

# Agenda Item IMD43

## INDIVIDUAL EXECUTIVE MEMBER DECISION REFERENCE IMD: 2015/43

<b>TITLE</b>	<b>Draft Payment in Kind of Land or Infrastructure in lieu of CIL Policy</b>
<b>DECISION TO BE MADE BY</b>	John Kaiser, Executive Member for Planning and Highways
<b>DATE AND TIME</b>	9 December 2015 at 3.05pm
<b>WARD</b>	Borough Wide
<b>DIRECTOR</b>	Heather Thwaites, Director of Environment
<b>REPORT TO BE PUBLISHED ON</b>	1 December 2015
<b>VENUE</b>	Room SF2, Wokingham Borough Council Offices, Shute End, Wokingham

### **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. A CIL payment in kind mechanism can lead to cost and efficiency benefits in the delivery of that infrastructure.

There are also likely to be some efficiencies for the delivery programme by enabling developers to deliver pieces of infrastructure which are time critical; thus sharing the infrastructure delivery load with the Council.

### **RECOMMENDATION**

The Executive Member for Planning and Highways:

- 1) adopts the Draft Payment in Kind of Land or Infrastructure in Lieu of CIL Policy on behalf of the Council; and
- 2) publishes the Policy.

### **SUMMARY OF REPORT**

A policy statement has been prepared outlining an approach to "Payments in Kind in lieu of CIL", namely through the transfer of land or completed infrastructure to the Council in lieu of a cash payment of the Levy amount due. The policy has been drafted to allow the Council sufficient flexibility in considering these types of payment at its discretion on a case-by-case basis.

## Background

Subject to relevant conditions, and at its discretion, a CIL Charging Authority may enter into an agreement for a land of infrastructure payment to discharge part or all of a CIL liability.

Wokingham Borough Council implemented its CIL Charging Schedule on 6<sup>th</sup> April 2015. To allow for more flexible operation of the CIL in Wokingham and also to enable developers, users and the Council to have more certainty about the timescale over which certain infrastructure items can be delivered it is now recommended that the Council publish a statement that it will consider requests for payment in kind of land or infrastructure in lieu of CIL at its discretion.

## Analysis of Issues

There may be circumstances where a CIL charging authority and the person liable for the Community Infrastructure levy will wish land and/or infrastructure to be provided, instead of money, to satisfy a charge arising from the levy. For example, where an authority has already planned to invest levy receipts in a project there may be time, cost and efficiency benefits in accepting completed infrastructure from the party liable for payment of the levy.

In order to use this payment in kind mechanism and comply with the CIL Regulations, the Council must publish a policy statement on its website. The policy simply reflects the processes and procedures for payment in kind as outlined in the CIL Regulations. The key points being that payment in kind is discretionary; any agreement must be subject to an independent valuation; and, any item of infrastructure to be provided in kind must be on the Council's Regulation 123 List of Infrastructure that can be funded by CIL.

The Draft Payment in Kind Policy (Appendix A) outlines a flexible approach to considering proposals for payments in kind on an individual basis. The Policy outlines the basic conditions under which a proposal for a payment in kind will be considered. This flexible approach provides clarity to developers whilst allowing the Council to retain control over whether or not it accepts these payments on a case-by-case basis.

## 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)	Nil		
Next Financial Year (Year 2)	Nil		
Following Financial Year (Year 3)	Nil		

**Other financial information relevant to the Recommendation/Decision**

It is envisaged that costs associated with the independent valuation of land or infrastructure would be considered as part of the in lieu payment. Any administration costs related to the operation of the policy could be accommodated using the 5% of CIL revenue that can be used to administer the levy, in line with the Regulations.

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

N/A

**SUMMARY OF CONSULTATION RESPONSES**

<b>Director – Finance and Resources</b>	No comment
<b>Monitoring Officer</b>	No comment.
<b>Leader of the Council</b>	'I fully support the addition of this flexibility in CIL Payment.'

**List of Background Papers**

Appendix A – Draft Payment in Kind of Land or Infrastructure in lieu of CIL Policy

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