



**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**MUNICIPAL YEAR 2019/20**

**FINANCE AND PERFORMANCE SCRUTINY COMMITTEE**

**26 SEPTEMBER 2019**

**REPORT OF THE DIRECTOR OF PROSPERITY AND DEVELOPMENT**

Author: Jim Bailey, Development Services Manager

**1.0 PURPOSE OF THE REPORT**

- 1.1 The purpose of this report is to seek Committee's comments to be forwarded onto Cabinet in respect of the contents of the CIL Annual Monitoring Report including an extension of time to the approved strategic spend on Ffynnon Taf Primary School; amend the Regulation 123 List; and approve an exceptional circumstances policy for domestic extensions set out in paragraphs 5.1 to 5.15 below.

**2.0 RECOMMENDATIONS**

2.1 It is recommended that Members:

- (1) Approve the CIL Annual Monitoring Report (Appendix A)
- (2) Approve the amended Regulation 123 List (Appendix B) for publication on the Council website for a period of 28 days and consultation as set out in paragraph 5.9
- (3) Approve the subsequent adoption of the amended Regulation 123 List if no adverse comments are received.
- (4) Endorse the approach that Community Infrastructure Levy (CIL) should no longer be applied to residential extensions and approve the exceptional circumstances policy for domestic extensions.

### **3.0 REASONS FOR RECOMMENDATIONS**

- 3.1 To enable the Council to continue to operate a Community Infrastructure Levy in accordance with the statutory regulations.

### **4.0 BACKGROUND**

- 4.1 The Community Infrastructure Levy Regulations 2010 (as amended) require the Council to produce an **annual report detailing CIL income and expenditure** (Appendix A). Set out in paragraph 5.2 below is the details of the fourth of these annual reports since the Council introduced CIL in December 2014
- 4.2 The Community Infrastructure Levy Regulations 2010 (as amended) also require the Council to publish an Infrastructure List (known as the Regulation 123 List). The List should set out the infrastructure, which the Council considers it is likely to apply CIL revenue to.
- 4.3 At the meeting of the Cabinet held on 23 July 2015, Members agreed the process for formulating, monitoring and revising the Regulation 123 list, which includes that the relevant Scrutiny Committee/Group review the operation of the list and consider the annual 123 list and annual CIL financial monitoring report and make recommendations to Cabinet where appropriate.

### **5.0 MATTERS FOR CONSIDERATION**

#### CIL INCOME & EXPENDITURE

- 5.1 The Regulations require that CIL income must be split into three parts:
- 80% to be applied to infrastructure to support growth of the Council's area (known as the 'Strategic CIL' and is to be spent on items on the Regulation 123 List).
  - 15% to be passed to the Community/Town Council in whose boundary the development that paid CIL is located for the provision of local infrastructure improvements of other measures that support the development of the area.
  - 5% to be applied towards implementation and ongoing administration.
- 5.2 The total CIL income received in 2018/19 was £301,043.83
- 80% as Strategic income = £242,789.54
  - 15% Local income = £43,202.07
  - 5% Administration income = £15,052.22

Strategic income carried forward from 2017//18 was £394,779.23  
Balance of strategic CIL income £637,568.77

- 5.3 The **annual monitoring report** at Appendix A provides a breakdown of the CIL receipts received and the distribution of 15% of CIL receipts to Community/Town Councils.
- 5.4 There has been no expenditure of Strategic CIL income to date however, Cabinet agreed on 20th September 2018 to spend £395,000 of Strategic CIL on Ffynnon Taf Primary School with the work due for completion by autumn 2019. This project has been delayed as additional Welsh Government funding has been obtained to build a new community hall as part of the same project. The entire project is anticipated to be completed by autumn 2020 and will include a new build extension (4 classrooms and a hall) and refurbishments to the current school buildings for school and community use. The £395,000 Strategic CIL money is proposed to be spent by end 2020/21.

#### THE REGULATION 123 LIST

- 5.5 Whilst some amendments are needed to the Council's updated **Regulation 123 List** (considered at Cabinet on 21<sup>st</sup> November 2017) the broad thrust of the List remains the same in that it proposes highway and education projects that support and mitigate the growth anticipated through the Council's Local Development Plan.
- 5.6 There are four proposed changes to the highway projects part of the list. The first is to remove the part signalisation of the A473 Cross Inn roundabout as being no longer necessary, as the signalisation of the A473/A4119 roundabout has resolved the issues on the subject roundabout. The second is the removal of the A4119/B4595 signals – capacity enhancements due to the work having been undertaken in stages and is now complete (subject to some minor contract remedials). The third is to add Llanharan Community Route – which is the construction of new active travel routes to create a continuous link from Bridgend to Talbot Green. Routes to serve proposed new residential and commercial developments as well as existing facilities and trip attractors such as Llanharan railway station, local schools and employment sites. The fourth is to add Trefforest Industrial Estate – which is the construction of new active travel routes through the centre of Parc Nantgarw with links off this route to various facilities and trip attractors such as Coleg y Cymoedd and the new DWP offices.
- 5.7 There are no proposed changes to the education elements in the List.
- 5.8 Attached at Appendix C is a table, which sets out in detail what schemes have been removed, which have been added and the reasons for the change.
- 5.9 It is recommended that Cabinet approve the updated **Regulation 123 List** (Appendix B) for publication on the Council web-site for 28 days and if there are no adverse comments received then the 123 List can be adopted. It is further recommended the notification of the consultation be sent to all elected

Members, Town and Community Councils and to the Members of the Council's Developers Forum.

## RESIDENTIAL EXTENSIONS

- 5.10 All new residential properties, including change of use and extensions of 100 square metres (gross internal area) or above to existing properties are required to pay a CIL levy. RCT's Charging Schedule sets a CIL rate of either £0 – zone 1, £40 – zone 2 or £85 – zone 3 per square metre for residential development including extensions to domestic properties.
- 5.11 An amendment to the CIL Regulations in February 2014 introduced an exemption to the CIL levy for residential extensions. This exemption applies where the applicant owns a material interest in the house, occupies the main house as their main residence and the extension is an enlargement of the main house and is not going to comprise a new dwelling.
- 5.12 CIL exemptions are not automatically applied and in order to qualify for the residential extension exemption the applicant/developer needs to make an application for CIL relief to the authority, once the Council has issued the liability notice. The authority will then notify the applicant/developer of the decision prior to them being able to commence development. There are very few circumstances when relief would not be granted but there is a considerable amount of time and paperwork associated with the collection /exemption of CIL for householder extensions.
- 5.13 Since implementing CIL on 31<sup>st</sup> December 2014 out of the 2,272 householder planning applications determined only 16 household applications (such as, extensions, detached garages and out buildings) have been approved and recorded as being liable for CIL. However, every householder application received has to be assessed to determine whether or not they are over 100 square metres to trigger CIL liability.
- 5.14 Of the 16 applications, which were CIL liable, 15 are complete, that is, self-build residential exemption claimed and approved and there is one case currently on going. To date no CIL has been paid for a household extension.
- 5.15 A CIL liable extension application involves checking the CIL form is completed correctly, measuring floor plans, updating back office systems, issuing notices and responding to queries, together with monitoring the CIL liable extensions for commencement of work, which is undertaken on a quarterly basis. Given that since the implementation of CIL in RCT, no CIL has been received to date from residential extensions this is not an effective use of officer time and does not represent best value for money for Council Tax payers. In addition, to the cost placed on the Council the requirement places a burden on applicants, as they are required to complete an additional form at the time of submitting their planning application and apply for CIL exemption prior to commencing work on site just for a house extension that in most cases places no additional burden on strategic infrastructure.

- 5.16 It is therefore recommended that an additional CIL policy is introduced from 1 January 2020 whereby the Council will not apply CIL to any domestic extension.

## **6.0 EQUALITY AND DIVERSITY IMPLICATIONS**

- 6.1 There are no direct implications as a result of this financial report, however, the equality and diversity implications of any infrastructure schemes that will be funded by CIL will be considered in the development of those projects.

## **7.0 CONSULTATION**

- 7.1 As set out in paragraph 5.9 above.

## **8.0 FINANCIAL IMPLICATION**

- 8.1 No additional budget requirements and the CIL receipts and spend for the year 2017/18 is set out at Appendix A.

## **9.0 LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED**

- 9.1 The report and appendices have been prepared in accordance with the Community Infrastructure Levy Regulations 2010 (as amended).
- 9.2 The CIL Regulations do not provide any discretion to waive the CIL charges for residential extensions. However, a contrary argument can be put forward that it is open to a local authority to waive a statutory charge provided it has acted reasonably in reaching that decision. The precedent for this has already been established at other CIL charging authorities in England.

## **10. LINKS TO THE COUNCILS CORPORATE PLAN / OTHER CORPORATE PRIORITIES / SIP / FUTURE GENERATIONS - SUSTAINABLE DEVELOPMENT**

- 10.1 Infrastructure funded through CIL will support the Building a Strong Economy and Creating Neighbourhoods Where People are Proud to Live and Work priorities in the Corporate Plan.

## **11.0 CONCLUSIONS**

- 11.1 CIL receipts have been relatively low over the first four years of its implementation. This is partly as a result of development being undertaken in the first few years of the implementation of the Council's Charging Schedule being granted planning permission prior to CIL being implemented. It should also be noted that for those significant sites in CIL residential Charging zones

2 and 3 that are not already built or already benefiting from planning permission there are a few strategic sites that should be forthcoming in the near future. There are also a small number of sites that are unlikely to come forward in the near future due to significant deliverability and viability concerns. It is proposed to undertake a full review of the operation of CIL as part of the forthcoming review of the Council's Local Development Plan.

- 11.2 The minor changes to the Regulation 123 List are considered appropriate to assist in funding schemes that support growth in the County Borough.
- 11.3 In terms of the proposal to implement an exceptional circumstances policy for domestic extensions, it is considered that the officer time saved will outweigh any potential CIL Levy received.



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(CIL)

CIL Regulations 2010 (as amended)

Regulation 62

Monitoring Report 2018/19

## **Regulation 62 – Monitoring Report 2018/19**

### **Background**

Rhondda Cynon Taf (RCT) Council's Community Infrastructure Levy (CIL) Charges took effect on 31 December 2014 and the Council is both a CIL Charging and a CIL Collecting Authority. Regulation 62 of the CIL Regulations 2010 (as amended) requires CIL Charging Authorities to produce an annual report detailing CIL income and expenditure. This is Rhondda Cynon Taf's fourth annual report covering the period 1 April 2018 to 31 March 2019.

### **Allocation of CIL**

CIL income is required to be allocated as follows:

- Up to 5% of CIL can be applied towards implementation and ongoing administration
- 15% of CIL is passed to the Community/Town Council in whose boundary the development that paid the CIL is located, for the provision of local infrastructure improvements or other measures to support the development of the area (referred to as local CIL).
- 80% of CIL is to be applied to strategic infrastructure to support the growth of the CIL Charging Authority's area (referred to as Strategic CIL).

### **Total CIL Income**

Total CIL income in 2018/19 was £301,043.83

Details of each CIL receipt and how it is apportioned is attached at Appendix A.

Strategic 80% (to be spent on items on Regulation 123 List)

Strategic Income in 2018/19 was £242,789.54

Strategic income carried forward from 2017/18 was £394,779.23

Balance of Strategic CIL income £637,568.77

Local 15%

Local CIL income in 2018/19 was £43,202.07

Rhondda Cynon Taf has 12 Community/Town Council areas, which are Gilfach Goch, Hirwaun, Llanharan, Llanharry, Llantrisant, Llantwit Fardre, Pontyclun, Pontypridd, Rhigos, Taffs Well, Tonyrefail and Ynysybwl

Local CIL (15%) income received between 1<sup>st</sup> April 2018 and 30<sup>th</sup> September 2018 was £17,401.24 passed to the relevant Community/Town Council in October 2018

£25,800.83 received between 1<sup>st</sup> October 2018 and 31<sup>st</sup> March 2019 passed to the relevant Community/Town Council in April 2019.

Balance for areas where there is no Community/Town Council 2018/19 was £2,218.36

The amount passed to each Community/Town Council is set out in Appendix B.

Administration 5%

Administrative Income in 2018/19 was £15,052.22

Administrative income carried forward from 2017/18 was £24,600.59

Balance of Administration Income £39,652.81

CIL carried forward to 2019/20

The amount of CIL carried forward to 2019/20 is set out in the following table:

CIL CARRIED FORWARD	AMOUNT
Strategic CIL	£637,568.77
Local CIL	£25,800.83 (paid in April 2019) Areas where there is no Town/Community Council £2,218.36
Administrative CIL	£39,652.81

Appendix A –CIL INCOME RECEIVED IN 2018/2019

Date received	Planning Application Reference	Site Address	CIL Charge Development Type	Amount	Admin	Strategic	Local (Town Community Council)
03/04/18	17/0562	Phase 2A Duffryn Tce, Tonyrefail	Zone 2	£4,355.81	£217.78	£3,484.66	£653.37
09/04/18	16/0501	Fir Tree Hollow, Castell-y-mwnws, Llanharry	Zone 3	£6,293.34	£314.68	£5,191.99	£786.67
02/05/18	16/0763	Danygraig, main Road, Tonteg	Zone 3	£10,719.25	£535.96	£8,575.40	£1,607.89
03/05/18	17/1359	Ynysangharad Surgery, Pontypridd	Zone 3	£314.31	£15.73	£251.42	£47.16
04/05/18	15/0733	Bryncae Stores and Post Office, Bridgend Road, Llanharan	Retail	£11,201.12	£560.05	£9,247.18	£1,393.89
04/05/18	17/0462	Land North Nant Arian, Church Village	Zone 3	£41,243.32	£2,062.17	£32,994.65	£6,186.50

03/05/18	17/1101	Nisa, Llantrisant Rd, Llantwit Fardre	Retail	£16,848.69	£842.42	£13,861.47	£2,144.80
11/05/18	16/0771	Former Hirwaun Nursery School site, Hirwaun	Retail	£24,507.45	£1,225.37	£19,605.96	£3,676.12
05/06/18	16/1269	11 Cwrt Pentwyn, Llantwit Fardre	Zone 3	£7,631.83	£381.58	£6,345.41	£904.84
28/09/18	17/0462	Land North Nant Arian, Church Village	Zone 3	£41,243.32	£2,062.17	£32,994.65	£6,186.50
04/10/18 and 21/03/19	17/1338	Land adj 26 Llywnmadoc St, Pontypridd	Zone 2	£17,350 and £2,500	£992.50	£16,255.00	£2,602.50
05/11/18	13/0633	Former Police Station site, Cardiff Road, Taffs Well	Zone 3	£5,145.24	£257.27	£4,116.18	£771.79
05/11/18	15/1616	Land adjacent Woodland Heights, Cemetery Road, Ty Rhiw, Taffs Well	Zone 3	£18,717.46	£935.88	£15,487.56	£2,294.02

20/11/18	17/0562	Phase 2C Duffryn Tce, Tonyrefail	Zone 2	£2,106.11	£105.31	£1,684.86	£315.94
09/01/19	17/0562/10	Phase 2d, Duffryn Terrace, Tonyrefail	Zone 2	£2,106.11	£105.31	£1,684.86	£315.94
21/01/19	17/0462	Land North Nant Arian, Church Village	Zone 3	£41,243.32	£2,062.17	£32,994.65	£6,186.50
31/01/19	18/0663/10	5 Lionel Terrace, Rhydyfelin	Zone 2	£1,155.77	£57.79	£924.62	£173.36
21/02/19	18/0736/10	Former Hillside Club site, Tonyrefail	Zone 2	£40,043.05	£2,002.15	£32,034.44	£6,006.46
28/02/19	17/0462	Phase 2c Duffryn Terrace, Tonyrefail	Zone 2	£2,106.11	£105.31	£1,684.86	£315.94
28/02/19	17/0462	Phase 2b, Duffryn Terrace, Tonyrefail	Zone 2	£2,106.11	£105.31	£1,684.86	£315.94
19/03/19	17/0462	Phase 2d, Duffryn Tce, Tonyrefail	Zone 2	£2,106.11	£105.31	£1,684.86	£315.94

\*Note: Under Regulation 88, surcharges cannot be apportioned to community/town councils and must be split 5% administration and 95% strategic infrastructure.

Appendix B – CIL INCOME LOCAL INFRASTRUCTURE COMMUNITY/TOWN COUNCILS

Community/Town Council	15% received in 2018/19 to be passed to local council	Amount paid in October 2018	Amount paid in April 2019	Balance
Gilfach Goch	£0	££0	£0	£0
Hirwaun	£3,676.12	£3,676.12	£0	£0
Llanharan	£1,393.89	£1,393.89	£0	£0
Llanharry	£786.67	£786.67	£0	£0
Llantrisant	£0	£0	£0	£0
Llantwit Fardre	£23,217.03	£10,844.03	£12,373.00	£0
Pontyclun	£0	£0	£0	£0
Pontypridd	£2,823.02	£47.16	£2,775.86	£0
Rhigos	£0	£0	£0	£0
Taffs Well	£3,065.81	£0	£3,065.81	£0
Tonyrefail	£8,239.53	£653.37	£7,586.16	£0
Ynysybwl	£0	£0	£0	£0

Non-Community Council/Town Council area	£0	£0	£0	£2,218.36 (carried forward from 17/18) to be spent in Aberaman South Ward
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**Regulation 123 List of Infrastructure**  
**List Updated XXXXX 2019**

In accordance with the requirement of Community Infrastructure Levy Regulations 2010 (as amended) the following table comprises the Rhondda Cynon Taf County Borough Council Infrastructure List. The list includes the infrastructure the Council considers it is likely to apply Community Infrastructure Levy (CIL) revenue to:

**Education Projects:**

- New/additional education provision to serve the land at Mwyndy / Talbot Green;
- New/additional education provision to serve Trane Farm, Tonyrefail;
- New/additional education provision to serve Station Road, Church Village
- New/additional education provision to serve Taffs Well
- New/additional education provision at the former open cast site north of A473, Llanilid
- New/additional education provision at Ystrad Barwig Farm, Llantwit Fardre

**Transportation Projects:**

- Provision of the A473/A4119 Talbot Green to Ynysmaerdy Relief Road;
- A4119/A4093 roundabout, Tonyrefail – partial signalisation, widening of northbound approach, entry and circulatory widths and widening of the A4093 entry;
- A4059 southbound approach to Asda roundabout capacity enhancement
- Llanharan By-pass
- Cynon Gateway (A465)
- Mountain Ash Cross Valley Link
- South Coed Ely Link Dualling - upgrade the A4119 between Talbot Green and Coedely to dual carriageway standard
- A4119 Castell Mynach signalised junction
- Llanharan Community Route – Construction of new active travel routes
- Trefforest Industrial Estate – Construction of new active travel routes

**Please note:**

*The Regulation 123 list is not prioritised and projects can be added to the list or removed at the discretion of the Council, subject to appropriate consultation.*

*The inclusion of a project or type of infrastructure on the list does not signify a commitment from the Council to fund (either in whole or part) the listed project or type of infrastructure. The order of the list does not imply any preference or priority*

*Infrastructure not contained within the Regulation 123 List may be required by developer contributions or in-kind via a section 106 agreement. Such contributions will accord with Regulation 122 and 123 of the Community Infrastructure Levy Regulations 2010*

The proposed changes to the Council's Regulation 123 list are set out in the following table:

<b>Infrastructure Requirement</b>	<b>Proposed Amendment</b>	<b>Reason For Amendment</b>
<b>Education Projects:</b>		
New/additional education provision to serve the land at Mwyndy / Talbot Green;	To remain unaltered	N/A
New/additional education provision to serve Trane Farm, Tonyrefail	To remain unaltered	N/A
New/additional education provision to serve Station Road, Church Village	To remain unaltered	N/A
New/additional education provision to serve Taffs Well	To remain unaltered	N/A
New/additional education provision at the former open cast site north of the A473, Llanilid	To remain unaltered	N/A
New/additional education provision at Ystrad Barwig Farm	To remain unaltered	N/A
<b>Transportation Projects:</b>		
Partial signalisation of the A473 Cross Inn roundabout	Remove from list	No longer necessary as the signalisation of the A473/A4119 roundabout has resolved the issues that were arising on the subject roundabout
A4119/B4595 signals – provision of direct link between the A4119(n) and the B4595(e), removal of corresponding left turn at the junction and optimisation of the signals	Remove from list	Has been upgraded in stages and is now complete
Provision of the A473/A4119 Talbot Green to Ynysmaerdy Relief Road	To remain unaltered	N/A
A4119/A4093 roundabout, Tonyrefail – partial signalisation, widening of northbound approach, entry and circulatory widths and widening of the A4093 entry	To remain unaltered	N/A
A4059 Southbound approach to Asda roundabout – capacity enhancement	To remain unaltered	N/A

Llanharan By-Pass	To remain unaltered	N/A
Cynon Gateway (A465)	To remain unaltered	N/A
Mountain Ash Cross Valley Link	To remain unaltered	N/A
South Coed Ely Link Dualling - upgrade the A4119 between Talbot Green and Coedely to dual carriageway standard	To remain unaltered	N/A
A4119 Castell Mynach signalised junction	To remain unaltered	N/A
Llanharan Community Route – Construction of new active travel routes	Add to list	To create a continuous link from Bridgend to Talbot Green. Route to serve proposed new residential and commercial developments as well as existing facilities and trip attractors such as Llanharan railway station, local schools and employment sites
Trefforest Industrial Estate – Construction of new active travel routes	Add to list	Through the centre of Parc Nantgarw with links off this route to various facilities and trip attractors such as Coleg y Cymoedd and the new DWP offices



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Guidance Note 6: Exceptional Circumstances Relief – Updated xxxx

Domestic Extensions

In accordance with Regulation 42 of the Community Infrastructure Levy Regulations 2010 (as amended) residential extensions, under 100 square metres are exempt from CIL under the minor development exemption.

In accordance with Regulation 42A of the Community Infrastructure Levy Regulations 2010 (as amended) people who extend their own homes are exempt providing the applicant owns a material interest in the house, occupies the main house as their main residence and the extension is an enlargement of the main house and is not going to comprise a new dwelling.

Regulation 42B sets out the procedure for residential extensions. Rhondda Cynon Taf Council's Cabinet approved on xxxxx that the Council ceases applying CIL to domestic extensions.

**DOMESTIC EXTENSIONS POLICY**

**Rhondda Cynon Taf Council will not apply the Community Infrastructure Levy charge to domestic extensions.**

**This policy is effective from 1<sup>st</sup> January 2020 and applies to any domestic extension**

Rhondda Cynon Taf Council is not making available relief for any other exceptional circumstances; however, this may be subject to a future review.