

retirement units and demonstrated that generally retirement housing can only afford to pay a CIL within the highest value areas within the Borough (Zone 2 – Berkhamsted and surrounding areas)

- 4.19 The CIL Task and Finish Group discussed this recommendation at its meeting of the 13<sup>th</sup> May 2013 and requested further clarification on whether a lower CIL charge (lower than the £125 per square metre in the PDCS) could still be applied to the lower value areas. It has also requested that the definition of retirement housing is clarified to ensure that it does not cover care home and extra care accommodation.
- 4.20 The feedback from BNP Paribas Real Estate is that a nil or nominal charge could be maintained in other areas in the Borough. Officers are advocating the complete removal of the charge from Zones 1 (Elsewhere) and Zone 3 (Hemel Hempstead and Markyate) The updated viability evidence would suggest that a nominal charge of between £30 and £50 would be possible within Zones 1 (Elsewhere) and Zone 3 (Hemel Hempstead and Markyate) should members wish to exercise an option to pursue such matters further.
- 4.20 a) Any such charge should be pursued with caution. The setting of a charge for retirement housing within these low value areas and at the margins of viability could stifle the supply of much needed housing for older people, particularly should the economy suffer a further decline. It is important to note that the costs in establishing and administering a more complex charging schedule would also need to be carefully balanced against the benefits that may arise from any additional income. The removal of this charge for this type of development is unlikely to have a significant impact upon the totality of CIL payments as the submission of this type of scheme is a relatively rare occurrence

#### *Discretionary Relief, Exceptional Circumstances Relief and Instalments*

- 4.21 There is clear support for the introduction of policies to support the use of Exceptional Circumstances Relief and Instalments within the responses to the PDCS and from members of the CIL Task and Finish Group. Members of CIL Task and Finish also indicated that they wish to include policies on Discretionary Relief alongside the charging schedule, however these would need to be carefully drafted to minimise any potential loop holes which could be exploited by the construction industry in order to avoid CIL payments to the detriment of infrastructure funding.

### **5.0 Next Steps and recommendations**

- 5.1 Cabinet is asked to note the timescales for the introduction of CIL as outlined in this report. The key dates within the timetable are set out at paragraph 3.8 of this report and the full programme is set out in Appendix 1.
- 5.2 The next stage is to prepare the DCS and associated policies for public consultation. This will include discussing the Council's spending priorities for CIL receipts and procedures for governing the expenditure of CIL receipts and will involve high level discussions with the CIL Working Groups at both Borough and County Council levels and the CIL Task and Finish Group. The CIL Task and Finish Group are due to meet again on the 29<sup>th</sup> July 2013 to discuss these matters.
- 5.3 Cabinet is asked to agree the proposed CIL rates contained in Table 3 of this report for inclusion in the DCS. The DCS will be published for public consultation in late December 2013; a consultation period of 6 weeks is expected (as per recommendations of CIL - Further Reforms) but given that it will be over Christmas period, Officers are proposing to extend this consultation until the end of January 2014.