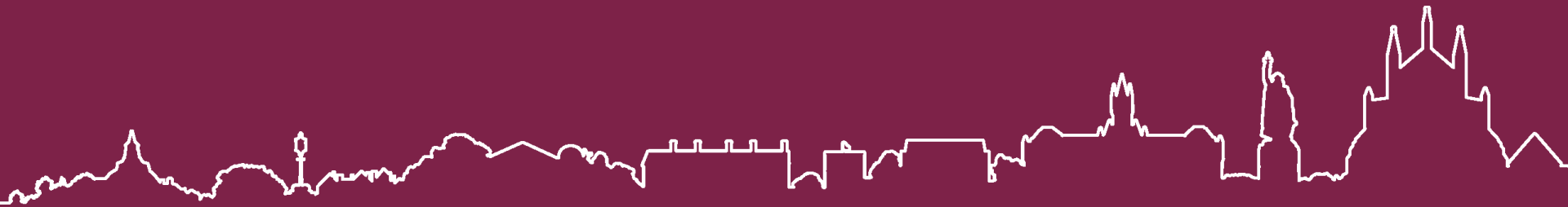






Review of the Community
Infrastructure Levy
Health and Environment Policy
Committee
6th December 2022



BACKGROUND TO CIL


-  Introduced by Winchester City Council in April 2014. WCC has collected over £20m since then, with c£15m retained by WCC for infrastructure
-  CIL is charged on each square metre of most new development over 100m²
-  CIL Charging rates are indexed linked so have risen with inflation since 2014
-  Regulations require LA's to produce an Infrastructure Funding Statement List which includes an Infrastructure List (Previously the R123 List)

CIL CAN BE USED TO FUND A BROAD RANGE OF INFRASTRUCTURE

- Recreation/Community/Cultural facilities (e.g. play areas, parks, community centres, sports facilities)
- Transport (e.g. footpaths, cycle ways, pedestrian crossings)
- Flood Defences
- Health and social care facilities (e.g. hospitals, surgeries)
- Community safety facilities (e.g. police stations)
- Educational facilities (e.g. free schools, academies)

Intended to focus on the provision of new infrastructure to support development of the area and not remedy pre-existing deficiencies, unless made worse by new development.

CIL CHARGING RATES

 Charge per square metre 2022 rates (2014 rates in brackets have been increased each year due to inflation) Indexed rate applied on 1st January each year

TYPE OF DEVELOPMENT	Zone 1 (MDA's and SHUA)	Zone 2 (Winchester Town)	Zone 3 (Market Towns and RA's)
Residential	(£0) £0	(£120) £168.10	(£80) £112.06
Hotel	(£0) £0	(£70) £98.06	(£70) £98.06
Retail (all categories in the town centre)	(n/a) n/a	(£120) £168.10	(n/a) n/a
Retail (warehouses convenience stores and supermarkets)	(£0) £0	(£120) £168.10	(£120) £168.09
Retail (other retail development)	(£0) £0	(£0) £0	(£0) £0
All other uses	(£0) £0	(£0) £0	(£0) £0

COMPARISON WITH OTHER LOCAL AUTHORITIES





(CIL CHARGE PER SQUARE METRE - 2022 RATES)

Local Authority	Zone 1	Zone 2	Zone 3	Zone 4	Date CIL Adopted
Basingstoke and Deane	£0	£82.74	£144.80	£206.86	22/03/2018
East Hants	£79.63	£134.76	£183.76	£220.52	14/01/2021
Fareham	£105	£0 (Welborne)	N/A	N/A	15/06/2021
New Forest	£80	N/A	N/A	N/A	01/04/2014
South Downs National Park	£173.52	£231.36	N/A	N/A	01/04/2017
Test Valley	£175	£140	£105	£70	27/01/2016
Winchester	£0 (MDA's)	£168.10	£112.06	N/A	01/04/2014

IMPLICATIONS OF CHANGING THE CURRENT CHARGING RATES

- Current CIL rates have informed the Local Viability Assessment of the Local Plan so changes to the CIL rates could then have implications for Local Plan policies such as affordable housing.
- To change CIL rates a rigorous evidence based assessment would be required followed by consultation with other LA's developers, Parish/Town Councils leading to an External Examiner Assessment
- The Levelling Up and Regeneration Bill will be replacing CIL with the Infrastructure Levy





CHANGES TO CIL – THE LEVELLING UP AND REGENERATION BILL

-  The Levelling Up and Regeneration Bill (not yet enacted) would gradually replace CIL with the Infrastructure Levy
-  The Infrastructure Levy may replace s106 for smaller developments
-  The Infrastructure Levy will be charged on the ‘gross development value’ and is likely to be collected once the development is sold rather than at present with CIL where CIL is collected ‘up front’.
-  There is likely to be a need to re-visit the charges applied to development when the Infrastructure Levy comes into operation





THE INFRASTRUCTURE LIST (PREVIOUSLY THE R123 LIST)

- The key purpose of the Infrastructure List is to identify the broad range of infrastructure that could be funded through CIL (but not necessarily would be)
- When first formulated in 2014 the list needed to include large schemes to demonstrate a need for CIL. The value of the schemes on the Infrastructure List therefore far exceeds the funding available
- There is a requirement to publish a Infrastructure List (which is part of the Infrastructure Funding Statement) at the end of each year
- The Infrastructure List was refreshed in 2018 but requires updating to reflect the Council's priorities for helping to provide infrastructure.

THE NEED FOR REVIEW

-  The CIL charging rates were introduced in 2014 and although they are uplifted each year to reflect inflation, renewing the charging schedule is one option that needs to be considered
-  The Infrastructure List is out of date, and many of the items on the list are 'big ticket' items that could not be funded as there is not enough CIL available to fund these
-  The Infrastructure List needs to align more closely with the Council Plan Priorities and Carbon Reduction Policies.
-  The process for prioritising schemes for funding needs to be reviewed to ensure it is transparent and gives value for money

QUESTIONS FOR MEMBERS TO CONSIDER

-  Given that the charging rates are uplifted each year and they are largely comparable with other Hampshire Authorities, and there are changes on the horizon with the Infrastructure Levy, do Members agree that the charging rates should not be reviewed at this time?
-  Do Members agree that the Infrastructure List needs updating?
-  If so, how could this be taken forward?
-  Do Members have any initial thoughts on the criteria for allocating funding and aligning the requirements more closely with the Council Plan Priorities?

NEXT STEPS

It is recommended that:

- A report will be brought back to HEP in March to update of the conclusions of the working group
- Recommendations made to Cabinet following the HEP meeting in March

Discussion