facilities within the Borough as part of the wider Playground Improvement Scheme (£204,739). S106 funding has also been released during the year for works within Maylands as part of the Maylands Urban Realm Improvements (MURI), works at Heath Park and additional works at The Elms.
- 9.8 The Council has committed S106 funds for works at Gadebridge Park during 17/18 and released over £0.5million in funds secured for the provision of affordable housing for years 17/18 and 18/19 through the capital programme.

10.0 CIL Policies

- 10.1 The Council has a number of supporting policies sitting behind its CIL Charging Schedule and covering such matters as Discretionary Charitable Relief, Exceptional Circumstances, Instalments and Payments in Kind (Land). These policies were introduced at the discretion of the Council with a view to facilitating the viability of schemes coming forward through the planning process and to assist in the timely delivery of infrastructure.
- 10.2 The Council has also set out its intentions regards to funding infrastructure through the publication of a Regulation 123 list.
- 10.3 The Governance structure for CIL sets out that these policies will be formally reviewed by the IAG, but the following should also be noted.

Exceptional Circumstances

- 10.4 The Council has not had any requests to use its Exceptional Circumstances policy and to date has not experienced any significant claims for a reduction in affordable housing below the policy requirements set out in CS19 – Affordable Housing. This would indicate that despite a significant rise in indexation the charges within the Charging Schedule are having a negligible impact overall on scheme viability.

Instalments

- 10.5 As a result of indexation a number of smaller schemes have generated CIL Liability Notices which exceed the lowest band within our Instalments policy. This means that most charges are now subject to multiple instalments with an associated increase in administration and delay in funding. Officers would like to review the terms of our Instalment policy to reach a more appropriate balance between the need to secure funding and account for scheme viability.

Payments in Kind (Land)

- 10.6 No formal offers of land have been forwarded in lieu of CIL payment.

Regulation 123

- 10.7 There have been a couple of instances where objections to planning applications have been received from Sport England. These generally arise where unidentified sites are being brought forward and there is a loss of playing pitches or open space as a result of the proposal. The current wording of our Regulation 123 list prevents the security of replacement land under S106 in such cases and has led to associated delays in securing planning permission for otherwise acceptable schemes.

11.0 Next Steps

- 11.1 At this stage it is considered that there is little merit in reviewing the CIL Charging Schedule and associated policies, given the potential changes in the framework for collection of developer contributions and given that the Council is in the early stages of progression of a new Local Plan.
- 11.2 Officers will continue to monitor the success of CIL and the associated policies with the IAG and report on CIL through the Annual Monitoring Report.
- 11.3 Any review of CIL will be aligned with the development of the new Local Plan with a view to reducing the need for and costs associated with preparing supporting evidence.