

READING BOROUGH COUNCIL

REPORT BY EXECUTIVE DIRECTOR OF ECONOMIC GROWTH & NEIGHBOURHOOD SERVICES

TO:	PLANNING APPLICATIONS COMMITTEE		
DATE:	26 JUNE 2019		
TITLE:	UPDATE ON CONSULTATIONS ON CHANGES TO THE COMMUNITY INFRASTRUCTURE LEVY		
LEAD COUNCILLOR:	COUNCILLOR PAGE	PORTFOLIO:	STRATEGIC ENVIRONMENT, PLANNING AND TRANSPORT CHAIR, PLANNING APPLICATIONS COMMITTEE BOROUGHWIDE
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1. PURPOSE AND SUMMARY OF REPORT

- 1.1 This report summarises the outcome of consultations undertaken by the Ministry of Housing, Communities and Local Government (MHCLG) on proposed CIL legislation changes in 2018. The changes are due to come into force on 1st September 2019.

2.0 RECOMMENDED ACTION

- 2.1 That the Committee notes the contents of this report.

3. BACKGROUND AND ISSUES

- 3.1 The Community Infrastructure Levy (CIL) is a charge which local authorities in England and Wales are empowered, but not required, to levy on most types of new developments in their areas. The proceeds of the CIL levy is intended to provide infrastructure to support the development of an area in line with local authorities' development plans. CIL is a means to collect pooled payments towards larger or more strategic infrastructure. The Council introduced CIL in Reading on 1st April 2015.
- 3.2 The government consulted on reforming CIL last year with an intention of addressing a of the following points:
- Reducing complexity and increasing certainty;
 - Increasing market responsiveness;
 - Improving transparency and increasing accountability;
 - Delivering starter homes; and
 - Technical clarifications.
- 3.3 The consultation response has resulted in a number of changes to the CIL regulations which have been laid before parliament this month with an expected implementation date of 1st September 2019. Not all of the items that were part of the consultation have come forward so the following highlights those items brought forward;
- Infrastructure funding statements to be introduced, replacing the current 'Regulation 123 list' (which lists the items on which CIL is to be spent). This statement will include details of money received through developer contributions

from each development and how it has been spent, and will be published every December, from 2020.

- S106 pooling restrictions removed. Currently local authorities are allowed to pool no more than five developer contributions from Section 106 agreements to fund a single infrastructure project. The regulations remove any upper limit on the number of developer contributions that can be pooled.
- Monitoring fees for S106 agreements allowed under the new regulations, as long as they are “fair” and “reasonable”. Details to follow in the guidance.
- Indexation changes to use a new RICS publicly available figure.
- Changes to Commencement Notice penalties where some types of relief have been granted. Penalties will not now remove the relief element.
- Changes to CIL rates for amended planning applications, so that only new additional floor area will be charged at the latest CIL rate. The remainder of the floorspace will be charged at the rate that was in place when that element of the development was first permitted.
- Changes to the consultation process for adoption of CIL and changes to charging schedules. This includes a requirement to consult if an authority decides to cease charging CIL.

- 3.3 Officers advise that these changes appear to give the local authority more flexibility with developer contributions and delay the introduction of the new Infrastructure Funding Statements to give more time for local authorities to prepare. It is expected that the accompanying guidance to the legislation changes will allow a better understand of the impacts these changes will have on our current approach to developer contributions.

4. CONTRIBUTION TO STRATEGIC AIMS

- 4.1 The Planning Service contributes to the Council’s strategic aims in terms of:

- Seeking to meet the Corporate Plan objectives for “Keeping the town clean, safe, green and active.”
- Seeking to meet the Corporate Plan objectives for “Providing homes for those in most need.”
- Seeking to meet the Corporate Plan objectives for “Providing infrastructure to support the economy.”

5. COMMUNITY ENGAGEMENT AND INFORMATION

- 5.1 This report is about a response to public consultations carried out by the government.

6. EQUALITY IMPACT ASSESSMENT

- 6.1 Where appropriate the Council must have regard to its duties under the Equality Act 2010, Section 149, to have due regard to the need to—

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

- 6.2 There are no direct implications arising from the proposals.

7. LEGAL IMPLICATIONS

- 7.1 The changes referred to in this report are to the Community Infrastructure Levy Regulations 2010 (as amended).

9. FINANCIAL IMPLICATIONS

- 9.1 The financial implications are that there will be more flexibility with how developer contributions can be used to provide for identified infrastructure improvements. This should enable more effective use of developer contributions to fund infrastructure.