

DERBYSHIRE COUNTY COUNCIL

MEETING OF CABINET MEMBER – JOBS, ECONOMY AND
TRANSPORT

21 October 2014

Report of the Strategic Director – Economy, Transport and Environment

**CHESTERFIELD COMMUNITY INFRASTRUCTURE LEVY CHARGING
SCHEDULE – PROPOSED CHANGES**

(1) **Purpose of the Report** To agree the County Council's response to Chesterfield Borough Council (CBC) on proposed changes to the Chesterfield Community Infrastructure Levy (CIL) Charging Schedule.

(2) **Information and Analysis** The County Council has been consulted by CBC on a set of proposed changes to the evidence base of the Chesterfield CIL Charging Schedule. The Charging Schedule and associated documents can be accessed by following the link www.chesterfield.gov.uk/CIL.

The Cabinet Member previously approved a response to the Chesterfield Draft Charging Schedule on 4 March 2014 (Minute No. 47/14 refers). In its response, the County Council supported the CIL rates proposed which CBC estimates could raise approximately £17.5 million for infrastructure investment over the period to 2031.

A hearing session for the Examination of the CIL was undertaken on 12 August 2014 by a Planning Inspector. The Inspector queried the calculations involved in appraising residential and retail viability, and the assumptions made by CBC about what developers would fund via Section 106 planning obligations once the CIL is in place.

With the approval of the Inspector, CBC is now consulting on a set of proposed changes to the CIL evidence base. The changes include a revised Regulation 123 List that will guide how CIL is spent; updated viability appraisals; and revised assumptions about Section 106 planning obligation rates for residential development.

The Regulation 123 List sets out how any CIL revenue would be spent. Inevitably, there will be a funding gap between the total cost of infrastructure required and income that CIL will generate, and CBC will need to balance competing infrastructure requirements. It remains the intention of CBC to use

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CIL to fund strategic infrastructure including, for example, off-site public open space, restoration of the Chesterfield Canal, strategic transport infrastructure, and flood defence and alleviation measures. CBC will continue to seek developer contributions via Section 106 planning obligations to fund site-specific infrastructure such as on-site open space, highway and access improvements, and affordable housing.

The draft CIL stated that expansions to existing schools would be funded via Section 106 planning obligations and delivery of new schools would be funded via CIL. The proposed changes to the CIL clarify that *all* education provision will be funded via CIL, including both expansions to existing schools and new schools. This change has arisen in response to the Inspector's queries about how CIL and Section 106 will operate in practice. As a result of this change, CBC is now assuming that developers will contribute less money via Section 106, as the money that would have been payable for school places will now be raised via CIL instead.

The provision of school places is a strategic priority project in the Derbyshire Infrastructure Plan and should be seen as critical to delivering the growth proposed by the Chesterfield Core Strategy. Once in place, CIL will be a non-negotiable charge applicable to all residential development (within the charging zones), whereas Section 106 planning obligations will continue to be subject to negotiation with developers and from April 2015 will be subject to increased restrictions on pooling monies. The proposal to fund school places via CIL provides more certainty for the County Council and is supported, although the issue of how to address the funding gap remains.

The proposed changes to the CIL evidence base have updated and corrected errors in the assumptions underpinning the viability appraisals. As a result, the residential appraisals continue to demonstrate that the proposed CIL charges are viable in the High and Medium Zones and show some improvement in viability in the Low Zone. This updated evidence serves to show that the proposed CIL Charging Rates are appropriate. CBC is not proposing to make any changes to the CIL Charging Rates and therefore is still estimating that CIL could raise approximately £17.5 million for strategic infrastructure.

The County Council is working closely with the D10 Joint Committee and Derbyshire Chief Executives and Heads of Planning Groups to coordinate work on strategic planning and to agree shared priorities for future investment. Revenue that will be raised via the Chesterfield CIL will make an important contribution towards the future delivery of infrastructure and investment priorities.

(3) **Financial Considerations** It is anticipated that CBC could raise £17.5 million from CIL over the Local Plan period to 2031. It is the intention of CBC that a proportion of this will be available to spend on strategic

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infrastructure delivered by the County Council, where it is required to support development.

(4) **Legal Considerations** CIL was introduced under the Planning Act 2008 and enables local planning authorities to raise funds for infrastructure to support new development by placing a charge on new building above a certain size. CBC's CIL has been prepared to support the growth proposed in its Local Plan Core Strategy and has been informed by the Derbyshire Infrastructure Plan.

In preparing this report the relevance of the following factors has been considered: prevention of crime and disorder, equality and diversity, human resources, environmental, health, property and transport considerations.

(5) **Key Decision** No.

(6) **Call-In** Is it required that call-in be waived in respect of the decisions proposed in the report? No.

(7) **Background Papers** Held on file Developer Contributions by the Planning Services Manager. The Draft Charging Schedule has been informed by the Derbyshire Infrastructure Plan which can be accessed by following the link http://www.derbyshire.gov.uk/images/2013%2011%2020%20Derbyshire%20Infrastructure%20Plan_tcm44-234715.pdf Officer contact details – Harriet Fisher, extension 39551.

(8) **OFFICER'S RECOMMENDATION** That the Cabinet Member approves the County Council's response in support of the proposed changes to the Chesterfield Community Infrastructure Levy.

Mike Ashworth
Strategic Director – Economy, Transport and Environment