

<b>COUNCIL</b>	<b>DATE</b> 24 <sup>th</sup> July 2024	<b>ITEM NO</b> 15
<b>TITLE</b> Community Infrastructure Levy - Adoption	<b>WARD (S)</b> All	
<b>CHIEF OFFICER</b> Director of Regeneration, Enterprise & Skills	<b>CABINET MEMBER</b> Planning, Estate Renewal and Development	
<b>DECISION CLASSIFICATION</b> Key decision - 28 day notice issued 13 July 2023 Not subject to call-in Non-exempt	<b>IS THE FINAL DECISION ON THE RECOMMENDATIONS IN THIS REPORT TO BE MADE AT THIS MEETING?</b>  Yes	

## **I. Decision required**

This report makes the following recommendations to the decision-maker:

- I.1. To adopt the Royal Borough of Greenwich Community Infrastructure Levy (CIL) Charging Schedule (set out in Appendix 2).
- I.2. To agree that the CIL Charging Schedule will be implemented and effective from 26<sup>th</sup> July 2024.
- I.3. To approve that the prior CIL Charging Schedule (approved on 25 March 2015) is superseded by the latest CIL Charging Schedule (2024) for chargeable developments first permitted on or after 26 July 2024 (subject to paragraph 2, Part I of Schedule I of the CIL Regulations 2010 applying to relevant outline planning permissions).
- I.4. To agree that the Charging Schedule approved on 25 March 2015 shall remain in effect for chargeable developments first permitted prior to 26 July 2024 and outline planning permissions referred to in paragraph 2, Part I of Schedule I of the CIL Regulations 2010.

## **2. Links to Our Greenwich missions**

2.1. This report relates to the Council's agreed missions as follows:

- People's health supports them in living their best life
- People will not experience discrimination
- Those in financial need can access the right support, advice and opportunities to improve their situation
- Children and young people can reach their full potential
- Everyone in Greenwich is safer, and feels safer
- People in Greenwich have access to a safe and secure home that meets their needs
- It is easier, safer and greener to move around the borough and the rest of London
- Development delivers positive change to an area for existing and new communities
- Neighbourhoods are vibrant, safe and attractive with community services that meet the needs of local residents
- Greenwich plays an active role in tackling the climate crisis and improving environmental sustainability, in line with our commitment of being carbon neutral by 2030
- Everyone has the opportunity to secure a good job
- Town centres, high streets and shopping parades are vibrant, prosperous, well-maintained places that meet the needs of local people
- Our economy attracts new high value businesses whilst strengthening its foundations
- The voluntary, community and socially motivated sectors in Greenwich are strengthened and able to provide more support to the most in need
- Our Council is better at listening to communities, and communities feel they are heard
- We develop networks with communities, key partners and businesses to meet need and address challenges together
- We design our services around the needs of our residents
- Our Council is an adaptive organisation, enabling it to navigate the increasing number of challenges it faces while remaining financially sustainable
- Our Council works in the most efficient and effective ways possible

- Our Council is a great place to work, with a diverse workforce who have the right skills and are motivated and empowered to deliver

2.2. Monies collected through the revised CIL rates when adopted will be used to fund a wide variety of community infrastructure. The Council has set out its spending priorities in its published Infrastructure Funding Statement (IFS), which are:

- Transport (except site specific matters needed to make the development acceptable in planning terms)
- Waste
- Energy
- Digital connectivity
- Water and drainage (including Non site-specific flood defences)
- Education
- Health and social services
- Emergency services and public safety
- Local and social community facilities including libraries, sports and leisure facilities
- Green Infrastructure (including open space and public realm)

### **3. Purpose of Report and Executive Summary**

3.1. This report:

- Provides an update on progress of the CIL Charging Schedule following examination by an independent Examiner, and
- Seeks approval to adopt the CIL Charging Schedule.

3.2. Following Cabinet approval on 13<sup>th</sup> March 2024, the Council submitted the Revised Draft Charging Schedule (RDCCS) and relevant documentation for independent examination, in accordance with the CIL Regulations 2010 (as amended). Following a public hearing on 16<sup>th</sup> May 2024, the independent examiner produced a report with their recommendations. The report concluded that the RDCCS provides an appropriate basis for the collection of CIL in the area, and that the Council provided sufficient evidence that shows the proposed rates would not threaten delivery of development across the Council's area pursuant to the Local Plan.

3.3. Subject to approval of the recommendations set out in paragraphs 1.1 and 1.2 of this report, it is proposed that the Council implements the new CIL charge with effect from 26<sup>th</sup> July 2024.

#### 4. **Introduction and Background**

4.1. CIL is a charge on new development that helps to fund the range of infrastructure required to support development, including (inter alia) transport, utilities, schools, health & community facilities, and public open spaces. A development is liable for CIL if the development comprises one or more dwellings or non-residential development of 100sqm or more of new-build floorspace. CIL becomes due only on commencement of development and in accordance with the Council’s instalments policy.

4.2. As agreed by Cabinet on 4<sup>th</sup> May 2023, the Royal Borough of Greenwich launched the consultation of the RDCS, which was the subject of a comprehensive public consultation in August and September 2023 in line with CIL regulations.

4.3. The proposed CIL rates and the CIL charging zones in the draft CIL Charging Schedule are set out in Table 1 and Figure 1 below.

*Table 1. Proposed changes to CIL rates*

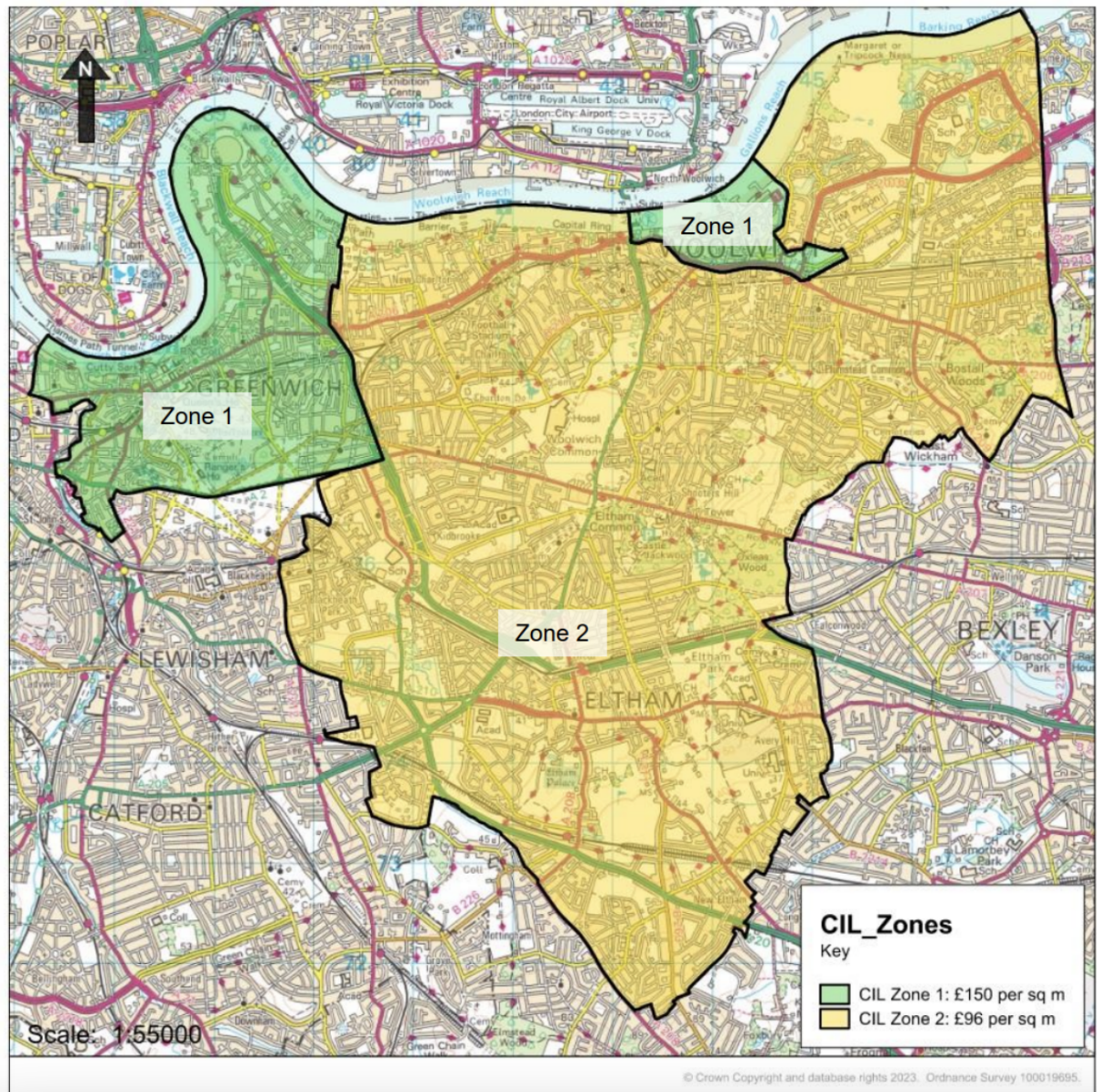
<b>Development type</b>	<b>Suggested Updated CIL Rates (£ per sq m)</b>
Residential (less than 10 units, excluding Extra Care)	£150
Residential (excluding extra care housing)	Zone 1 : £150 Zone 2 : £96
Student accommodation	£95.62*
Co-living	£90.00
Supermarkets / Superstores and retail warehousing (280sqm+)	£147.10*
Hotel	£147.10*
All other uses <sup>1</sup>	£25

\*Rates that are not amended as part of the Partial Review of the CIL Charging Schedule will be indexed for inflation in accordance with the CIL Regulations 2010 (as amended) based on the date of their original effect in the original CIL Charging Schedule (April 2015) to the date of final approval (expected 2024). The updated indexed figures will be provided as part of the final

<sup>1</sup> Excluding healthcare, education and emergency service facilities.

reviewed CIL Charging Schedule at the point of final approval rather than in this Draft Charging Schedule document.

Figure 1. RB Greenwich Charging Zones



4.4 The representations received from individuals and organisations were analysed by Council officers and advisors. After careful review, the Council agreed that no modifications to the RDCS and associated evidence documents were necessary before they were formally submitted for Examination.

4.5 Following Cabinet approval on 13<sup>th</sup> March 2024, the council formally submitted the RDCS and associated evidence documents for independent

Examination in accordance with Regulation 19 of the Community Infrastructure Levy Regulations 2010 (as amended). The documents submitted included:

- The Draft CIL Charging Schedule;
- A statement setting out the representations made in response to the Draft Charging Schedule consultation, a summary of the main issues raised by the representations, and the response from the Council to each representation.
- Copies of the representations made
- Copies of relevant evidence, including:
  - CIL Viability Assessment report
  - Infrastructure Delivery Plan
  - Infrastructure Funding Gap Report
  - Other relevant procedural documents

4.6 These documents were made available on the council's website, and printed copies were available at the following locations:

- The Woolwich Centre
- Eltham Centre Library
- Greenwich Centre Library
- Thamesmere Library

4.7 In accordance with Regulation 21 of the CIL Regulations 2010 (as amended), a public hearing was held at 10AM on 16<sup>th</sup> May at Woolwich Town Hall Wellington Street, Woolwich, SE18 6PW.

4.8 Following the public hearing and analysis of the documents submitted, the Examiner concluded that:

- the Draft Royal Borough of Greenwich Community Infrastructure Levy Charging Schedule provides an appropriate basis for the collection of the levy in the area; and
- the Council has provided sufficient evidence that shows the proposed rates would not threaten delivery of the Local Plan.

4.9 The Examiner's report (Appendix 1) also stated that the evidence which has been used to inform the Charging Schedule is 'robust, proportionate and appropriate'.

4.10 In accordance with Regulation 23 of the CIL Regulations 2010 (as amended), the Council made available the Examiner's report at the same locations as the documents mentioned in paragraph 4.4, including the Council's website, and the four locations mentioned in paragraph 4.5. The Council have also notified those persons who requested to be notified of the publication of the examiner's recommendations.

## **5. Available Options**

- 5.1. **Option 1:** Approve adoption of the CIL Charging Schedule, for implementation.
- 5.2. **Option 2:** Do not approve the adoption of the CIL Charging Schedule and continue to use the currently adopted charging schedule. This option is not recommended as continuing to use the adopted CS (which has lower rates than in the revised schedule) would result in a loss of funding for much needed infrastructure.

## **6. Preferred Option**

- 6.1. Option 1 is the preferred option. This allows the Council to progress adoption of the CIL Charging Schedule without further delay and ensure the appropriate balance is struck between the desirability of funding from CIL (in whole or part) the estimated total cost of infrastructure required to support the development of the Council's area, taking into account other sources of funding on the one hand and the potential effects of the imposition of CIL on the economic viability of development across the Council's area on the other hand.

## **7. Reasons for Recommendations**

- 7.1. Improved infrastructure provision is necessary to support development in Royal Greenwich and ensure growth is sustainable.
- 7.2. The Council must look at every opportunity to secure funding towards the cost of infrastructure given constraints on resources.
- 7.3. A Community Infrastructure Levy (CIL) provides the opportunity for the Council to secure funding towards the cost of infrastructure necessary to support change and growth in Royal Greenwich in line with its planning

and regeneration strategies (including those set out in the Royal Greenwich Local Plan).

- 7.4. The proposed CIL rates are estimated to generate more income to fund the infrastructure required to support growth than the current rates. As set out in the Viability Report (Appendix 4), proposed rates could generate £33.4m of CIL income over the next five years. If CIL rates were to remain unchanged, they could generate circa £28.4m over the next five years.
- 7.5. Approval of this report will enable the Community Infrastructure Levy Charging Schedule to be formally adopted.

## **8. Consultation Results**

- 8.1. Following submission of the RDCS and relevant documentation to an independent examiner, the examiner reviewed the documentation provided and contacted those people who had requested or expressed interest in attending public hearings.
- 8.2. An examination hearing was held at 10AM on 16<sup>th</sup> May at Woolwich Town Hall, Wellington Street, Woolwich, SE18 6PW. In addition to the examiner, programme officer, Council representatives and advisors, the hearing was attended by two Royal Greenwich residents.
- 8.3. The agenda for the hearing was made available on the Council's website, and included the key issues raised by the representations made during the RDCS consultation period in August and September 2023.
- 8.4. Following the hearing, the examiner produced a report with their recommendations, which concluded that the RDCS provides an appropriate basis for the collection of CIL in the area, and that the Council provided sufficient evidence that shows the proposed rates would not threaten delivery of the Local Plan.

## **9. Next Steps: Communication and Implementation of the Decision**

- 9.1. Subject to adoption of the CIL Charging Schedule by the Council, it is proposed that the Council implements CIL with effect from 26<sup>th</sup> July 2024.



- The Council will also fulfil its obligations in respect to Regulations 23 and 25 Community Infrastructure Levy Regulations 2010 (as amended) to ensure the relevant notifications are made regarding the adoption of the Charging Schedule.

9.2. Planning approvals made on, or after 26<sup>th</sup> July 2024 for CIL liable development specified in the CIL Charging Schedule, will be subject to the requirements of the Charging Schedule, regardless of when the applications were submitted.

**10. Cross-Cutting Issues and Implications**

<b>Issue</b>	<b>Implications</b>	<b>Sign-off</b>
<b>Legal</b> including Human Rights Act	<p>The Council is entitled under the Planning Act 2008 and CIL Regulations 2010 (CIL Regulations) to have a CIL charging schedule that levies CIL charges on planning permissions that become payable within 60 days of the commencement of development or in line with the Council’s instalments policy.</p> <p>Once collected, CIL must for the most part be spent on “infrastructure” as broadly defined in the Planning Act 2008, which is defined as including (but not limited to) the following:</p> <ul style="list-style-type: none"> <li>(a) roads and other transport facilities,</li> <li>(b) flood defences,</li> <li>(c) schools and other educational facilities,</li> <li>(d) medical facilities</li> </ul>	<p>Eleanor Penn, Assistant Head of Legal Services (Planning &amp; Procurement), 1st July 2024 Ref: 97458</p>

	<p>(e) sporting and recreational facilities, and  (f) open spaces</p> <p>The Council’s CIL charge applies in addition to the separate CIL levied in the Mayor of London’s CIL charging schedule and the Council in setting its CIL rates must take into account the Mayor of London's CIL in having regard to the potential effects of the imposition of CIL on the economic viability of development in its area.</p> <p>The Council must set the rates under Reg 14 of the CIL Regulations as follows:</p> <p>14.— Setting rates</p> <p>(1) In setting rates (including differential rates) in a charging schedule, a charging authority must strike an appropriate balance between—</p> <p>(a) the desirability of funding from CIL (in whole or in part) the actual and expected estimated total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding; and  (b) the potential effects (taken as a whole) of the imposition of</p>	
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	<p>CIL on the economic viability of development across its area.</p> <p>...</p> <p>(3) In having regard to the potential effects of the imposition of CIL on the economic viability of development (in accordance with paragraph (1)(b)), a London borough council or MDC must take into account the rates set by the Mayor [of London in this instance].” Pursuant to S213 of the Planning Act 2008, once the Inspector has made a recommendation on the draft Charging Schedule, following the independent examination, the Council “may approve a charging schedule only if:</p> <p>(a) the examiner makes recommendations under section 212A(4) or (5), and</p> <p>(b) the charging authority has had regard to those recommendations and the examiner's reasons for them.”</p> <p>In this instance, the Inspector recommended approval of the draft CIL Charging Schedule without modifications. The</p>	
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	<p>Council may, therefore, approve the Charging Schedule having regard to the Inspector’s recommendation and his reasons for them as set out in Appendix I to this report.</p> <p>The Cabinet in its decision of 13 March 2024 authorised the Director of Regeneration, Enterprise &amp; Skills to recommend the Draft Charging Schedule post examination to Full Council for formal approval.</p>	
<p><b>Finance</b> and other resources</p>	<p>Full Council is requested to agree the adoption of the Community Infrastructure Levy Charging Schedule.</p> <p>Recommended changes to the Council’s CIL charges are supported by the detailed analysis set out in the appendices to this report, which including a range of scenario testing around the proposed rates and zoning. The changes will impact future income levels that can be deployed against key infrastructure requirements within the Borough. Future capital receipts do not form part of the resource base for the approved Capital Programme.</p>	<p>Michael Horbatchewskyj Accountancy Business Chance Manager (P&amp;I) 21/06/24</p>

	<p>An infrastructure funding gap analysis has been developed to outline the resource deficit against the forecast infrastructure requirement. This report does not constitute a commitment to the itemised schemes but demonstrates that the cost of infrastructure delivery exceeds forecast income. The CIL charging schedule and impact should therefore be kept under internal review.</p> <p>Costs arising from the development of the revised charging schedule and consultation process are funded from existing approved revenue budgets.</p>	
<p><b>Equalities</b></p>	<p>The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no apparent equality impact on end users.</p> <p>Whilst the decisions recommended through this report do not have a direct impact, they will help ensure the Council meets Objective 5 of its Equality Objectives 2020-2024 and the principles of its Equality and Equity Charter having sought feedback from different stakeholders to</p>	<p>Michael Clarkson, Planning Policy Manager 13 June 2024</p>

	inform the CIL Charging Schedule.	
<b>Climate change</b>	The report makes no contribution to the Greenwich Carbon Neutral Plan agreed by Cabinet on 18 November 2020.	Michael Clarkson, Planning Policy Manager 13 June 2024
<b>Risk Management</b>	The proposal to adopt the Revised Draft Charging Schedule is very low risk and in line with the Council's cautious approach to risk management. Any risks that arise will continue to be monitored and managed in line with the Council's risk management Toolkit.	Michael Clarkson, Planning Policy Manager 13 June 2024

## **11. Report Appendices**

11.1. The following documents are to be published with and form part of the report:

- Appendix 1 - Examiner's Report
- Appendix 2 - CIL Charging Schedule
- Appendix 3 - Statement of Adoption

## **12. Background Papers**

12.1. Current RBG CIL Charging Schedule

12.2. RBG Infrastructure Delivery Plan

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