

Written evidence submitted by Gloucestershire County Council (LRB63)

Levelling Up and Regeneration Bill

Public Bill Committee

UK Parliament

Whitehall, London

Dear Sir / Madam,

Levelling Up and Regeneration Bill – Bill Committee Call for Evidence

Gloucestershire County Council (GCC) welcomes the opportunity to provide evidence relating to the implications of the Levelling Up and Regeneration Bill. The main themes that the County Council will provide written evidence on are the proposed Infrastructure Levy.

From the outset I want to express GCC's full support for the views outlined by Hampshire County Council (HCC) in a recent communication responding to this call for evidence. The experience of outlined by HCC in relation to the introduction of the Community Infrastructure Levy (CIL) and the impact on the scale of development obligations received by the authority to mitigate the impacts of new development are fully consistent with the GCC's experience.

Proposed Infrastructure Levy

GCC's main area of concern is that the proposed Infrastructure Levy would be set and managed by the lower tier authorities in the same way that CIL is currently. This proposal utterly fails to recognise the fact that upper tier authorities are responsible for delivering a significant proportion of the key infrastructure and services required to support the housing growth. From the information provided, it is not clear what involvement, if any, County Councils might have in the setting of the levy or how the levy is to be spent.

GCC has raised significant concerns about the CIL regime since its appearance in the Planning Act 2008, primarily relating to two key points. Firstly, regarding the fact that the Levy does not capture as much value as enabled through developer obligations (section 106) and therefore fails to provide sufficient funding to enable the timely delivery of infrastructure; and secondly, the fact that CIL is set and operated by the lower tier authorities with no requirement to pass funds to the County Council to enable it to deliver the infrastructure needed to support growth within its area. The County Council has historically secured significant levels of section 106 contributions for infrastructure delivery, as outlined in Table 1. Table 2 outlines the level of CIL allocated for strategic projects including those promoted by the County Council since the introduction of CIL in the county. It should be noted that the competitive bidding process for CIL monies is open to all stakeholders and where funding has been allocated it has not just been to the County Council. Table 3 outlines the value of CIL retained by the charging authorities.

These concerns have been confirmed in the years since the first charging schedule came into force in Gloucestershire. The level of section 106 contributions being collected has seen a drastic decline following the introduction of CIL. The significant adverse impacts of this are now being realised as a result in the lag time between planning permissions being issued, their implementation and the triggers for payment.

Table 1 - Number and value of GCC planning obligations entered into from 2015/16

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of Agreements Signed	43	43	40	16	18	11
Total Value Negotiated	£20,053,455	£11,000,000	£23,934,880	£18,527,500	£9,576,200	£2,700,912

Source - [gcc-ifs-2020-21-final.pdf \(goucestershire.gov.uk\)](https://www.goucestershire.gov.uk/government/procurement/gcc-ifs-2020-21-final.pdf)

Currently 5 of the 6 District/Borough Councils in Gloucestershire have CIL in place:

- Cheltenham Borough - Implemented 2019 – [Cheltenham CIL](#)
- Cotswold District - Implemented 2019 – [Cotswold CIL](#)
- Forest of Dean District - CIL not implemented – [FoD CIL](#)
- Gloucester City - Implemented 2019 – [Gloucester CIL](#)
- Stroud District - Implemented 2017 – [Stroud CIL](#)
- Tewkesbury Borough - Implemented 2018 – [Tewkesbury CIL](#)

Figure 2 – CIL received by Gloucestershire’s CIL charging authorities and value allocated for strategic projects

		Cheltenham	Gloucester	Tewkesbury	Stroud	Cotswold
2019/20	Income to CIL charging authority	£73,983	£47,583	£37,166	£417,044	£16,635
	CIL allocated for strategic projects	£0	£0	£0	£104,000	£0
2020/21	Income to CIL charging authority	£212,052	£458,022	£1,314,039	£512,635	£231,262
	CIL allocated for strategic projects	£0	£0	£0	£282,050	£0

Figure 3 – Value of CIL retained by charging authorities at 31st March 2021

	Cheltenham	Gloucester	Tewkesbury	Stroud	Cotswold
CIL Retained	£259,898	£64,237	£1,230,884	£483,288	£200,361

Not only are the total amounts levied by CIL much less than the County Council has historically secured by section 106, but also typically the lower tier authorities are not passing CIL funding to the

County Council. It is therefore critical that upper tier authorities have a statutory role in the proposed Infrastructure Levy process to inform both the strategy and how the Levy is spent.

The proposed Levy is based on the final Gross Development Value and therefore there is anticipated to be a significant delay between the commencement of development and receipt of the Levy. For strategic housing sites it could be 15 - 20 years or more before the Levy is calculated and paid.

Whilst local authorities can borrow against future receipts, with acute pressure on revenue funding, and the continuing unfunded pressures in social care, waste and highways, the cost of taking on additional borrowing, even for an interim period, is unlikely to be affordable to upper tier councils. It is not clear whether the County Council will be able to do this if it is not statutorily involved in administering the Levy. There is also the likelihood that developers will seek to minimise contributions by challenging viability at the end of the development.

Section 106

GCC supports the approach of continuing to use planning obligations to deliver both key on and off-site infrastructure through a retained role for section 106 for the largest sites, with the value agreed for the package secured to be no less than it would be if the Levy were to be applied.

The County Council is keen to understand the regulations of how CIL, section 106 and section 278 may, or may not, be used in conjunction with the Levy at the earliest opportunity. As an authority we need to understand our best position to secure the necessary infrastructure to facilitate and support future sustainable development in Gloucestershire.

I trust that this written evidence is of assistance to you. If you wish to discuss any of the comments raised, please do not hesitate to contact me.

Yours faithfully,

Simon Excell

Assistant Director – Planning and Economic Development

Gloucestershire County Council

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