

As a public authority we need to ensure that all our strategies, policies, service and functions, both current and proposed have given proper consideration to equality, diversity, cohesion and integration.

A **screening** process can help judge relevance and provides a record of both the **process** and **decision**. Screening should be a short, sharp exercise that determines relevance for all new and revised strategies, policies, services and functions. Completed at the earliest opportunity it will help to determine:

- the relevance of proposals and decisions to equality, diversity, cohesion and integration.
- whether or not equality, diversity, cohesion and integration is being/has already been considered, and
- whether or not it is necessary to carry out an impact assessment.

<b>Directorate: City Development</b>	<b>Service area: Forward Planning and Implementation</b>
<b>Lead person: Lora Hughes</b>	<b>Contact number: 50714</b>
<b>Date: 23<sup>rd</sup> August 2013</b>	

<b>1. Title: Community Infrastructure Levy – Draft Charging Schedule</b>
Is this a:
<input checked="" type="checkbox"/> <b>Strategy / Policy</b> <input type="checkbox"/> <b>Service / Function</b> <input type="checkbox"/> <b>Other</b>
<b>If other, please specify</b>

<b>2. Please provide a brief description of what you are screening</b>
<p>The Planning Act 2008 established powers to create a Community Infrastructure Levy, and the Community Infrastructure Levy Regulations (April 2010 and amended 2011, 2012, 2013) used these powers to allow a charging authority to levy a charge on the owners or developers of land that is developed, so that they contribute to the costs of providing the infrastructure needed to support the development of the area. The rates will take into account the sensitivity of the market for all types of development and must be balanced between pro-growth and being able to deliver the necessary infrastructure.</p> <p>This Screening Report assesses the decision as to what Community Infrastructure Levy (CIL) rates are to be set across the District, including at what cost per square meter of floorspace of new development, what uses to be charged, and geographical differences.</p> <p>The Council is not setting the rates it considers appropriate as final, however, that they will</p>

be subject to public consultation and independent examination and are therefore open to further review and change. The rates set now will be publicised at the second stage of formal public consultation on the CIL process; the Draft Charging Schedule.

The Officer's reports to Development Plan Panel and Executive Board recommend the rates to be set (based on viability evidence, national regulations and guidance, and potential impacts for Leeds). These options are assessed within the EIA screening process below.

Subject to any modifications requested by Development Plan Panel it is proposed to present the Draft Charging Schedule to Executive Board on 9th October. Subject to approval by Executive Board the intention is to commence the formal 6 weeks of public consultation by the end of October followed by Examination in early 2014 (subject to progress of the Core Strategy and capacity of the Planning Inspectorate). It is currently intended to adopt the CIL by April 2014 following resolution by Full Council, although this may move back slightly if the Government announces its intention to move back the deadline from which S106s can no longer be pooled. This would allow the property industry and the Council more prior notice to determine outstanding planning applications/S106s ahead of adoption of the CIL.

### 3. Relevance to equality, diversity, cohesion and integration

*All the council's strategies/policies, services/functions affect service users, employees or the wider community – city wide or more local. These will also have a greater/lesser relevance to equality, diversity, cohesion and integration. The following questions will help you to identify how relevant your proposals are. When considering these questions think about age, carers, disability, gender reassignment, race, religion or belief, sex, sexual orientation and any other relevant characteristics (for example socio-economic status, social class, income, unemployment, residential location or family background and education or skills levels).*

Questions	Yes	No
Is there an existing or likely differential impact for the different equality characteristics?	X	
Have there been or likely to be any public concerns about the policy or proposal?	X	
Could the proposal affect how our services, commissioning or procurement activities are organised, provided, located and by whom?	X	
Could the proposal affect our workforce or employment practices?		X
Does the proposal involve or will it have an impact on <ul style="list-style-type: none"> <li>• Eliminating unlawful discrimination, victimisation and harassment</li> <li>• Advancing equality of opportunity</li> <li>• Fostering good relations</li> </ul>	X	

If you have answered **no** to the questions above please complete **sections 6 and 7**

If you have answered **yes** to any of the above and;

- Believe you have already considered the impact on equality, diversity, cohesion and integration within your proposal please go to **section 4**.

- Are not already considering the impact on equality, diversity, cohesion and integration within your proposal please go to **section 5**.

#### **4. Considering the impact on equality, diversity, cohesion and integration**

*If you can demonstrate you have considered how your proposals impact on equality, diversity, cohesion and integration you have carried out an impact assessment.*

*Please provide specific details for all three areas below (use the prompts for guidance).*

- ***How have you considered equality, diversity, cohesion and integration?***  
*(think about the scope of the proposal, who is likely to be affected, equality related information, gaps in information and plans to address, consultation and engagement activities (taken place or planned) with those likely to be affected)*

There are three elements in considering equality in the Community Infrastructure Levy (CIL) charge setting process:

- 1) Equal and fair consultation throughout the charge setting process.**
- 2) Equality for those who will have to pay the charge.**
- 3) Equality as a result of decisions on spending the CIL and subsequent service and infrastructure delivery** (which links back to a certain extent to the geographical locations where it is charged).

Adopting a CIL will help the authority to achieve the vision for sustainable development that is set out in the Core Strategy. The Core Strategy was itself subject to a detailed Equality Impact Assessment Screening that considered the impacts of individual policies on those groups identified as having protected characteristics.

The consideration of most relevance to equality, diversity, cohesion, and integration will be primarily relating to the choices to be made in spending the CIL, based to a large extent on geographical differences including infrastructure needs. This includes the ‘meaningful proportion’ to be given to the community for spending. However, this Screening is primarily concerned with the first two elements set out above, as the decisions to be taken on governance, spending, and service delivery cannot be fully considered until after the initial rates have been set and an estimate of potential revenues can be determined.

The types of impacts would arise at the point at which money has been secured through CIL and new or improved infrastructure is actually delivered; they would not arise directly as a result of the Charging Schedule itself. Such matters will also involve consultation and agreement with a wide range of stakeholders, and equality and cohesion will need to be fully integrated into decision making as there will likely be disproportionate impacts and mitigation. Therefore a full discussion of such issues cannot be provided at present, but initial indications and ideas have also been set out within this Screening in order to provide an overview and to show how the elements of the CIL link together.

##### **1) Consultation in the charge setting process**

The Council is required to carry out two rounds of formal public consultation prior to the adoption of the CIL. The decision to be made at this stage relates to the 2<sup>nd</sup> stage; the Draft Charging Schedule (DCS), and specifically the levels of the charges, and the uses and areas of the District to which it will apply. This will be followed by the Examination. Each round of

public consultation is carried out in accordance with the adopted Statement of Community Involvement (SCI). Frontloading consultation also occurred during the preparation of the CIL Economic Viability Study (final report January 2013) through a developer workshop and contact with key stakeholders in the development industry.

All relevant stakeholders on the Council's LDF mailing list, including e.g. parish councils, will be notified when the DCS is available for consultation, alongside publication on the website and in libraries and One Stop Centres to raise awareness of the consultation. Collectively, the measures set out in the SCI ensure that a wide range of people will be made aware of the development of the CIL, so that a broad range of views can be taken into account as progress is made towards the final Charging Schedule. All comments received during consultation will be forwarded to the Inspector to consider during the public examination.

Equality has been considered across the District's boundaries through discussions with neighbouring authorities on the methodologies for the viability studies and the initial findings. All the neighbouring authorities are currently intending to progress with developing a CIL (subject to results from their viability evidence) although only Harrogate is at the same stage in the process as Leeds.

## **2) Equality for those who will have to pay the charge**

The CIL rates have to be set primarily on viability evidence. So essentially, the Council only has limited choice over the types of development or geographical locations where it can be charged. Adopting a CIL will have an impact on anyone in the District with an interest in land, particularly landowners and developers. As CIL is based on viability, developments of different values will still achieve the same profit margins as CIL captures surplus profit which has been adjusted for different zones, meaning profitability of high and low value developments have equal margins. As income generated through CIL is used to fund new and improved infrastructure, there will be impacts on the wider community, depending on the type of infrastructure that is delivered and the locations in which money raised through CIL is invested.

In accordance with the CIL Regulations, the charge will be set based on evidence relating to the economic viability of development across the District, and also on the need for new and improved infrastructure as growth outlined in the Core Strategy occurs up to 2028. GVA were commissioned to undertake an Economic Viability Study across the District. It was overseen by a group of officers from the Council's Forward Planning and Asset Management teams alongside review by Members at Development Plan Panel and Scrutiny Board (Housing and Regeneration).

CIL is a levy payable by most new development. Development types that generically cannot afford CIL do not have to pay it as it is set at a zero rate for such types. The Council is proposing that leisure centres, schools, public health facilities, community centres, cultural facilities and religious institutions will be exempt from CIL. By removing the requirement to pay CIL, the delivery of these services is less likely to be inhibited. This will be beneficial for those people who are reliant of these types of services, including older people, children and families.

The Regulations set out that development proposed by charities and used for charitable purposes is exempt from paying the CIL, as is social housing. Setting the CIL at an

appropriate rate will mean that it should not be an additional barrier to the delivery of social housing.

### **3) Spending considerations**

As outlined above, the scope of this current Screening is not considering the implications of spending decisions and infrastructure investment, as these are a separate workstream.

Issues which will be considered at that time include:

- The ‘meaningful proportion’ which will be passed to local communities and how it will be spent in areas where there are no parish or town councils.
- Issues where no or minimal CIL will be raised across e.g. much of the inner area or city Centre, and how this lack of meaningful proportional may disproportionately impact on those communities (and any mitigation required as a result).
- Any other local ring-fencing mechanisms,
- How infrastructure priorities will be decided, based on the Council’s Infrastructure Delivery Plan and input from the capital programme, Strategic Investment Board, DPP/Executive Board etc.

- **Key findings**

*(think about any potential positive and negative impact on different equality characteristics, potential to promote strong and positive relationships between groups, potential to bring groups/communities into increased contact with each other, perception that the proposal could benefit one group at the expense of another)*

### **General equality benefits of the CIL**

Adopting a CIL will help the authority to achieve the vision for sustainable development that is set out in the Core Strategy. The Core Strategy was itself subject to a detailed Equality Impact Assessment Screening that considered the impacts of individual policies on those groups identified as having protected characteristics.

The Government has already conducted an EIA on the introduction of a CIL. This identified no adverse impact. The Government concluded that it does “not think that CIL will have an adverse impact on any social group. By making communities more sustainable, the CIL will facilitate economic growth and liveability and so create opportunity for all. The infrastructure and services that CIL will provide (such as medical and community facilities and transport networks) will enhance accessibility and liveability for all sectors of society, and could help to deliver new infrastructure that serves different needs within the community, for example, by increasing mobility and accessibility.”

The proposed changes to the CIL Regulations have an increased emphasis on community engagement, localism, specific spending in local areas, and an intent to increase the amount of affordable housing which can be provided. Bringing forwards the CIL in Leeds aims to enable the Council to direct spending on necessary infrastructure items, give more choice in priority setting for spending to local communities, and balance out the costs and benefits of growth across the District. It is therefore considered that it is a beneficial mechanism to help promote equality overall. There are not considered to be any equality implications outside of the Leeds District as charges will be set based on viability, and the neighbouring authorities are working together and should not disproportionately deter or attract investment based on CIL rates.

### **1) Consultation in the charge setting process**

As outlined above, consultation will be undertaken according to the criteria in the Council’s

Statement of Community Involvement, and the CIL Regulations. It is therefore considered that there would be no undue equality implications arising out of the manner in which the charge setting process will be undertaken.

## **2) Equality for those who will have to pay the charge**

It is considered that the levying of CIL will have neither a positive or a negative impact on equalities characteristics because the rate payable is based solely upon the viability of the development type. It is difficult to attribute the proposed CIL charge to specific impacts on the groups identified in the Equality Act as having protected characteristics. The CIL cost is ultimately expected to rest with landowners. The CIL aims to provide more certainty for the development industry than the current system, and knowledge in advance of rates which will be charged and the transparency this will result in will allow for more equality in the process of negotiating payments and in balancing the infrastructure costs of new development across all types of viable development.

It is important to note that the CIL Regulations do not allow a charge to be levied on affordable housing or for development by charities. As outlined above, in Leeds the levy will also not be charged on leisure centres, schools, public health facilities, community centres, cultural facilities, and religious institutions. This ensures that projects which support the narrowing of gaps or bringing communities together, and infrastructure projects themselves, are not adversely impacted by the CIL.

### Choosing where to set the rates

The Economic Viability Study (GVA, December 2012) sets out the maximum rates which are generally viable for different types of development across the District. However, the CIL guidance is clear that if the CIL is set at these maximum rates, there is the big risk that development as a whole across the District will be affected. This would likely have most impact on provision of affordable housing as this would still be negotiable and therefore could be reduced if developers argue that their schemes are unviable if they provide the full policy requirement for affordable housing.

Setting the CIL at a rate much lower than the maximum in the Viability Study would not gain sufficient money for infrastructure funding for the District. Although the CIL is not intended to fully meet the funding gap, there is significant infrastructure required in Leeds and new development should make a fair contribution towards this. In part to balance the opposing ideas above, where the Study rate is zero for residential and main commercial uses, a nominal rate of £5 has been set to reflect historic provision of similar amounts through signed Section 106 agreements and also to ensure that all areas where growth occurs contribute to the CIL.

### Determining exact zone boundaries

The recommended zone boundaries for the residential uses are aligned with the housing areas which have been used for previous studies (the Economic Viability Appraisal for Affordable Housing by DTZ 2010, and the Strategic Housing Market Assessment update 2010). Current affordable housing policy has been overlaid onto these zones. The boundaries for the CIL are based on viability evidence and aim to ensure overall viability of development across the District. Therefore although developers will have to pay different rates of CIL depending on their location in the District, the payments should be equal in terms of their impact on a development. As a result of the consultation process some boundary changes have been made to reflect local viability but have been done so in conformity with

the Housing Market Economic Viability Appraisal priorities.

However, in setting the Draft Charging Schedule the exact boundaries used in the Viability Study have been slightly altered, based on previous consultation responses, local knowledge and pragmatism of physical attributes. The instance of zone boundaries means that there will inevitably be inequality of payments either side of the boundary, but this is to be primarily based on viability, and Members have to consider these issues to ensure that there is equality as far as possible based on sites and geographies with similar characteristics across the District. Specific landowners and developers who may be affected by such choices have had and will have the opportunity to comment at the formal stages of public consultation, and equality issues can be considered further then.

### **3) Spending considerations**

The introduction of CIL should, in principle, benefit all groups by contributing to the delivery of strategic and local infrastructure and helping to achieve more sustainable development. The Government's Impact Assessment states that the CIL "enables contributions to be sought to fund the development of an area, rather than to support the specific development that is seeking planning permission. CIL therefore offers local authorities a more flexible tool, helping them to secure the finances needed to deliver their infrastructure priorities. CIL will make it easier for local authorities to coordinate contributions towards larger infrastructure items that contribute to the wider development of their local area, including larger sub-regional infrastructure, which might not be provided otherwise."

The provision of some of the CIL to be given directly to communities via parish or town councils, or for the Council to spend on communities' behalf in non-parished areas, will enable communities to determine their own priorities. However, the detailed implementation and governance of the CIL may have unequal impacts in Leeds, primarily based on a geographical basis (because of concentrations of groupings of people with the protected characteristics in different areas). This will need to be addressed in the spending decision discussion stages.

The Viability Study suggests that many types of commercial development, and City Centre / Inner Area residential development are currently unviable, and so should not be charged a CIL. As outlined above they have been charged a nominal £5 and therefore if development of those types does occur it will still provide some contribution to mitigate the impacts of growth. The phasing of allocations within the Site Allocations DPD and the need to ensure a 5 year housing land supply, mean that as long as the CIL is not inhibiting development, where growth is viable it should be able to sustain a CIL charge.

The overall revenues gained from the CIL are projected to be £6.8m a year (albeit this figure is inevitably with caveats including that for the first few years receipts will be lower to take into account extant permissions). The CIL has never been expected to fund all the necessary infrastructure for Leeds and other sources of funding will continue to be sought. This is a key element of infrastructure planning for the future of the District and will be discussed further at the appropriate decision making stage including in relation to equality considerations.

- **Actions**

*(think about how you will promote positive impact and remove/ reduce negative impact)*

### **1) Consultation in the charge setting process**

As set out above, consultation will be undertaken according to the criteria in the Council's Statement of Community Involvement, and the CIL Regulations. It is considered that there will be no negative impacts to mitigate, but that any lessons learnt in this regard as a result of early stages of consultation will be applied to the later stages. Such factors will also be considered at the Examination to ensure there has been fair and appropriate consultation.

## **2) Equality for those who will have to pay the charge**

The rates to be chosen can be set at the limits of viability, at the lowest range, or in the middle. The aim is to not impact on the overall viability of development across the District. The addition of the CIL should not be the tipping point to make a particular scheme unviable, as it will only be a minor element of the residual calculation. i.e. a change in house prices or build costs would have a far more significant impact.

Specific landowners and developers will have the opportunity to comment at the formal stages of public consultation, and equality issues can be considered further then. The Council is required to monitor both the receipt and expenditure of CIL on an annual basis, which will form part of the Annual Monitoring Report. This will include the amount raised, developments charged, CIL spent and infrastructure delivered. The CIL will be reviewed at an appropriate point based on this monitoring, e.g. when the economy improves.

In terms of equality of payment, the Council can use past development rates to determine whether CIL has affected development patterns, and whether its application and effect is equal. In addition, the Council will need to monitor if any relief from CIL is purely based on economic viability, and not creating bias to any particular developer or development type.

## **3) Spending considerations**

The governance structure for allocating CIL will need to be transparent and ensure that the allocation of funds to projects is undertaken in a fair and consistent manner in accordance with agreed principles for prioritisation, taking account of the views of stakeholders and local communities for instance through neighbourhood planning.

In the longer term, the spending reappportionment of CIL monies is assumed to be subject to the similar process as currently undertaken for the allocation of Section 106 monies, i.e. via approval process through Council (or delegated authority), including engagement with service providers, Members and the public.

It is anticipated that CIL spending would be considered alongside the Council's capital spending programme. Investment decisions and specific proposals would normally be subject to separate equalities analysis at the appropriate time. Any impacts would be dependent on the type of infrastructure to be provided and its location. The Council will monitor the type, location, and value of infrastructure funding made from the CIL.



<b>5. If you are <b>not</b> already considering the impact on equality, diversity, cohesion and integration you <b>will need to carry out an impact assessment</b>.</b>	
Date to scope and plan your impact assessment:	
Date to complete your impact assessment	
Lead person for your impact assessment (Include name and job title)	

<b>6. Governance, ownership and approval</b>		
Please state here who has approved the actions and outcomes of the screening		
<b>Name</b>	<b>Job title</b>	<b>Date</b>
Lora Hughes	Principal Planner	22 <sup>nd</sup> August 2013

<b>7. Publishing</b>	
This screening document will act as evidence that due regard to equality and diversity has been given. If you are not carrying out an independent impact assessment the screening document will need to be published. Please send a copy to the Equality Team for publishing	
<b>Date screening completed</b>	
<b>Date sent to Equality Team</b>	
<b>Date published</b> (To be completed by the Equality Team)	