

REPORT TO: Environment and Urban Renewal Policy
and Performance Board

DATE: 2 January 2013

REPORTING OFFICER: Strategic Director – Policy and Resources

PORTFOLIO: Physical Environment

SUBJECT: Community Infrastructure Levy (CIL)

WARDS: Boroughwide

1.0 PURPOSE OF THE REPORT

- 1.1 The report provides the Environment and Urban Renewal PPB with an overview of the Community Infrastructure Levy (CIL) and proposes the commencement of CIL investigatory work to establish if a CIL financial charge on new development is viable in Halton. The CIL is a mechanism for charging developers a set fee to provide physical infrastructure in the local authority area. The CIL charge is in £ per m² and varies between types of development (housing, offices etc.) and geographic areas.
- 1.2 If CIL is found viable, then a CIL Charging Schedule should be prepared and adopted to deliver the infrastructure required by the Borough for future economic prosperity. The adoption of CIL will ensure that the Council can continue to pool contributions towards strategic infrastructure and consequently that new development continues to be supported by appropriate infrastructure.

2.0 RECOMMENDATION: That the Board

- 1. note the issues surrounding the potential introduction of a Community Infrastructure Levy (CIL) in Halton;**
- 2. endorse the preparatory work needed to produce a CIL charging schedule with the results being reported back to a future meeting of this Board; and**
- 3. recommend that a report be submitted to a future meeting of the Executive Board for its consideration once the preparatory work for a CIL Charging Schedule for Halton has been completed.**

3.0 SUPPORTING INFORMATION

- 3.1 CIL is a new charge that local authorities have the power to levy on most types of new development in their areas to fund infrastructure required to support growth. Charges are based on the size and type of development proposed. CIL will not replace mainstream funding sources. Evidence of the need for infrastructure and development viability is required when

setting the charge. Once set and adopted, CIL will be mandatory for developers to pay.

- 3.2 Members may be aware of the existing powers the Council has to enter into legal agreements with developers under Section 106 of the Town and Country Planning Act 1990, to seek contributions from developers to mitigate negative development impacts and facilitate development which might otherwise not occur. The Community Infrastructure Levy Regulations 2010 (the CIL Regulations) have changed the way in which planning obligations can be sought through Section 106 Agreements. CIL will sit alongside other financial opportunities for infrastructure such as Tax Increment Financing (TIF), New Homes Bonus, a reduced Section 106 mechanism and Section 278 for highway works.
- 3.3 Whilst CIL is an optional charge the CIL ¹Regulations which came into force on 6 April 2010 significantly limit the use of Section 106 agreements after April 2014. After this date, no more than five developer contributions can be pooled per infrastructure item (the five will include any agreements commenced from 6 April 2010). These restrictions would make Section 106 impractical as a source of developer contributions for strategic infrastructure.
- 3.4 Whilst it is the Government's intention to replace Section 106 contributions for general types of community infrastructure, Section 106 agreements will still be used for site-specific mitigation measures that are required to make a development acceptable, including affordable housing (although this particular aspect is subject to current consultation discussion).
- 3.5 In the absence of CIL, there is every prospect that it will be increasingly difficult to fund the infrastructure necessary to deal with future development in Halton, although it must be acknowledged that CIL also brings significant administration and legal responsibilities including the enforcement of non-payment. Halton Borough Council would be responsible for setting the CIL charge, collecting the Levy and allocating the Levy for spending.
- 3.6 Detailed viability work is required to establish if CIL **is actually viable in Halton** i.e. that development can afford to pay a CIL charge. In addition, the ability of development to sustain a CIL charge will relate to the development type, for example residential development may be able to sustain a CIL charge whilst employment development may not be viable in the current market and as such would be subject to a CIL charge of zero. The viability work will help establish and test appropriate charge rates.
- 3.7 There are two options available to the Policy and Performance Board:

¹ CIL Regulation 2010 Regulation 42
CIL Regulations 2010 Regulation 6(1) and 40(6)

- a) Endorse the commencement of investigatory work to take forward viability testing of CIL via a recommendation to the Executive Board.
 - b) Not to endorse the proposed approach and timetable for the introduction of CIL in Halton.
- 3.8 Option a) would demonstrate the Council's commitment to supporting the delivery of infrastructure needed to support future levels of growth.
- 3.9 Option b) is not considered appropriate. Failure to examine the viability of implementing CIL in Halton could severely restrict the Council's ability to pool contributions towards the provision of larger infrastructure items from April 2014. The Council could also miss out on the opportunity to maximise potential for collating development contributions towards new infrastructure required to deliver growth in the Borough.

What is Community Infrastructure Levy?

- 3.10 The CIL is a mechanism for charging developers a set fee to provide infrastructure in the local authority area. Section 216 of the Planning Act 2008, as amended by Regulation 63 of the CIL Regulations defines 'Infrastructure' for the purpose of CIL as including:
- a) Roads and other transport facilities;
 - b) Flood defences;
 - c) Schools and other educational facilities;
 - d) Medical facilities;
 - e) Sporting and recreational facilities; and
 - f) Open spaces.
- 3.11 The CIL schedule is prepared and set by the local authority. In setting the charging system the Council will need to consider the total costs of infrastructure provision resulting from development within Halton (as set out in the Core Strategy) against existing funding streams and the viability of that development. CIL will also rationalise the land uses that will be subject to the charge, with all types of land use being potentially liable. It should be noted that the CIL would not be a standardised charge paid by all types of development. The CIL will be a schedule setting out differential rates reflecting the size, nature and viability of land uses across Halton.
- 3.12 The Council must publish a list of infrastructure that it intends to spend its CIL receipts on. This list is known as 'the Regulation 123 list'. This list can be updated as appropriate in response to changing priorities.

4.0 POLICY IMPLICATIONS

- 4.1 The effect of tightening up of the parameters for using S106 obligations will result in a significant reduction in infrastructure delivered through obligations, especially after the deadline date of 6th April 2014. As a result the overall impact of not pursuing CIL would be the loss of

developer contributions toward the provision of necessary infrastructure in Halton. It should be noted that in the last 5 years alone, over £8 million has been secured through S106 Agreements for infrastructure provision in Halton. It is also noted that the Council has been increasingly successful in negotiating infrastructure funding and provision through Section 106, such that it represents an important source of funding for infrastructure in Halton.

- 4.2 In view of the regulations restricting what can be secured through Section 106 Agreements, not pursuing CIL would mean that the Council would not receive these contributions, nor realise the infrastructure that these contributions provide. This could result in a significant mismatch in development and infrastructure provision that could lead to severe pressure on some infrastructure areas and unsustainable growth.
- 4.3 It is possible to levy a charge on specific zones / areas, for example areas of high value greenfield land only. Those areas that are either regeneration areas or have low property values and therefore weak viability would be subject to a zero charge.
- 4.4 Part 11 of the Planning Act 2008 and the associated regulations referred to in this report provides for introduction of the CIL. In general terms, CIL is intended to be used for general infrastructure contributions whilst Section 106 obligations will be for site-specific mitigation.

5.0 OTHER IMPLICATIONS

- 5.1 The key non-policy implications of producing a CIL Charging Schedule relate to resources. The production of this document will be primarily undertaken by officers in the Policy and Development Services Division.
- 5.2 Aside from the financial implications of producing material for public consultations and examination, it may be necessary to use valuation consultancy services for specialist expertise on viability. The financial implications of the above can be met from within existing budgets.
- 5.3 The CIL Regulations make clear that there is no requirement to undertake a Sustainability Appraisal and Strategic Environmental Assessment to support the introduction of a CIL charging schedule.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

The introduction of CIL will be to provide for a wide range of supporting infrastructure across the Borough to assist future development proposals. CIL will be important in supporting many aspects of the Core Strategy, Corporate Plan and Sustainable Community Strategy.

- 6.1 **Children & Young People in Halton**
No specific implications identified.

6.2 Employment, Learning & Skills in Halton

No specific implications identified.

6.3 A Healthy Halton

No specific implications identified.

6.4 A Safer Halton

No specific implications identified.

6.5 Halton's Urban Renewal

The CIL Charging Schedule will be a key tool in bringing forward development on sites in the urban area by securing funding for the necessary infrastructure.

7.0 RISK ANALYSIS

7.1 If the opportunity to prepare a CIL Charging Schedule is not examined thoroughly now, there is risk of failing to deliver the development the Borough needs, through a lack of the necessary supporting infrastructure.

7.2 There is also a risk of a loss of significant funds to the Council which could potentially be generated by the Levy.

7.3 The Regulations allow up to 5% of local CIL receipts to be applied to administrative expenses.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 The Council seeks to ensure that the benefits of growth are shared among all local communities, including those covered by the protected characteristics identified in the Equalities Act. Choices around community infrastructure can be expected to affect communities in different ways.

8.2 The strategic implications of growth, and the positive and negative impacts that could arise, are considered in an equalities impact assessment (EIA) attached to the Core Strategy. The CIL is a mechanism to fund and provide the infrastructure necessary to deliver the spatial vision of the Core Strategy, and so at a policy level the impacts are covered in that Core Strategy EIA.

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

Document	Place of Inspection	Contact Officer
Part 11 of The Planning Act 2008 (as amended by Part 6 of the Localism Act 2011)	Municipal Widnes	Building, Tim Gibbs
The Community Infrastructure Levy Regulations 2010 came into force on 6 April 2010	Municipal Widnes	Building, Tim Gibbs
The Community Infrastructure Levy (Amendment) Regulations 2011 came into force on 6 April 2011.	Municipal Widnes	Building, Tim Gibbs
The Local Authorities (Contracting Out of Community Infrastructure Levy Functions) Order 2011 came into force on 7 December 2011.	Municipal Widnes	Building, Tim Gibbs
Halton Core Strategy Local Plan (<i>to be adopted</i> December 2012)	Municipal Widnes	Building, Tim Gibbs
Halton Infrastructure Delivery Plan	Municipal Widnes	Building, Tim Gibbs

APPENDIX 1: CIL INTRODUCTION, PROPOSED APPROACH & TIMETABLE

1. INTRODUCTION

1.1 This appendix seeks to provide further technical detail on the Community Infrastructure Levy (CIL) and to identify the work required to implement CIL in Halton including a provisional timetable for preparation and implementation. This report assumes that the implementation of CIL in Halton is viable and therefore provides a timetable for preparation and implementation. However, specialist viability work will be required at the onset to establish if the implementation of CIL is actually viable in the Borough.

2. WHAT IS CIL?

2.1 CIL is a new charge that local authorities have the power to levy on most types of new development in their areas to fund infrastructure required to support growth. Charges are based on the size and type of development proposed. CIL will not replace mainstream funding sources.

2.2 Evidence of infrastructure need and development viability is required when setting the charge. Once set, CIL will be mandatory for developers to pay. The trigger for payment of CIL is commencement of development, though payment can be made in instalments if the charging authority has a payment by instalments policy.

2.3 The CIL ²Regulations came into force on 6 April 2010. While CIL is an optional charge, the Regulations significantly limit the use of S106 agreements after April 2014. After this date, no more than five developer contributions can be pooled per infrastructure item (the five will include any agreements commenced from 6 April 2010). These restrictions would make S106 impractical as a source of developer contributions for strategic infrastructure. Effectively, all local authorities will need to have CIL schedules in place by 2014 if they want to secure contributions from developers towards the costs of wider infrastructure projects.

2.4 There is a statutory process to get CIL in place which must adhere to regulations and CIL must be administered in line with regulations.

2.5 Core public funding from all levels of Government will continue to bear the main burden of funding infrastructure development costs. CIL is intended to fill the remaining funding gap once existing sources of funding have been accounted for. If the CIL approach is not pursued, the Council would need to investigate other ways of bridging the

² CIL Regulation 2010 Regulation 42
CIL Regulations 2010 Regulation 6(1) and 40(6)

funding gap in order demonstrate the deliverability of the Local Plan documents.

2.6 Minor modifications to the CIL regulations were made in April 2011 and further modifications this year (2012 regulations) are likely to include:

- Allocating a meaningful proportion of CIL revenues raised in each neighbourhood back to that neighbourhood. This will ensure that where a neighbourhood bears the brunt of a new development, it receives sufficient money to help it manage those impacts;
- Using CIL for ongoing costs of providing infrastructure associated with delivering growth; and
- Using CIL for funding affordable housing.

2.7 Introducing CIL against continuing solely with S106

2.8 The fundamental difference between the S106 approach that is currently in place and CIL is that planning obligations and development viability are currently considered by the Council on a site-by-site basis. Once set the CIL levy is final and becomes payable on every site falling under the charging schedule i.e. that fall within geographic areas to which the CIL charge applies.

2.9 The pros and cons of introducing CIL and continuing solely with S106 are outlined below:

2.10 *Introduction of CIL:*

- Requiring contributions from all development (if viable) rather than just larger developments would provide a mechanism to unlock additional funding to support the infrastructure that underpins the delivery of the Local Plan (and beyond) including infrastructure required for any windfall sites that may come forward.;
- CIL should give the Council flexibility and freedom to set its own priorities for what contributions should be spent on – as well as a more predictable funding stream that should allow it to plan ahead more effectively;
- Increased flexibility through CIL should generate more funding to carry out a wider range of infrastructure projects that support growth and benefit the local community;
- CIL should provide developers with much more certainty ‘up front’ about how much money they will be expected to contribute, which in turn should encourage greater confidence and higher levels of inward investment;
- CIL should help ensure greater transparency for local people, because they will be able to understand how new development is contributing to their community;
- CIL should enable the Council to allocate a share of the Levy raised in a neighbourhood to deliver infrastructure the neighbourhood wants; and

- CIL requires an up-front injection of time and money but should in the long run improve development management performance through a reduction in the number and complexity of negotiating S106 agreements.

2.11 *Continue with S106:*

- After April 2014 the Regulations significantly limit the use of S106 agreements. After this date, no more than five developer contributions can be pooled per infrastructure item and S106 'tariff' style approaches will become unlawful. This would have a negative impact on funding the upgrade key components of strategic infrastructure in the Borough.

3. **HOW WILL CIL WORK IN PRACTICE?**

3.1 The CIL documentation for Halton will include the following:

- Economic Viability Assessment - Testing the potential effects of CIL on the economic viability of development across Halton.
- Charging Schedule - The main document that will be subject to formal examination; and
- Regulation 123 List - This will set out the infrastructure projects that the Council wishes to spend CIL on.

3.2 Liability for the Community Infrastructure Levy is incurred by all new build development over 100m² or new build development that comprises one or more new dwellings. Mezzanine floor developments, subdivision of a dwelling into two or more dwellings and changes of use that do not involve additional floorspace are not liable for the Levy. In the case of conversions of existing buildings only the additional new build floorspace will be liable for the Levy. Liability for CIL includes development permitted by 'general consent' including permitted development, for example a swimming pool extension over 100 m².

3.3 The rate of charge on new development is based on development viability. In deciding on a rate of CIL the Council must provide evidence on viability and infrastructure planning. **The Levy must aim to strike what is an appropriate balance between the desirability of funding infrastructure from CIL and the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across Halton.** In essence the Levy must not be set too high so as to preclude development coming forward or too low so that insufficient funds to deliver infrastructure are collected. Once set the levy rates cannot be reviewed or changed without the requirement for a further examination.

3.4 The Council can vary its rates based on location and use (e.g. residential in the rural and urban areas) but this must be backed up by viability evidence. If differential rates are set for residential development some fine-grained sampling will be needed to establish the boundaries for the differential rates. The more complicated the rates are, the more evidence is required.

- 3.5 The ability of development to sustain a CIL charge will relate to the development type, for example residential development may be able to sustain a CIL charge whilst employment development may not viable in the current market and as such would be subject to a CIL charge of zero. The viability work will help establish and test appropriate charge rates.
- 3.6 The CIL collected would be held by the Council and allocated to infrastructure that will support development. The Council would set out in the Regulation 123 list the infrastructure projects that CIL will be allocated to. These items cannot then be subject to S106 planning obligations. The Regulation 123 list can be updated as appropriate in response to changing priorities.
- 3.7 CIL Relief
- 3.8 The CIL regulations give relief for charities, affordable housing and for exceptional circumstances. The exceptional circumstances relate to a development which cannot afford to pay the Levy and where a number of eligibility criteria are met including the need for a S106 to be entered into in respect of the planning permission.

4. HOW WILL CIL LIABILITY BE CALCULATED?

- 4.1 Using information provided by the applicant in relation to changes in gross internal floor area (GIA) the Council calculates the net increase in GIA. The net increase in GIA is then multiplied by the rate of CIL in £/m² to establish the CIL liability after allowing for any adjustments for inflation and any demolition.
- 4.2 The CIL formula presented in the Regulations is:

$$\frac{R \times A \times I_p}{I_c}$$

Where:

- R is the CIL rate for an area.
- A is the net increase in gross internal floor area.
- I_p is the All-in ³Tender Price Index for the year in which planning permission was granted.
- I_c is the All-in Tender Price Index for the year in which the Charging Schedule started operation.

5. CIL AND THE INFRASTRUCTURE DELIVERY PLAN (IDP)

- 5.1 The Halton Infrastructure Delivery Plan (IDP) has been prepared and was subject to consultation as part of the Core Strategy production process. As well as setting out the scope, spatial extent, and cost of infrastructure projects, this document also includes a timetable to

³ The index (I) is the national All-in Tender Price Index published by the Building Cost Information Service of the Royal Institution of Chartered Surveyors. The figure for a given year is the figure for 1st November for the preceding year.

deliver the projects that will support development proposed in the Core Strategy Local Plan.

- 5.2 The IDP identifies how infrastructure projects will be funded and importantly where there is an infrastructure gap. The establishment of this funding gap will allow for the identification of a selection of indicative infrastructure projects or types of infrastructure that are likely to be funded by the Levy in the Borough. The funding gap is likely to be larger than the amount that CIL is intended to raise in the Borough. The infrastructure planning process and the resultant delivery programme underpinning the CIL charging schedule will form the basis for allocating CIL spending.
- 5.3 Preparation of the IDP is essentially the first task in establishing a CIL charge.

6. PROGRESSING CIL

- 6.1 In order to progress CIL, a considerable amount of work will need to be carried out which will involve the following:
- Reviewing the Infrastructure Delivery Plan (IDP) to establish any infrastructure funding gap which CIL will help to address;
 - Carry out background scoping and commission viability work to establish if the implementation of CIL is viable in the Borough;
 - Preparation, consultation and examination of a Charging Schedule;
 - Establishing a management system for collation of the Levy;
 - Managing the distribution, allocation and accounting of CIL funds including liaising with local communities located in the vicinity of new development and establishing legal agreements with infrastructure providers.
- 6.2 A proposed timetable for the preparation of CIL is set out in section 6.29 below.
- 6.3 The preparation stages for CIL have been divided into four stages which are outlined below:
- A. Establishing a CIL agenda;**
 - B. Investigatory work and setting a CIL charge;**
 - C. CIL collection; and**
 - D. Governance and spending.**
- 6.4 *Stage A: Establishing a CIL Agenda*
- 6.5 A CIL steering group will need to be established from the onset to champion and manage the preparation and implementation of CIL; this should include senior officers and appropriate finance and planning officers.
- 6.6 If CIL is to be implemented successfully then it needs to be established as a tool to deliver the corporate ambitions of the Council and not just a

planning tool. Whilst assembling evidence base for the charge setting lies largely within the planning function, the collection of CIL monies will involve other departments and will have resource implications.

6.7 Equally the prioritising and allocation of spending CIL monies (via the Regulation 123 list) will need a corporate approach at a senior officer and member level. Therefore it is essential that there is full corporate engagement in the introduction of CIL and plan for the resource implications for its administration and collection from the start.

6.8 Member and officer briefings can be undertaken to ensure that it is understood what CIL is, what it can and cannot achieve, and the likely resources implications of its implementation.

6.9 Stage B: Investigatory work and setting a CIL charge

6.10 The initial task at this stage is to provide evidence of an aggregate funding gap in the Infrastructure Delivery Plan that demonstrates the need to levy CIL – thus justifying CIL is necessary.

6.11 The next and most important task is to undertake viability work to establish if CIL is actually viable in the Borough and if so to establish a CIL rate which strikes:

“an appropriate balance between the desirability of funding infrastructure from the Levy and the potential effects of the Levy upon the economic viability of development across the area⁴.”

6.12 Specialist viability work will need to be commissioned which:

- Identifies and assesses the implications for development viability of the introduction of CIL across the Borough both in the current economic climate and in the future following a period of economic growth;
- Establishes the level of CIL that would be viable to charge for the majority of future development sites within the Borough;
- Establishes whether the CIL should be charged as a single Levy across the whole Borough, or by differential rates in different value zones found across the Borough (this should be done by testing rates against key uses and in different areas); and
- Focuses on those areas of contention i.e. the geographical areas where a charging zone boundary might fall.

6.13 In order to set rates at zero for any land use including community uses such as schools and hospitals evidence will be needed which illustrates that in terms of viability such land uses cannot withstand CIL.

6.14 The setting of the CIL charge is subject to independent examination. An examiner determines on a test of reasonableness whether the charging authority has set an appropriate rate of charge. Notably the

⁴ Community Infrastructure Levy – an Overview (DCLG May 2011)

list of infrastructure projects or types the charging authority intends to spend CIL on is not part of the examination.

- 6.15 At this stage it will be important to identify whether there are any sites which have particular on-site infrastructure requirements which are either going to be difficult to fund through CIL within required timescales (e.g. not enough funds available or too expensive), or better provided through S106 (e.g. provided on site by the developer), or where the CIL generated is likely to be less than the value of the S106 obligations. Such sites should then be outlined in the Regulation 123 List as exceptions and therefore they will not be liable for CIL.
- 6.16 The viability work will be informed by the SHLAA and the Strategic Housing Market Assessment. If the viability work indicates that implementation of CIL is viable in Halton a preliminary draft Charging Schedule will be prepared and published for consultation for six weeks. Once comments have been reviewed the Charging Schedule will be updated and a draft Charging Schedule will be published for consultation for four weeks (note these consultation periods are statutory steps in the regulations). The schedule will then be amended if appropriate and submitted for independent examination.
- 6.17 Stage C: Collecting CIL
- 6.18 Looking beyond CIL preparation, consideration needs to be given as to how CIL will be collected and managed effectively once it is introduced. This includes consideration of enforcement in the event of non-payments or breaches of the CIL regulations.
- 6.19 As the front runner authorities progress with the collection of CIL good practice will emerge. CIL collection will have implications for a number of departments across the Council including the potential need for the upgrading of software systems.
- 6.20 The initial stages of CIL notification and calculation lie within the Development Management function, as notice of a CIL liability and the calculation of the charge applicable will be likely to run alongside a planning application process. However, some development will be CIL chargeable whilst not requiring express planning consent, such as permitted development. In such circumstances notification of a CIL liability through Building Control or via finance departments will be required.
- 6.21 **In essence CIL is a development tax and the collection and enforcement of CIL could be through the tax regime if this is appropriate in Halton.**
- 6.22 The full involvement of finance officers in the collection and distribution of CIL monies will be essential. Legal advice will also be required, particularly, where there is a non-payment of CIL. In addition, valuation officers are likely to be required to act as arbitrators where there is an

appeal against the extent of charge or where a payment in kind, such as via land, has been agreed.

- 6.23 The establishment of a technical group will be required to oversee the collection and administration of CIL. Formal agreements will need to be put in place with any utility providers and health agencies to ensure that when CIL monies are allocated to the infrastructure providers they are spent as intended.
- 6.24 The Regulations allow up to 5% of local CIL receipts to be applied to administrative expenses.
- 6.25 Stage D: Governance and Spending
- 6.26 The Halton IDP (Infrastructure Delivery Plan) will set out the infrastructure required to deliver plan-led growth via the Local Plan and the timing of strategic infrastructure delivery to ensure development is facilitated.
- 6.27 The CIL Regulations require CIL to fund infrastructure to support the development of the area to which it applies. This may be either within the local authority area or outside it, provided it supports the development of the area. **CIL monies cannot be utilised to resolve pre-existing infrastructure deficiencies except to the extent of where those deficiencies are exacerbated.**
- 6.28 A Regulation 123 List will be published on the Council's website on the adoption of CIL which identifies what infrastructure projects the Council wishes to fund via CIL (this should be updated regularly). There is also a duty within the Regulations for collecting authorities to report annually on CIL collection and CIL spending.
- 6.29 It is essential that a governance and decision making process is in place at an early stage to determine and oversee CIL expenditure. Below is a summary table of the four work areas identified above for CIL, set against a draft timeline for delivery.

Stage	Key Tasks for CIL	Indicative Timing
Establish a CIL Agenda	Formal approval to progress CIL at Executive Board	February 13
	Establish a CIL Steering Group	February 13
Setting the CIL Charge	Scope existing evidence base for infrastructure needs and viability	February 13
	Commission viability assessment	February 13
	Pre-consultation engagement with key stakeholders	April 13
	Publish Preliminary Draft Charging Schedule for consultation (6 weeks)	April 13
	Review responses and update Charging Schedule	June 13
	Publish Draft Charging Schedule for	June 13

	consultation (four weeks)	
	Submit Charging Schedule for Examination	September 13
	Examination	November 13
	Adopt Charging Schedule	March 14
Collecting CIL	Implement CIL liability notification procedures and assessment of charge via Development Management and Building Control	Commence March 13
	Identify collection procedures	Commence March 13
	Identify internal procedures for non-payment	Commence March 13
	Identify procedures for appeal	Commence March 13
	Establish a CIL collection technical working group	Commence March 13
Governance and Spending	Consider reports on CIL collection and update Regulation 123 Infrastructure List based on spending priorities	Commence March 13
	Provide Annual Monitoring Reports	March 15 onwards

7. COUNCIL DEVELOPMENT

7.1 Development undertaken by Halton Council's own service areas is liable to pay CIL. CIL revenues go into a central 'community infrastructure' account and will be subject to competition from different service areas. This may give rise to concerns by service areas undertaking large developments that their CIL payment might be used by another service area. One front runner, London Borough of Redbridge, agreed that CIL receipts from the Council's own development would be recycled to the service area undertaking the development.

8. PROGRESS ELSEWHERE

8.1 Local authority front runners - Newark and Sherwood, Shropshire, London Borough of Redbridge, Portsmouth, the Greater London Authority and Huntingdonshire have approved CIL Charging Schedules and all have started charging. Various other local authorities are in the process of preparing and consulting on draft Charging Schedules.

8.2 Central Lancashire were the first local authorities in the North West to set out their CIL plans and have recently consulted on a preliminary draft Charging Schedule. The Charging Schedule proposes the following charges across all three local authority areas: £70 per sq.m for residential; £160 per sqm for convenience retail; and £40 per sq.m for retail warehouses. It proposes that non-residential institutional uses are exempt from the Levy and seeks views on charges for all other uses, suggesting a charge of up to £10 per sq.m.

- 8.3 Research shows that most Lancashire authorities are progressing with the investigatory work and are commissioning viability work to establish if CIL is viable in individual areas.
- 8.4 The position in Merseyside is similar with most Districts undertaking the preparatory viability work and preparing draft charging schedules.

9. FINANCIAL IMPLICATIONS

- 9.1 The cost of developing and implementing CIL will be repaid from future CIL receipts. The likely upfront financial resources needed to investigate, prepare and adopt CIL are outlined in the table below. The financial implications highlighted below can be met from within existing budgets.

CIL Requirement	Indicative Cost
Commission consultants to undertake evidence base work including economic viability assessments	£20k
Undertake two stages of consultation	£1k
Undertake CIL Examination	£40k
Total	£61k

- 9.2 CIL has the potential to make a significant contribution to the funding of infrastructure to deliver the Halton Local Plans. The move to CIL should maximise returns on funding for infrastructure projects over and above S106 returns. Administration and collecting costs can and should be met out of CIL funds (up to 5% of CIL funds can be spent on administration).

10. NEXT STEPS

- 10.1 The following steps need to be undertaken to initially progress CIL:
- Obtain formal approval from PPB and Executive Board to progress with the investigatory work;
 - Establish a CIL Steering Group to champion and manage the preparation and implementation of CIL; and
 - Commission economic viability work to establish if the implementation of CIL is viable in Halton.