

Council (Council Tax) 26 February 2013

For General Release

REPORT TO:	CABINET - 11 February 2013
AGENDA ITEM:	7
SUBJECT:	Adoption and Introduction of Croydon's Community Infrastructure Levy Draft Charging Schedule
LEAD OFFICER:	Jon Rouse, Executive Director for Planning and Environment Mike Kiely, Director of Planning & Building Control
CABINET MEMBER:	Councillor Jason Perry, Cabinet Member for Planning, Regeneration & Transport
WARDS:	All
CORPORATE PRIORITY/POLICY CONTEXT:	
<p>The Government introduced the Community Infrastructure Levy (CIL) in April 2010 to enable charging authorities, including Croydon, to raise a levy on most development to contribute towards the costs of funding important infrastructure. Such infrastructure is described in the Council's Infrastructure Delivery Plan (IDP). After April 2014, the scope of Section 106 (planning gain) agreements will be reduced, principally restricting it to on-site mitigation.</p>	
<p>The Cabinet at its 11 July 2011 meeting (Min A74/11) authorised public consultation on the Preliminary Draft Charging Schedule over September and October 2011. Following this consultation the Council considered the representations received and the Draft Charging Schedule was produced. The Draft Charging Schedule was approved for four weeks consultation by Cabinet at its meeting of 12 December 2011 (Min A118/11). Consultation commenced on the 16 January 2012 and concluded on the 13 February 2012. In April 2012 the Council agreed to submit the CIL Draft Charging Schedule to the Examiner and this occurred on 18 June 2012. The Examination of the CIL Charging Schedule was undertaken on 21 September 2012. The Examiner's report was received on 17 December 2012 and the Examiner recommends the CIL Charging Schedule for adoption by the Council. Therefore, this report seeks a recommendation to Full Council to approve the adoption and introduction of Croydon's CIL Charging Schedule.</p>	
<p>The income to be derived upon the introduction of the CIL will benefit the development of the borough and the wellbeing of its residents. Specifically it will help delivery of the Corporate Plan's objectives and projects, for example by enabling investment in parks and green spaces, schools for expansion identified in the Educational Estates strategy, sustainable transport, new leisure facilities and district heating systems. Through such delivery, important parts of the Croydon Local Plan – Strategic Policies and the Infrastructure Delivery Plan will be implemented. Much of the infrastructure capable of support through CIL will assist provision of housing and employment growth.</p>	

The introduction and adoption of the borough's CIL aligns with Croydon's Corporate Plan 2011 to 2013 Objective 4 – Empowering Communities and Objective 5 – Competing as a place.

Furthermore, the introduction and adoption of the borough's CIL meets the following Sustainable Community Strategy themes:

- Theme 1: Safer, Stronger and more Sustainable Communities
- Theme 3: Promoting Economic Growth and Prosperity
- Theme 4: Improving Health and Wellbeing
- Theme 5: Improving the Environment

FINANCIAL IMPACT

The adoption of the Croydon CIL Charging Schedule brings the project to a close. Funding is only required for the adoption of the charging schedule as a consequence of this report. The budget for the project was approved by Cabinet at its meeting of 11 July 2011 (Min A74/11).

KEY DECISION REFERENCE NO.: This is not a key executive decision as it is reserved to the Council for approval as part of the policy framework.

The Leader of the Council has delegated to the Cabinet the power to make the decisions set out in the recommendations below.

1. RECOMMENDATIONS

1.1 That the Cabinet:

1. Endorse the adoption of Croydon's Community Infrastructure Levy Charging Schedule (Appendix A) in accordance with Section 213 of the Planning Act 2008 and Regulation 25 of the Community Infrastructure Levy Regulations 2010 (as amended 2011 and 2012)
2. Note the content and conclusions of the Examiner's Report into Croydon's Community Infrastructure Levy Charging Schedule (Appendix B).
3. Endorse the introduction of a Community Infrastructure Levy instalment policy (Appendix C).
4. Acknowledge Regulation 55, Community Infrastructure Levy Regulations 2010 (as amended 2011 and 2012), discretionary relief for exceptional circumstances will not be granted.
5. Endorse the list of infrastructure projects or types to be funded by the Community Infrastructure Levy in accordance with Regulation 123, Community Infrastructure Levy Regulations 2010 (as amended 2011 and 2012) (Appendix D).

6. Endorse a publication and effective date of 1 April 2013 for the coming into force of Croydon's Community Infrastructure Levy Charging Schedule (Appendix A).

7. Agree the withdrawal of Planning Guidance Note 1: Planning Obligations as supplementary planning guidance.

1.2 Recommend to Full Council that it:

1. Adopt Croydon's Community Infrastructure Levy Charging Schedule (Appendix A) in accordance with Section 213 of the Planning Act 2008 and Regulation 25 of the Community Infrastructure Levy Regulations 2010 (as amended 2011 and 2012); and

2. Approve publication and effective date of 1 April 2013 for the coming into force of Croydon's Community Infrastructure Levy Charging Schedule (Appendix A).

2. EXECUTIVE SUMMARY

2.1 The income to be derived upon the introduction of the CIL will benefit the development of the borough and the wellbeing of its residents. Specifically it will help delivery of the Corporate Plan's objectives and projects, for example by enabling investment in parks and green spaces, schools for expansion identified in the Educational Estates strategy, sustainable transport, new leisure facilities and district heating systems. Through such delivery, important parts of the Croydon Local Plan – Strategic Policies and the Infrastructure Delivery Plan will be implemented. Much of the infrastructure capable of support through CIL will assist provision of housing and employment growth.

2.2 The Cabinet at its 11 July 2011 meeting (Min A74/11) authorised public consultation on the Preliminary Draft Charging Schedule over September and October 2011. Following this consultation the Council considered the representations received and the Draft Charging Schedule was produced. The Draft Charging Schedule was approved for four weeks consultation by Cabinet at its meeting of 12 December 2011 (Min A118/11). Consultation commenced on the 16 January 2012 and concluded on the 13 February 2012. In April 2012 the Council agreed to submit the CIL Draft Charging Schedule to the Examiner and this occurred on 18 June 2012. The Examination of the CIL Charging Schedule was undertaken on 21 September 2012. The Examiner's report was received on 17 December 2012 and the Examiner recommends the CIL Charging Schedule for adoption by the Council. Therefore, this report seeks a recommendation to Council to approve the adoption and introduction of Croydon's CIL Charging Schedule.

2.3 With the introduction of the borough's CIL on 1 April 2013 the Council will fund infrastructure projects or types in accordance with the list of infrastructure projects or types to be funded by the Community Infrastructure Levy in accordance with Regulation 123, Community Infrastructure Levy Regulations 2010 (as amended 2011 and 2012) (Appendix D), and will not engage

discretionary relief for exceptional circumstances (Regulation 55, Community Infrastructure Levy Regulations 2010 (as amended 2011 and 2012)), but will apply an Instalment Policy (Appendix C).

3. DETAIL

- 3.1 In April 2012 the Council agreed to submit the Draft Charging Schedule to the Examiner and this occurred on 18 June 2012. The Examination of the CIL Charging Schedule was undertaken on 21 September 2012. Submitted Examination Statements and the Examination focussed on three main issues in accordance with CIL guidance. The three main issues are set out below and the Examiner's conclusion on each issue.

Issue 1 - Is the charging schedule supported by background documents containing appropriate available evidence?

The draft Charging Schedule is supported by detailed evidence of infrastructure needs and the evidence which has been used to inform it is robust, proportionate and appropriate.

Issue 2 - Are the proposed charging rates informed by and consistent with the evidence?

The different charging rates proposed in the CMC and the 'Rest of the Borough' and the blanket charge proposed for all other uses would, therefore, be informed by and consistent with the evidence.

Issue 3 - Does the evidence demonstrate that the draft charging schedule would not put the overall development of the area at serious risk?

While it may be that the viability of certain marginal schemes would be adversely affected, the evidence is that Draft Charging Schedule would not put the overall development of the area at serious risk.

- 3.2 The Examiner's report (Appendix B) was received on 17 December 2012 and overall concludes the following.

Overall Conclusion

In setting the CIL charging rate the Council has had regard to detailed evidence on infrastructure planning and evidence relating to economic viability. It has struck a credible balance between, on the one hand, the need to achieve a reasonable level of income to address the acknowledged gap in infrastructure funding and, on the other, the need to ensure that the overall development of Croydon is not put at serious risk.

In conclusion, the Croydon Community Infrastructure Levy Draft Charging Schedule satisfies the requirements of Section 212 of the 2008 Act and meets the criteria for viability in the 2010 Regulations (as amended 2011). It is recommended, therefore, that the Charging Schedule be approved.

- 3.3 As a consequence of the Examiner's report, this report seeks a recommendation to Full Council to approve adoption of the CIL Charging Schedule and introduction the CIL on 1 April 2013 alongside the measures set out below in paragraphs 3.3 and 3.4.
- 3.4 Under Regulation 123 of the Community Infrastructure Levy Regulations 2010 (as amended 2011 and 2012), the Council is required to publish a list of the infrastructure projects or types it intends to fund through CIL from introduction of the CIL. After this date, the Council is not allowed to include requirements for funding towards infrastructure projects or types included in the Regulation 123 list in section 106 Agreements other than for specific mitigation purposes (including the pooling of obligations for up to five sites). The Council is able to amend its Regulation 123 list at any time provided that any such changes have been subject to local consultation. Also, if a change to the list would have a significant impact on the viability evidence that supported examination of the charging schedule, that change should only be made as part of a review of the charging schedule.
- 3.5 To provide guidance regarding the introduction of CIL and its relationship with Section 106 planning obligations the Council is withdrawing the current guidance (Planning Guidance Note 1: Planning Obligations) and will be replacing it with non statutory planning guidance.
- 3.6 The Council recognises that the payment of CIL on the commencement of development could present cash flow / viability implications for schemes with large CIL liability. In recognition of this, the Council will engage an Instalment Policy (Appendix C) to enable the staging of payments. However, the Council will not be granting discretionary relief for exceptional circumstances.

4. CONSULTATION

- 4.1 Consultation on the CIL Preliminary Draft Charging Schedule and the subsequent Draft Charging Schedule was conducted in accordance with the Planning Act 2008 and the Community Infrastructure Levy Regulations 2010 (as amended 2011 and 2012). This is concluded in the Examiner's report under legal requirements.

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

5.1

1 Revenue and Capital consequences of report recommendations

	Current year	Medium Term Financial Strategy – 3 year forecast		
	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000
Revenue				
Budget				
Expenditure	0	0	0	0
Income	0	0	0	0
Effect of decision from				
Expenditure	5	0	0	0
Income	0	0	0	0
To be funded from earmarked reserve	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>
Capital Budget available				
Expenditure				
Effect of decision from				
Expenditure				
Remaining				

2 The effect of the decision

Expenditure will be in accordance with Cabinet's approval on 11 July 2011 of recommendation 1.3 of the Cabinet Report – CIL Preliminary Draft Charging Schedule (Min A74/11). A decision to adopt the Charging Schedule will bring the project to a close and as outlined above only a modest budget is necessary to implement adoption.

3 Risks

The scope of the Section 106 planning gain process is to be reduced after April 2014. Without the financial provision of a CIL Charging Schedule the Council will find itself in a more challenging financial climate when meeting the infrastructure needs of the borough. Clearly, should CIL income not meet projected income levels financial challenges to the delivery of the borough's infrastructure will occur.

4 Options

The alternative is for the Council not to adopt and introduce CIL at the earliest opportunity. The outcome of such an approach would result in the

Council failing to capture a significant funding source for the delivery of infrastructure to support the borough's future growth needs. In addition, the Council may find itself further compromised when addressing future infrastructure requirements beyond 2014, when the scope of the Section 106 planning gain process is reduced.

5 Future savings/efficiencies

The implementation of CIL introduces a new mechanism for the Council to capture income from development, which can be invested in needed local infrastructure as identified in the Council's Infrastructure Delivery Plan. Also, it could speed up planning gain negotiations, as developers will have full knowledge of their potential CIL liability when bidding for land, leading to time savings and potentially reduced revenue costs.

Approved by: Richard Simpson, Director of Finance and Deputy Section 151 Officer

6. COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER

6.1 The Solicitor to the Council comments that this report seeks a recommendation to Full Council to approve adoption of Croydon's Community Infrastructure Levy (CIL) Charging Schedule, following approval by the Examiner appointed under section 212 of the Planning Act 2008.

6.2 Approval to adopt the Croydon's Community Infrastructure Levy (CIL) Charging Schedule is reserved to a majority of Members sitting in a meeting of the full Council, by section 213 of the Planning Act 2008.

6.3 Section 214 of the Planning Act 2008 states a charging schedule approved under section 213 may not take effect before it is published by the charging authority in accordance with Regulation 25 of the Community Infrastructure Levy Regulations 2010 (as amended 2011 and 2012). Adoption will be undertaken in accordance with these requirements.

(Approved by: Sean Murphy, Corporate Solicitor on behalf of the Council Solicitor & Director of Democratic & Legal Services)

7. HUMAN RESOURCES IMPACT

7.1 Resourcing of the adoption of the OAPF will be met by existing Spatial Planning resources.

7.2 Approved by: Adrian Prescod, HR Business Partner, on behalf of the director, Human Resources & Organisational Effectiveness

8. EQUALITIES IMPACT

8.1 CIL is a mechanism to fund and provide the infrastructure necessary to deliver the spatial vision for the borough, development objectives and policies of the Local Plan – Strategic Policies. Statutorily no EqiA is required for CIL, however one was undertaken at the CIL Draft Charging Schedule stage to demonstrate how the Council has had regard to the Council's PSED. Very few negative

implications were identified through the EqIA process and those identified can be mitigated by the introduction of an instalment policy, which is proposed.

9. ENVIRONMENTAL IMPACT

- 9.1 On the basis that CIL is an extension of the spatial vision, development objectives and policies of the Local Plan it is considered that the Local Plan's sustainability appraisal is relevant. The Local Plan is subject to the need to conform to the Sustainability Appraisal and Strategic Environmental Assessment Regulations, which includes objectives relating to environmental, social and economic matters. The Local Plan's Sustainability Appraisal and Strategic Environmental Assessment final report has been concluded.
- 9.2 Furthermore, the Community Infrastructure Levy Regulations 2010 (as amended 2011 and 2012) are clear that there is no requirement to undertake a Sustainability Appraisal and Strategic Environmental Assessment to support the introduction of a CIL Charging Schedule.

10. CRIME AND DISORDER REDUCTION IMPACT

- 10.1 Adoption of the CIL Charging Schedule is not envisaged to have any impact on crime and disorder.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 11.1 The income to be derived upon the introduction of the CIL will benefit the development of the borough and the wellbeing of its residents. Specifically it will help delivery of the Corporate Plan's objectives and projects, for example by enabling investment in parks and green spaces, schools for expansion identified in the Educational Estates strategy, sustainable transport, new leisure facilities and district heating systems. Through such delivery, important parts of the Croydon Local Plan – Strategic Policies and the Infrastructure Delivery Plan will be implemented. Much of the infrastructure capable of support through CIL will assist provision of housing and employment growth.

12. OPTIONS CONSIDERED AND REJECTED

- 12.1 The alternative is for the Council not to adopt and introduce CIL at the earliest opportunity. The outcome of such an approach would result in the Council failing to capture a significant funding source for the delivery of infrastructure to support the borough's future growth needs. In addition, the Council may find itself further compromised when addressing future infrastructure requirements beyond 2014, when the scope of the Section 106 planning gain process is reduced.

CONTACT OFFICER: Tim Naylor, Head of Spatial Planning ext 62615

BACKGROUND DOCUMENTS: none

Appendices:

Appendix A - Croydon's Community Infrastructure Levy Charging Schedule

Appendix B - Examiner's Report into Croydon's Community Infrastructure Levy Charging Schedule

Appendix C - Community Infrastructure Levy instalment policy

Appendix D - List of infrastructure projects or types to be funded by the Community Infrastructure Levy in accordance with Regulation 123, Community Infrastructure Levy Regulations 2010 (as amended 2011 and 2012)

Appendix A
London Borough of Croydon
Community Infrastructure Levy
Charging Schedule
April 2013

The Charging Authority

The Charging Authority is the London Borough of Croydon

Date of Approval

This Charging Schedule was approved by the Council on 26 February 2013

Date of Schedule Taking Effect

This Charging Schedule will come into effect on 1 April 2013

The Scope of Community Infrastructure Levy (CIL)

CIL will be chargeable on the net additional floorspace (gross internal area) of all new development apart from that exempt under Part 2 and Part 6 of the Community Infrastructure Levy Regulations 2010 (as amended by the CIL Regulations 2011 and 2012).

These exemptions from the charge are:

- Buildings or extensions to buildings less than 100 square metres, other than where the development will comprise one or more dwelling
- Buildings into which people do not normally go or go only intermittently for the purpose of inspecting or maintaining fixed plant or machinery
- Buildings owned by charities used for a charitable purpose

CIL Rates

The rate at which CIL will be charged shall be;

1. Within the **Croydon Metropolitan Centre** as shown on the CIL Zones Map 2013

Residential- dwelling houses (C3)	£0 per square metre
Business (B1, B2 and B8)	£120 per square metre
Institutions (C2, D1)	£0 per square metre
All other uses	£120 per square metre

2. Within the area designated **the Rest of the Borough** on the CIL Zones Map 2013

Residential- dwelling houses (C3)	£120 per square metre
Business (B1, B2 and B8)	£0 per square metre
Institutions (C2, D1)	£0 per square metre
All other uses	£120 per square metre

As per Regulation 14 of the Community Infrastructure Levy Regulations (as amended by the Community Infrastructure Levy Regulations 2011 and 2012), the Council is designated the collecting authority for the Mayor of London in Croydon.

Calculation of the CIL Charge.

CIL will be calculated on the basis set out in Part 5 of the Community Infrastructure Levy Regulations 2010 (as amended in the Community Infrastructure Levy Regulations 2011 and 2012).

Statutory Compliance

The Charging Schedule has been approved and published in accordance with the Community Infrastructure Levy Regulations 2010 (as amended by the Community Infrastructure Levy Regulations 2011 and 2012) and Part 11 of the Planning Act 2008 as amended..

In setting the levy rates, the Council has struck an appropriate balance

between;

a) the desirability of funding from CIL in whole or in part the estimated 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 CIL on the economic viability of development across its area.



The Planning
Inspectorate

Report to Croydon Council

by Robert Yuille MSc Dip TP MRTPI

an Examiner appointed by the Council

Date: 17 December 2012

PLANNING ACT 2008 (AS AMENDED)

SECTION 212(2)

REPORT ON THE EXAMINATION OF THE DRAFT CROYDON COMMUNITY INFRASTRUCTURE LEVY CHARGING SCHEDULE

Charging Schedule submitted for examination on 18 June 2012

Examination Hearings held on 21 September 2012

File Ref: PINS/L5240/49/7

Non Technical Summary

This report concludes that the Croydon Community Infrastructure Levy Charging Schedule provides an appropriate basis for the collection of the levy in the area. The Council has sufficient evidence to support the schedule and can show that the levy is set at a level that will not put the overall development of the area at risk.

Introduction

1. This report contains an assessment of the Croydon Community Infrastructure Levy (CIL) Draft Charging Schedule in terms of Section 212 of the Planning Act 2008. It considers whether the schedule is compliant in legal terms and whether it is economically viable as well as reasonable, realistic and consistent with national guidance¹.
2. To comply with the relevant legislation the local charging authority has to submit what it considers to be a charging schedule which sets an appropriate balance between helping to fund necessary new infrastructure and the potential effects on the economic viability of development across the Borough. The basis for the examination, on which Hearing sessions were held on 21 September 2012, is the submitted schedule of 18 June 2012, which is effectively the same as the document published for public consultation in January 2012.
3. Croydon Council (the Council) proposes to identify two charge zones – the Croydon Metropolitan Centre (CMC) and the Rest of the Borough. Residential uses would be charged at £0 per sq m in the CMC and £120 per sq m in the Rest of the Borough. Business uses would be charged at £120 per sq m in the CMC and £0 per sq m in the Rest of the Borough. Across the whole Borough Institutions will be charged at £0 per sq m and 'All Other Uses' will be charged £120 per sq m.

¹ Charge Setting and Charging Schedule Procedures – DCLG – March 2010

Main Issues

4. Having regard to the evidence presented before and at the Hearing three main issues were identified.

Issue 1 - Is the charging schedule supported by background documents containing appropriate available evidence?

Infrastructure planning evidence

5. The Croydon Local Plan Strategic Policies (LP) has been examined alongside the draft charging schedule. This plan shows that growth will be focussed in the CMC with Waddon, Purley, Coulsdon, Broad Green and Selhurst also playing a substantial role.
6. The infrastructure necessary to support this growth is set out in the Infrastructure Delivery Plan, the most recent version of which was published in 2012. This identifies the infrastructure necessary to deliver the growth envisaged in the LP.
7. Much physical infrastructure is, of course, delivered without recourse to public funds and the Council has produced a schedule of infrastructure schemes that would be eligible for CIL. These schemes - which include provision for education, roads, public transport, cycle lanes, flood prevention/protection and regeneration schemes – have been costed and the whole process has been independently scrutinised. The relevance of these schemes to the proposed development has not been challenged nor have their costs.
8. The total cost of these schemes has then been compared with the funds that are known or are expected to be available from other sources including the amount of borrowing for investment in the Council's capital programme. This reveals a funding gap of some £114.6 million. From the information provided it appears that while CIL would make a significant contribution it would fall well short of filling the likely funding gap. These figures demonstrate the need to levy CIL.

Economic viability evidence

9. The Council commissioned a CIL Viability Study (August 2011) which was supplemented by three further pieces of work (March 2012) which assessed additional sites and carried out further sensitivity analysis. These assessments applied a residual land valuation approach to some 24 sites across the Borough covering a range of developments selected to be representative of the type and location of schemes likely to come forward in Croydon.
10. Reasonable assumptions have been made for factors such as land values and profit levels. Sales values and rental levels are based on an analysis of comparable schemes and while the state of the market means that relatively few comparable transactions have taken place, there is no better source of information. Build costs (including Code for Sustainable Homes and Lifetime Homes requirements) have been calculated on the basis of standard industry sources of information and while no allowance had been made for exceptional costs an allowance has been made for decontamination and site clearance

costs. None of these assumptions have been seriously challenged.

11. Sensitivity testing has been carried out as part of the Viability Study by assessing different schemes with varying assumptions about sales values/rental values and build costs. These demonstrate that the proposed rates of CIL would be robust enough to be viable in changing market conditions.

Conclusion

12. The draft Charging Schedule is supported by detailed evidence of infrastructure needs and the evidence which has been used to inform it is robust, proportionate and appropriate.

Issue 2 - Are the proposed charging rates informed by and consistent with the evidence?

Two Charging Zones

13. The draft charging schedule identifies two charging zones – the CMC and the 'Rest of the Borough' with lower charging rates for residential and higher charging rates for commercial uses being proposed in the former. This is supported by the CIL Viability Study which indicates that land values, gross development values and build costs are all higher in the CMC than outside it, largely as a result of the higher density development that takes place there.
14. Currently residential development within the CMC struggles to be viable but elsewhere in the Borough, where housing has largely retained its sales value and has lower build costs than the higher density development within the CMC, such development remains largely viable. The converse is true in the commercial market. Within the CMC it is anticipated that offices will be the predominant form of commercial development and the rental value of these remains relatively strong. Outside the CMC, however, the evidence is that the commercial market is fragile.
15. While it is the case that these results are obtained from a small sample of sites, for example information on commercial development within the CMC is based on a single site, there is nothing to suggest that these sites are unrepresentative and no alternative, more comprehensive, source of information has been put forward.

All Other Uses

16. It is proposed that CIL would apply to all other uses across the Borough including Fire Stations and Police Stations which, unlike other Boroughs, the Council has not exempted. It was accepted by the Council at the Hearings that Police and Fire Stations are included within the range of infrastructure to benefit from CIL funding. The question was raised, therefore, as to whether they should be charged CIL in the first place – it was suggested that this was akin to expecting a contribution towards affordable housing from an affordable housing scheme.
17. The Council pointed out that it would be recycling CIL receipts to community

users including the police and the fire service and that it was necessary for all such users to be treated consistently. However, the logic of arguing that levying CIL on a community use is justified because it may be paid back in due course is difficult to follow – particularly if that levy jeopardised the economic viability of that use in the first place. The Council may, therefore, want to reflect on its stance on this matter. However, even if the imposition of CIL were to threaten the viability of emergency service schemes in the Borough such developments are not likely to form a significant part of the development programme across the area. This is not a matter, therefore, that puts the overall development of the area at serious risk.

Conclusion

18. The different charging rates proposed in the CMC and the ‘Rest of the Borough’ and the blanket charge proposed for all other uses would, therefore, be informed by and consistent with the evidence.

Issue 3 - Does the evidence demonstrate that the draft charging schedule would not put the overall development of the area at serious risk?

19. The Viability Study indicates that the economic feasibility of the majority of the sites tested would not be affected by CIL and while a number of sites did not prove to be viable this would have been so whether or not CIL was levied. CIL is unlikely to exceed 4% of overall development costs and other variables will prove more significant in determining the viability of a scheme. While CIL will have an effect on viability, as would any additional cost, it is unlikely to be a significant factor nor, insofar as it is relevant, would it inevitably drive down the quality of development to any marked degree.
20. The Viability Study is a reasonably robust piece of evidence which has been subjected to adequate sensitivity testing and in interpreting its results the Council has selected CIL rates which are well below the maximum which would be viable.

Conclusion

21. While it may be that the viability of certain marginal schemes would be adversely affected, the evidence is that Draft Charging Schedule would not put the overall development of the area at serious risk.

LEGAL REQUIREMENTS	
National Policy/Guidance	The Charging Schedule complies with national policy/guidance.
2008 Planning Act and 2010 Regulations (as amended 2011)	The Charging Schedule complies with the Act and the Regulations, including in respect of the statutory processes and public consultation, consistency with the

	emerging Croydon Local Plan Strategic Policies (which is being examined alongside the Charging Schedule) and Infrastructure Delivery Plan and is supported by an adequate financial appraisal.
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Overall Conclusion

- 22. In setting the CIL charging rate the Council has had regard to detailed evidence on infrastructure planning and evidence relating to economic viability. It has struck a credible balance between, on the one hand, the need to achieve a reasonable level of income to address the acknowledged gap in infrastructure funding and, on the other, the need to ensure that the overall development of Croydon is not put at serious risk.

- 23. In conclusion, the Croydon Community Infrastructure Levy Draft Charging Schedule satisfies the requirements of Section 212 of the 2008 Act and meets the criteria for viability in the 2010 Regulations (as amended 2011). It is recommended, therefore, that the Charging Schedule be approved.

RJ Yuille

Examiner

Community infrastructure Levy – April 2013

Payment by Instalments Policy

This policy has been prepared in accordance with regulations 69B of the Community Infrastructure Levy Regulations 2011.

The Council will allow payment of CIL by instalments according to the total amount (1) of the liability as follows;

Amount of Liability	Number of Instalments	Payment Period and Amounts(2)
Any amount less than or equal to £250,000	No instalments	Total amount payable within 60 days of commencement of development
Amounts more than £250,000 and less than or equal to £500,000	Two Instalments	£100,000 payable within 60 days of commencement of development Balance payable within 120 days of commencement of development
Amounts greater than £500,000	Three instalments	£ 250000 payable within 60 days of commencement of development Balance payable in two further instalments of equal amount within 120 and 180 days of commencement of development

This policy comes into effect on 1 April 2013

1 The total amount of CIL is the amount shown on the liability notice and includes components for the London Borough of Croydon and the Mayor of London.

2 The payment periods are based on the date of the billing notice

**London Borough of Croydon's Regulation 123 list - Community Infrastructure Levy Regulations 2010 (as amended 2011 and 2012)
1 April 2013**

Regulation 123 (Community Infrastructure Levy Regulations 2010 (as amended 2011 and 2012)) restricts the use of planning obligations for infrastructure that will be funded in whole or in part by Community Infrastructure Levy (CIL), to ensure no duplication between the two types of developer contributions (CIL and planning obligations).

The list below sets out the infrastructure projects or types that the London Borough of Croydon intends will, or may be, wholly or partly funded by CIL.

Infrastructure projects or types that will, or may be, wholly or partly funded by CIL.
Provision, improvement, replacement, operation or maintenance of education facilities
Provision, improvement, replacement, operation or maintenance of health care facilities
Provision, improvement, replacement, operation or maintenance of those projects listed in the Connected Croydon Delivery Programme dated April 2013 and any projects as may be added to the said Programme after April 2013 as approved by Cabinet.
Provision, improvement, replacement, operation or maintenance of public open space
Provision, improvement, replacement, operation or maintenance of public sports and leisure
Provision, improvement, replacement, operation or maintenance of community facilities (as defined by the Croydon Local Plan – Strategic Policies)

Planning obligations will still be required in accordance with Regulation 122 and 123 (Community Infrastructure Levy Regulations 2010 (as amended 2011 and 2012)) for obligations relating to infrastructure not listed above.

**Projects listed in the Connected Croydon Delivery Programme dated
April 2013**

Project Code	Component
WR01a	Flyover Crossing
WR01b	Park Lane Crossing
CO02b	Connect2 Barclay Road
CO02a	Connect2 Old Town
CO01b	Connect2 Roman Way
CO02c	Connect2 Wandle Park
WC03	West Croydon Bus Station
WC01	Interchange Spine
WC05	Poplar Walk
WC06	West Croydon Circus
WC12	London Road
HS02	South End
HS04	George Street Tram Stop
HS03	Church Street
HS01	North End
HS05	South Croydon
WR01c	George Street Crossing
WR01d	Lansdowne Road Crossing
WR03b	Lansdowne Road
WR01g	Wellesley Road East
WR01e	Bedford Park Road Crossing
FF13	College Green Paving
EC12a	Dingwall Road North
EC08	Billinton Hill

Appendix D

EC14	George Street East
EC03	East Croydon Square
WR01f	Station Road Crossing
FF17	Park Lane Walk
FF11	Station Link (Interim)
FF18	Fairfield Forecourt
FF22	Fair Field Meanwhile Activation
LL	Legible London Signage
GW	Greenways