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Supplementary note to Economic Development and Enterprise Overview & Scrutiny Committee Wednesday 19 December 2012

Purpose of supplementary note: to update the Economic Development and Enterprise Overview & Scrutiny Committee on the implications of the Community Infrastructure Levy (CIL) Guidance 2012, published by the Department for Communities and Local Government (DCLG) on Friday 14 December 2012, on the Community Infrastructure Levy viability work undertaken to date.

On Friday 14 December 2012 new guidance on the Community Infrastructure Levy (CIL) was published by the DCLG, after the report to Economic Development and Enterprise Overview & Scrutiny Committee was written and it could therefore not have been taken into consideration in the Committee report.

In light of this new guidance the consultants commissioned by the City Council and the Borough Council to undertake the Community Infrastructure Levy Joint Viability Study have advised that changes to the viability calculations and supporting report need to be made. The viability calculations, for example, need to be revisited in order to take into consideration potential Section 106 contributions; this is likely to result in different CIL rates being recommended to those outlined in the report. The exact details of the work required to bring the viability study in-line with the new guidance are not yet known and therefore it is not possible to produce a revised timetable at this time. In particular it is not yet known whether Cabinet will consider this matter at their 6th February meeting as had been the intention.

Members are therefore advised that the draft CIL rates published in the Committee report are likely to be subject to change and should therefore no longer be considered. Furthermore members are advised that the sections of the report concerning the CIL viability study and its findings, and the examples of CIL revenue compared to Section 106 contributions should also be disregarded as the information contained in those sections may also be subject to change to be in compliance with the new guidance.

Tonight's meeting still provides an opportunity to provide members with some general information on CIL in terms of its objectives and issues. Given that the charging rates have to be based upon evidence it is suggested there would be no particular merit in the matter coming back to the Overview & Scrutiny Committee before Cabinet consider a preliminary draft charging schedule. It is therefore proposed that the next time the Overview and Scrutiny Committee should consider this item would be at the point when officers have completed the consultation on the preliminary draft charging schedule, or when proposals start to be developed for how priorities for expenditure of CIL are to be determined.

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