



WOKINGHAM BOROUGH COUNCIL

A Meeting of an **INDIVIDUAL EXECUTIVE MEMBER DECISION** will be held at the Civic Offices, Shute End, Wokingham on
TUESDAY 9 FEBRUARY 2016 AT 2.05 PM

A handwritten signature in black ink, appearing to read 'Andy Couldrick', written in a cursive style.

Andy Couldrick
Chief Executive
Published on 1 February 2016

This meeting will be filmed for inclusion on the Council's website.

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Our Vision

A great place to live, an even better place to do business

Our Priorities

Improve educational attainment and focus on every child achieving their potential

Invest in regenerating towns and villages, support social and economic prosperity, whilst encouraging business growth

Ensure strong sustainable communities that are vibrant and supported by well designed development

Tackle traffic congestion in specific areas of the Borough

Improve the customer experience when accessing Council services

The Underpinning Principles

Offer excellent value for your Council Tax

Provide affordable homes

Look after the vulnerable

Improve health, wellbeing and quality of life

Maintain and improve the waste collection, recycling and fuel efficiency

Deliver quality in all that we do

For consideration by

John Kaiser, Executive Member for Planning and Highways

Officers Present

Brendan Troy, Community Infrastructure Delivery

Colm Ó Caomhánaigh, Democratic Services

| IMD NO. 2016 | WARD | SUBJECT |
|-------------------------|---------------|--|
| IMD2 | None Specific | COMMUNITY INFRASTRUCTURE LEVY (CIL) 5 - 20 REVIEW – WOKINGHAM BOROUGH COUNCIL RESPONSE To agree the Council's response to the DCLG call for evidence. |

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Agenda Item IMD2

INDIVIDUAL EXECUTIVE MEMBER DECISION REFERENCE IMD: 2016 / 2

| | |
|----------------------------------|--|
| TITLE | Community Infrastructure Levy (CIL) Review – Wokingham Borough Council Response |
| DECISION TO BE MADE BY | John Kaiser, Executive Member for Planning and Highways |
| DATE AND TIME | 9 February 2016, 2.05pm |
| WARD | All |
| DIRECTOR | Heather Thwaites, Director of Environment |
| REPORT TO BE PUBLISHED ON | 1 February 2016 |
| VENUE | WSP Room, Council Offices, Shute End |

OUTCOME / BENEFITS TO THE COMMUNITY

The Community Infrastructure Levy (CIL) is the mechanism that will ensure that future developments contribute towards the infrastructure that is needed to support growth. Wholesale changes to the CIL regime could jeopardise infrastructure delivery in Wokingham Borough.

RECOMMENDATION

The Executive Member for Planning and Highways approves the attached questionnaire for submission as Wokingham Borough Council's official response to the Community Infrastructure Levy (CIL) Review Panel.

SUMMARY OF REPORT

The Community Infrastructure Levy (CIL) was introduced nationally in April 2010 and implemented in Wokingham Borough in April 2015. It seeks to provide a faster, fairer, more certain and transparent means of collecting developer contributions to funding infrastructure to support growth of an area.

In November 2015, the Government launched an independent review of the Community Infrastructure Levy (CIL). This report recommends submission of the response attached at Appendix 1 as the Council's official response to the Government's CIL Review consultation.

In summary, the response surmises that the system is not perfect and there are still some areas for improvement. However, CIL in Wokingham will provide significant amounts of funding for infrastructure to support development. The Council has gone to considerable effort and expense to adopt a CIL Charging Schedule and would not like to see major changes to the CIL Regulations before the CIL regime has a chance to bed in properly.

Background

The Community Infrastructure Levy (CIL) was introduced nationally in April 2010. It was introduced in Wokingham Borough in April 2015. It seeks to provide a faster, fairer, more certain and transparent means of collecting developer contributions to infrastructure than individually-negotiated 'Section 106' planning obligations.

The Government confirmed in November 2015 that Liz Peace will lead and chair an independent group conducting a review of the Community Infrastructure Levy.

The group will assess the extent to which CIL does or can provide an effective mechanism for funding infrastructure, as well as recommend changes that would improve its operation in support of the government's wider housing and growth objectives.

Responses need to be submitted by 15 January 2016. A response has been submitted subject to ratification.

Analysis of Issues

Detailed issues are dealt with in the report attached at Appendix 1 which responds directly to the CIL Review Panel Questionnaire.

In summary, the response surmises that the system is not perfect and there are still some areas for improvement. However, CIL in Wokingham Borough will provide significant amounts of funding for infrastructure to support development. The Council has gone to considerable effort and expense to adopt a CIL Charging Schedule and is making ongoing investments in staff resource, IT systems and training to administer the CIL. The Council would not like to see wholesale / major changes to the CIL Regulations before the CIL regime has a chance to bed in properly. It is likely to be another 5 years before the impact of CIL can be determined fully.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.

| | How much will it Cost/ (Save) | Is there sufficient funding – if not quantify the Shortfall | Revenue or Capital? |
|-----------------------------------|-------------------------------|---|---------------------|
| Current Financial Year (Year 1) | £0 | Yes | N/A |
| Next Financial Year (Year 2) | £0 | Yes | N/A |
| Following Financial Year (Year 3) | £0 | Yes | N/A |

Other financial information relevant to the Recommendation/Decision

Changes to the CIL Regulations could have significant financial implications to the Council. It is important that the Council responds to this consultation to outline its position in relation to CIL.

Cross-Council Implications (how does this decision impact on other Council services, including property and priorities?)

A major change to the CIL regime could impact on the future delivery of key infrastructure affecting a range of services areas, including highways and education.

SUMMARY OF CONSULTATION RESPONSES

Director – Finance and Resources

No comments received.

Monitoring Officer

No comments received.

Leader of the Council

“I fully support all the comments on the consultation. This Council invested a lot of resources in going through the CIL validation process including an extensive public examination. Certainly it is not perfect but wholesale changes are not warranted.”

List of Background Papers

CLG, Community Infrastructure Levy Review Panel Questionnaire
Appendix 1 – WBC response to CIL Review questionnaire

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Date 28 January 2016

Version No. 1

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**CIL Review – Community Infrastructure Levy Review Panel Questionnaire –
Draft Wokingham Borough Council Response**

Please provide the following general background:

a. Brief description of your interest and involvement in CIL.

Wokingham Borough Council (WBC) – CIL Charging Authority

b. If a local authority, the precise stage you have reached in the CIL process.

Wokingham Borough Council (WBC) adopted its charging schedule on 19th February 2015 and implemented its charging schedule on 6th April 2015. Information on the Wokingham CIL, including the adopted CIL Charging Schedule and Regulation 123 List can be found here - <http://www.wokingham.gov.uk/planning-and-building-control/development/community-infrastructure-levy/>

c. If a developer/consultant, some indication of the number of different CIL processes you have been involved in, in relation to both:

- 1. the setting of CIL rates, and**
- 2. payment of CIL for specific developments including details of the land use and the scale and type of development.**

N/A

On Infrastructure:

i. To what extent is CIL contributing, or will it contribute, to infrastructure to support development and is that infrastructure being delivered?

The Council expects CIL to deliver in excess of £67m in funding for infrastructure to 2026. It will be a key funding source for strategic infrastructure in the Borough, including infrastructure required to unlock housing delivery on at least two strategic housing sites.

Firstly, the Arborfield Garrison Strategic Development Location (SDL), a strategic allocation for 3500 homes (2,000 of which have got outline planning permission in October 2014, under S106 prior to CIL implementation in April 2015). A S106 package of circa £28k per dwelling (in addition to 35% affordable housing) was agreed to provide the infrastructure required to unlock the development site, including provision of a primary school, a significant contribution to a secondary school (which will be located on site), strategic transport improvements, green infrastructure, sports and community facilities.

The remainder of the site will come forward predominantly under CIL with some residual S106. A resolution to grant outline permission for up to 1500

dwellings was approved in October 2015, subject to conditions and execution of the S106 agreement. There is a CIL charge of £365 per square metre on residential development on the site. The CIL contribution together with residual S106 contributions for green infrastructure and site access and land for provision of roads and schools should provide circa £28k per dwelling, the majority of which will be CIL. This will be alongside 35% affordable housing. The benefit of this approach is that there is a lot less protracted negotiation, there is more certainty for the Council over the infrastructure funding, and for the developer over the cost of the development. The CIL will help fund delivery of strategic infrastructure required to unlock the site, including provision of: strategic transport improvements; funding towards delivery of the secondary school; a primary school on site, community and sports facilities and public services.

On the South Wokingham Strategic Development Location (SDL), a strategic development allocation for 2500 houses (650 which have planning permission, much of which is completed or under construction). The Council is currently in pre-application talks with developers in relation to 1850 units which will come forward under CIL. The CIL rate has been set at £320 per square metre on this site, taking into account what will be required in terms of CIL and S106 in order to deliver the infrastructure required on this site and site viability considerations. The CIL will be required to deliver strategic transport infrastructure (including the South Wokingham Relief Road), education infrastructure, community, sports facilities and public services related to this site. Land for delivery of this infrastructure on the SDL will be provided by the developer through S106.

Wokingham Borough Council is made up of 17 Town and Parish Councils. WBC currently does and will continue to work with and support Town and Parish Councils to try and align priorities for mitigation of strategic sites. However, there is an issue in both those instances above whereby 15% / 25% (neighbourhood proportion) of the CIL contribution on these strategic sites will be passed over to Local Councils. This leads to a situation whereby a small number of Parishes are in receipt of a major windfall (in the millions of £'s), yet the impact of a strategic site is wider than just one or two Parishes. Also, a 15 / 25% proportion on strategic sites potentially undermines the mitigation required for strategic sites where a large amount of infrastructure needs to be provided on-site. The review could look at the proportion of CIL passed over to the Local Councils in relation to the size of sites. A 5% proportion would be more appropriate on strategic sites of 500 dwellings or more.

The CIL will play a major role in delivering strategic infrastructure and unlocking housing growth in Wokingham. Given the pooling restrictions on S106, it would not be possible to unlock this growth without CIL. The new approach does put more of an onus on the Council in terms of delivery to which the Council has geared up. It also requires careful infrastructure delivery planning at an early stage and development of infrastructure delivery plans on strategic sites, in consultation with developers.

ii. Has the role of the Planning Authority changed with the introduction of CIL and if so where has this worked most effectively?

Yes – in relation to the delivery of infrastructure. The introduction of CIL makes the Local Authority the key partner in terms of infrastructure delivery. This is working well in terms of securing the funding for delivery of infrastructure. However, there is a mismatch between policy streams for funding and delivery of infrastructure. There needs to be more thought given to mechanisms that allow the Local Authority to forward fund enabling infrastructure. This is dealt with further in question iv below.

iii. How are large items of essential infrastructure critical for key sites or growth locations being secured in the CIL and s.106 system?

For the most part, large items of essential infrastructure critical for key sites will be secured through CIL, as outlined above.

The Council's Regulation 123 list includes a number of specific infrastructure types or projects that it intends to provide through CIL. This includes a number of specific strategic transport infrastructure projects, education infrastructure, community and social infrastructure, and public services (health and emergency services). It also includes a number of exclusions to the Regulation 123 list; as projects expected to be delivered in kind or by developer contributions, secured through Section 106 agreements. This exclusion list is inclusive, rather than definitive. On strategic sites, land for the provision of infrastructure will be secured through S106.

As can be seen from our response to question (i) above, this approach has not stopped developers bringing strategic sites forward for planning consent.

iv. What role are CIL and s.106 playing alongside other sources of infrastructure funding and could changes to CIL (e.g. the ability to borrow against it or in kind contributions) allow it to be more effective?

CIL and S106 funds have been aligned with the Council's Capital Programme. CIL will not be looked at in isolation but as part a funding pool for infrastructure. All CIL funds will be managed alongside other funds through the 10 Year Capital Vision and capital funding process.

The ability to borrow against CIL would be very helpful especially towards the delivery of strategic development sites where often large upfront investment is required, especially in relation to strategic enabling infrastructure (transport and flood prevention). Pooling restrictions restrict delivery of this type of infrastructure under S106. CIL only becomes payable on commencement of reserved matters, and so on large strategic sites, CIL payments will only come forward over a number of years as the site is built out. However, the site cannot be built out until the enabling infrastructure is in place. Yet there is no facility to borrow against future receipts to help unlock development. Currently there is a strange situation whereby a Local Council can borrow against future

CIL receipts and yet charging authorities cannot. CIL places the onus of delivery on the Council. The inability to borrow against CIL receipts restricts the Council in that role as key delivery partner. Furthermore, Large Scale Infrastructure Funding (LSIF) through the Homes and Communities Agency (HCA) is not available to local authorities to forward fund strategic infrastructure despite CIL moving the responsibility for this delivery onto councils. There is a clearly a mismatch between policy and funding streams for infrastructure delivery.

The same can be said of the ability to provide infrastructure in kind in lieu of CIL contributions. The CIL Regulations 2010 (as amended)(Regulation 73A) allow for the use of a mechanism whereby, after an independent valuation exercise, the Council can accept a payment of land or infrastructure in lieu of what the developer would be required to pay in CIL.

However, there has been a widely held view that the Payment in Kind Mechanism is not workable for large strategic infrastructure. As drafted, regulation 73A(7)(b) only allows for payment in kind for infrastructure if the infrastructure to be provided is identified on the charging authority's regulation 123 list of types of infrastructure to be funded through CIL, and is not necessary to make the development granted consent acceptable in planning terms.

Education and highways infrastructure are examples of infrastructure that could be on a Council's Regulation 123 List and also necessary to make a development acceptable in planning terms. However, the necessity test makes it difficult for the developer to comply with the regulation. Surely the fact that an item is on the Council's Regulation 123 List prevents double counting and the necessity test is not necessary? If regulation 73A is read alongside both regulations 122 and 123, then any infrastructure on the reg.123 list will be funded by the CIL and so it is "*not necessary to make the development granted permission by the relevant permission acceptable in planning terms*" - it is already going to be provided by other means.

There has been some counsel opinion produced for Tower Hamlets Borough Council on this issue by William Upton QC (It is available on the Tower Hamlets website here - http://www.towerhamlets.gov.uk/lgnl/environment_and_planning/planning/register_of_planning_decision/section_106_planning_obligatio/community_infrastructure_levy/tower_hamlets_cil/lbth_cil_submission_and_examin.aspx).

William Upton's advice provides a wider interpretation of the legislation, particularly in relation to strategic sites, whereby William Upton maintains that there is a simple solution to the problem: separate planning applications should be made for the main development and for the development of the in-kind infrastructure. The prohibition in Regulation 73A(7) is on the use of an Infrastructure Payment to offset the CIL payable on the development granted permission by the relevant permission. If there are two separate permissions, the restriction does not apply. The developer can apply for permission for the infrastructure and to offer it as an in-kind payment as part of the CIL owed

with regard to the other planning permission for the main development.

The Council intends to apply the wider interpretation of the legislation towards the delivery of infrastructure on strategic sites. However, the intention of the Regulation could do with clarification in any review.

Another thing that could do with clarification is the ability to agree a payment in kind for infrastructure at Outline Planning Application stage. On a phased planning permission each phase is a separate chargeable development for the purposes of CIL. Regulation 73(A)(1) allows the charging authority to accept one or more infrastructure payments for a chargeable development. While there is nothing expressly in Regulation 73A that prevents the applicant from assuming liability for all the phases and entering into an in kind agreement at outline planning application stage it should be made clear through Regulation and Guidance that it is acceptable to do so, just as you would have agreed a S106 package at that stage under the old system.

v. What has been the impact of pooling restrictions? Is there a difference between authorities which have adopted CIL and authorities which have not adopted CIL?

The pooling restrictions have not had a major impact as the Council had adopted CIL prior to 6th April 2015. In the absence of CIL, it would be very difficult to deliver infrastructure to mitigate development given the pooling restrictions.

vi. What impact do exemptions and reliefs have on delivering infrastructure?

Exemption for residential extensions – our experience is that this exemption causes more expense on administration than it is worth. Virtually all applications for extensions over 100 square metres are eligible for the exemption, yet the formal exchange of CIL forms, application for relief and assumption of liability still has to take place. This is quite time consuming and a drain on staff resources for what is essentially just a bureaucratic exercise. Residential extensions have little impact on infrastructure in any case. It may be better to just provide a blanket exemption on residential extensions.

There are some cases where the Council will capture CIL from residential extensions. In these cases, it is usually because it materialises that the applicant is not the principal resident of the property. In that case, they do not meet the requirements of Regulation 42A(1)(a), and do not qualify for the exemption. The Council refuses the exemption on that basis. However, there could be some genuine cases where an applicant is living in rented accommodation and cannot move into the proposed development, which will be their principal residence once the development is complete. The Council does not have discretion to grant relief in these instances. A clawback mechanism, such as the mechanism that is available for self-build relief for new dwellings under Regulations 54C and 54D, would solve this issue as the Council could grant the exemption pending proof that the extension is a genuine self-build.

Exemption for residential annexes – WBC supports relief for residential annexes.

Self-build relief for new dwellings – Our experience has been that the vast majority of applicants for new single dwellings will claim this relief from CIL. We have not received any claims for self-build relief on larger applications as yet. It is too early to tell what number of these applicants will be able to fulfill the proof of self-build requirement six months after completion of their dwellings. It would be helpful in terms of the administration of CIL if the self-build Part 1 form included an assumption of liability. Whilst Wokingham Borough Council supports the principle of relief for self-builders, it does have concerns that developers may try to play the system to avoid paying CIL.

Charitable relief – Wokingham Borough Council supports the provision of mandatory charitable relief. We do not offer discretionary charitable relief.

Social Housing Relief – Wokingham Borough Council supports mandatory social housing relief and does not operate a discretionary social housing relief policy. It needs to be pointed out though that social housing has an impact on infrastructure, and without a CIL contribution (especially on 100% affordable sites) it might be difficult to justify granting permission on some of these sites.

Suitable Alternative Natural Greenspace and Relief from CIL -

The Council has concerns about the use of the Community Infrastructure Levy (CIL) to effectively deliver Suitable Alternative Natural Greenspace (SANGs) as a mitigation measure for adverse impacts on European Sites (Thames Heath Basin SPA). This Council has committed to fund SANG via CIL (except on SDL's – which will provide SANG on-site). The result however is that where relief is granted for a development, that development will not contribute directly towards the provision of SANG and funding will have to come, either from the general CIL pot or via some other funding mechanism (e.g. S111 of the Local Government Act). A sensible solution may be to amend the pooling restriction to exclude legal requirements under European Directives.

vii. How are local authorities who have not adopted CIL making provision for infrastructure and how effective are these approaches?

N/A

On Viability

viii. Has a lack of viability resulted in a failure to develop a CIL?

No – Wokingham Borough Council adopted CIL in 2015.

ix. Have viability concerns resulted in a low CIL level and has this had an adverse impact on the delivery of infrastructure to support development?

No – Wokingham Borough has a very buoyant housing market and viability evidence supported the introduction of some of the highest CIL changes in the country.

x. Are there appropriate tools available for establishing viability? Would standardisation using just one methodology be helpful or feasible?

Wokingham Borough Council commissioned consultants GL Hearn to produce the viability evidence to support its CIL charges (with additional work undertaken by DVS in respect of older people's accommodation). The consultants used a residual development appraisal model, which was undertaken on the industry standard Argus Developer package. In doing so, they followed the RICS Guidance Note "Financial Viability in Planning" and also the Local Housing Delivery Group's "Viability Testing Local Plans – Advice for Planning Practitioners" as well as best practice established through existing viability studies and Examiners' reports. The viability study was bespoke to Wokingham and based on specific and up-to-date research of market conditions, using wider industry-standard assumptions and information arising from developer consultation.

We did not experience any difficulties in finding appropriate tools or methodologies to assess viability. However, it was sometimes hard to find suitably robust data inputs for the viability models, such as, land costs. This was particularly an issue when it came to site-specific modelling for strategic sites. Despite numerous requests to the land owners/developers/agents promoting these sites for transactional evidence, site specific information was not forthcoming.

xi. Do you have specific examples where non-viability on account of CIL has prevented development?

No

xii. Is CIL impacting on affordable housing provision?

No – Wokingham Borough Council has continued to achieve its full policy requirement for affordable housing.

xiii. In setting a CIL Charging Schedule has the development community played their part and been properly consulted on issues of local viability?

Yes. As well as the formal consultations undertaken on the Preliminary Draft and Draft Charging Schedules (as required by the Regulations), the Council also engaged informally with the developer sector in devising its CIL policy. At a very early stage, the Council held a developer and landowner workshop to inform its initial viability testing. 19 stakeholders accepted the invite and all 4 Strategic Development Locations (SDLs) were represented. A number of further meetings and workshops were held with representatives for the SDLs, including on the delivery of strategic infrastructure in a "CIL World". This positive engagement was specifically commended by the CIL Examiner.

On Charge-setting:

xiv. Is the EIP process suitably robust?

Yes, we believe so. As outlined in Question ix above, the most challenging aspect was obtaining transactional evidence to inform site-specific viability

modelling for strategic sites.

xv. Should there be a requirement to review charging schedules at set times, if so when and why?

A CIL Charging Schedule is based on the viability of development and so it should be flexible and easy to update / implement, so that it accurately reflects market conditions. However, it takes a minimum of 15 to 24 months to implement or update a charging schedule. This protracted process makes it very difficult to be reactive to sudden changes in the market. It seems onerous to have two rounds of consultation and an examination in public, one round of consultation could be dispensed with, especially where an authority is just updating a Charging Schedule. The level of evidence required is appropriate.

xvi. Should partial reviews (e.g. types of use or location) be possible?

Yes. Especially in the instance of a partial Local Plan update that includes new development allocations.

On CIL Regulations and Guidance:

xvii. Are the CIL regulations and guidance easy to use and understand?

Whilst the Regulations certainly have some drafting ambiguities and flaws, the greatest problem has been with the frequency of changes to the Regulations and Guidance. As stated above, it takes at least 15 – 24 months to develop a CIL Policy and with the Regulations being updated almost every year since they were introduced, the goal posts have constantly been moving. This has resulted in additional time and expense in developing our CIL policy.

xviii. Are there improvements that could be made to the arrangements for collecting and spending CIL?

Yes. To comment generally, the collection system is quite bureaucratic, with the formal exchange of several different forms and acknowledgements required for every application. It would be extremely helpful if developers could deal with all issues on one long version form that is submitted alongside a planning application form. On that form, they would provide floorspace information, assume liability and apply for relief if that was applicable. Currently, we have different forms for floorspace, assumption of liability and several different types of relief forms. This is causing much confusion for the development industry and is a drain on Council resources, as we have to chase the forms in many instances.

Wokingham Borough Council has only been operational with CIL for a short time. However, the operational part of CIL is the most heavily regulated and complex part of it. It has Council wide impacts and requires considerable engineering / re-engineering of business systems. There should be more guidance / training / support for Local Authorities in relation to the administration / governance of CIL.

To comment in particular:

Assumption of Liability under Regulation 33: It would be helpful if an applicant for a CIL liable planning permission was required to assume liability prior to the application being determined. Currently the applicant can assume liability anytime up until commencement of development which delays the processing of the CIL liability. This can also lead to significant delays with the issue of liability notices where the applicant fails to assume liability.

Commencement may not occur until a few years after the permission is granted by which time the applicant may have sold the land. The buyer may well not realise that there is a liability on the land because the liability would not show up on a land charges search before a liability notice has been issued.

Self-build exemption for residential extensions or annexes: It is not currently possible to grant an exemption for a residential annex or extension to an application that has been granted retrospectively against an enforcement notice on appeal. This is because Regulation 42(B) stipulates that if a person is granted an exemption they cease to be eligible for that exemption if they do not notify the Council, on a statutory form, the day before the development is commenced. This would be impossible in the case of an appeal that is granted on an enforcement notice because the applicant is not aware of when the Planning Inspectorate will issue their decision and so could not submit a commencement notice the day before the commencement date as required by the Regulations.

It is probably fair to say that it is unlikely that the intention of the CIL Regulations was to punish a householder who was granted planning permission. This is something that needs to be clarified.

Commencement Notice: Failure, on the part of the developer, to submit a commencement notice carries too harsh a penalty in certain cases. For example in the case of a self-builder or where there is social housing relief failure to submit a form can result in liability of £100'sk, even £m's. This hardly seems fair for failure to submit a form, especially where all other requirements have been met. While we agree the penalty should be harsh to ensure compliance, we don't agree that it should run into the hundreds of thousands of pounds.

Temporary Accommodation: Residential park homes are not liable for CIL as they are not classed as permanent accommodation, although increasingly park homes are marketed as permanent residences.

On Neighbourhood issues:

xix. How have the requirements for the Neighbourhood proportion of CIL been implemented?

Wokingham Borough has 17 Town and Parish Councils (T&PC's) within its boundaries. Of a predicted Neighbourhood proportion of £8.8m Council wide to 2026, £8.5m will go to 4 T&PC's because SDL's fall within the administrative areas of those T&PC's. It is questionable whether this is an

equitable approach as it is fair to say that the impact of the Wokingham Borough Council development strategy (based on four Strategic Development Locations) is wider than just four Parishes.

WBC is committed to working in partnership with Town and Parish Councils. In terms of our approach to the neighbourhood proportion we have been working closely with our T&PC's over the past year since we adopted and implemented CIL, and we are well advanced in developing a 'Terms of Reference for Joint Working' (ToR) which the Borough Council will sign up to with each of the Parishes. The ToR will provide a framework for how the Council will work with and provide support for T&PC's in relation to the neighbourhood proportion. The ToR will commit the Borough Council to transferring the neighbourhood proportion as per the CIL Regulations, but also to sharing information on infrastructure projects, funding, and corporate priorities with T&PC's.

Under the ToR the T&PC's will have three options where they can choose to work with the Council in relation to infrastructure funding. These are summarised below:

- **Co-fund infrastructure projects with WBC** - WBC will provide a formal list of strategic projects which Local Councils can choose to co-fund. This list will be issued twice a year on a sponsorship form. T&PC's will have 6 weeks to respond stating if and how much they agree to sponsor for strategic projects that address the impact of development in their area. T&PCs would have no involvement in commissioning / procurement / delivery of these projects. These projects will be WBC led, but T&PC's can take ownership of delivery of these projects and there is no costs to them for support services
- **T&PC's can deliver their own infrastructure projects** – WBC will offer a fully managed design and build support services package as well as a list of professional and technical traded services as an alternative to a fully managed design and build. This will allow T&PC's to take ownership of projects while benefitting from the expertise the Council has available, albeit at a cost.
- **Joint Commissioning** – There may be opportunities to jointly commission projects where there is a shared cost.

This is a partnership approach that has been developed in consultation and collaboration with T&PC's.

xx. Is this encouraging communities' to support development?

Planned growth in WBC was adopted through the Council's Core Strategy in January 2010 prior to the adoption of CIL, so we have no evidence of this so far. However, WBC will shortly be doing a call for sites as part of a Local Plan Review. It will be interesting to see whether the T&PC's and local communities' appetite for new development has changed under CIL as part of the Local Plan Review.

Finally, on the overall system

xxi. Has the introduction of CIL made the system for securing developer contributions and delivering infrastructure simpler, fairer, more predictable, transparent and efficient?

It is certainly simpler and more predictable for developers to determine exactly what their infrastructure costs will be from the outset. CIL is also entirely transparent thanks to the reporting requirements.

WBC firmly believes that CIL can work for infrastructure delivery, including in relation to strategic sites. However, the ability to borrow against CIL and clarification about Payment in Kind in lieu of CIL would be welcome to assist the local authorities in their new role as infrastructure deliverer. The CIL Regulations have changed every year since they have been introduced in 2010. As alluded to previously, the goalposts keep changing and the addition of more reliefs revise downwards predictions for infrastructure funding. A period of stability that lets this new system bed in properly would be welcome.

xxii. Is the relationship between CIL and s.106 fit for purpose and how is this working in practice?

WBC is of the opinion that the relationship between CIL and S106 is clear. A planning obligation can only be entered into if it satisfies the Regulation 122 tests and is not listed as an item that could be funded through CIL on the Council's Regulation 123 List.

On strategic sites, there seems to be a contention among some developers that CIL should cover all the infrastructure costs of development. This can lead to delays in planning permissions, subsequent costly and lengthy appeals; and delays to delivery of infrastructure. CIL guidance could use some more detail, aimed at developers, around the residual role of S106.

xxiii. Is there a better way of funding the infrastructure needed to support development?

CIL has only recently been introduced in Wokingham, as is the case with many other authorities around the country. The system is not perfect and there are still some areas for improvement. However, CIL in Wokingham Borough will provide significant amounts of funding for infrastructure to support development. The Council has gone to considerable effort and expense to adopt a CIL Charging Schedule and is making ongoing investments in staff resource, IT systems and training to administer the CIL. The Council would not like to see wholesale / major changes to the CIL Regulations before the CIL regime has a chance to bed in properly. It is likely to be another 5 years before the impact of CIL can be determined fully.

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