

LONDON BOROUGH OF HARROW

CABINET – 11 OCTOBER 2012

RECOMMENDATION FROM LOCAL DEVELOPMENT FRAMEWORK PANEL - 4 OCTOBER 2012

Chairman: * Councillor Thaya Idaikkadar

Councillors: * Marilyn Ashton * Bill Phillips
* Stephen Greek * William Stoodley (1)
* Krishna Suresh (2) * Simon Williams

In attendance: * Joyce Nickolay Minutes 83, 84, 85, 86
(Councillors)

* Denotes Member present

84. Harrow Community Infrastructure Levy - Draft Charging Schedule

An officer introduced a report of the Corporate Director, Place Shaping, which summarised the comments received to consultation on the Community Infrastructure Levy (CIL) Preliminary Draft Charging Schedule and the Council's response to these in preparing the Draft Charging Schedule for a further round of consultation prior to submission for Examination in Public.

The officer made the following comments:

- there had been 12 responses to the consultation and of the 12, 8 were in support of the charging schedule;
- 2 of the representations received in opposition to the draft charging schedule were from residents. One was questioning the infrastructure gap which could be considered a result of the Council overspending. The response had been that new development required new infrastructure and that the CIL would replace section 106 agreements. The second representation from a resident queried the CIL rate for residential schemes and suggested an alternative lower charge. In response, it was explained that the CIL would be liable to be paid if there was a net increase in floorspace of over 100sqm;
- a representation had been received from a supermarket which wanted acknowledgement within the CIL rates of the role which supermarkets had regarding regeneration of an area and job creation. It was explained that the CIL had to comply with the regulations and CIL could not be used as a tool to deliver policy as it was based on economic viability;
- a representation had been received from a private firm providing care homes which questioned the proposed charge for residential institutions and whether this would affect the viability of schemes. The response explained that privately built and operated care homes were outside the remit of the social infrastructure provision.

The Members made a number of comments which the officer responded to as follows:

- the CIL would not apply to conversions. It would only apply if the floorspace increased by more than 100sqm and if it was a new residential unit;
- it was an anomaly that houses could be sub-divided to individual dwellings which would create additional pressures on the infrastructure but that as the footprint had not been increased, CIL would not apply. It would be the same if offices were converted to residential dwellings;
- section 106 contributions had been negotiated and the funds were ring-fenced. The CIL charge was not negotiable and as the money was not ring-fenced, the Council could determine how it was spent and what the infrastructure priorities were;
- there had been court case regarding the tariff for retail units as some authorities had tried to set a higher charge for supermarkets and not apply a CIL charge on any other A1 uses. Under the CIL regulations different rates could be charged between classes but not within classes. It was felt that the CIL charge for retail premises was at an appropriate level for smaller retail units;
- it was a requirement under the regulations that for a conversion to be exempt from CIL, the property would have to have been in legal occupancy in the last six months;
- CIL was not a policy tool and if a development was viable it would continue to be delivered. For example, developments such as student houses were being delivered and would continue to under the CIL. Projects which were not viable, such as B1 office developments, were not coming forward at present as they were not viable and the CIL would not affect this;
- CIL would not apply to small retail developments if the extension was below 100sqm;
- the viability analysis has shown that developments would be able to carry the charges. The draft charging schedule calculations had included ascertaining the upper ceiling of viability and then discounting down to a level that struck an appropriate balance;
- affordable and charitable care homes would be exempt from CIL;
- the CIL charge was not a new requirement for developments, it was replacing section 106 contributions. The CIL would apply for residential and retail developments but not Class B developments. The CIL would result in a higher charge than section 106 contributions on the average housing development;
- developers would need to consider the CIL charge when negotiating the land purchase and this would be achieved more easily as the CIL was a set rate and not negotiable;
- there were Government arrangements regarding how CIL was apportioned. It was a pool of funds which should be used for infrastructure but the authority would have discretion to as how to prioritise the infrastructure projects. There was an infrastructure delivery plan which would need to be prioritised;
- there would be an audit trail and how the CIL was apportioned would be reported. There was a requirement to allocate a nationally determined 'meaningful' amount to the community. The government guidance was awaited.

Members expressed concern that the CIL would encourage the conversion of properties and suggested that a letter raising this concern should be sent to the Government.

Resolved to RECOMMEND: (To cabinet) That

- (1) the representations made to the CIL Preliminary Draft Charging Schedule and the Council's response to these annexed at Appendix 2 to the report be noted;
- (2) the CIL Draft Charging Schedule, annexed at Appendix 1 to the report, be agreed for a six week period of public consultation in accordance with the Council's adopted Statement of Community Involvement;
- (3) authority be delegated to the Divisional Director of Planning, in consultation with the Portfolio Holder for Planning and Regeneration, to make any minor changes to the Draft Charging Schedule resulting from the consultation, prior to its publication for consultation and subsequent submission to the Secretary of State for Examination in Public.

Reason for Recommendation: To progress with preparing and adopting a CIL Charging Schedule that would enable the Council to charge CIL on new development to help pay for social and physical infrastructure within the Borough.

Background Documents:

Report submitted to Local Development Framework Panel on 4 October 2012

Minutes of the Local Development Framework Panel - 4 October 2012

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