

Community Infrastructure Levy: Gosport Draft Charging Schedule

Statement on Issues and Questions

Question 11: *Does the setting of differential rates bring about the possibility of the engagement of State Aid issues?*

Date: 23rd February 2015



GOSPORT
Borough Council

1. National Planning Practice Guidance allows charging authorities to apply differential CIL rates (Ref: paragraph 021 ID: 25-021-20140612). State Aid is an issue relating to the European Union, coming out of the Lisbon Treaty 2009. In essence, State Aid that distorts competition is incompatible with the common market. In the context of State Aid and CIL, the guidance mentions CIL exemptions or CIL relief, as opposed to the differential setting of rates, as issues to which state aid considerations might apply.
2. With regard to the setting of differential CIL rates, this is done for the purpose of ensuring viability in geographical locations that have significantly different sales values. Locations with lower sales values are less likely to be able to bear the same development costs, including CIL, than locations with higher sales values.
3. The Government has an EU Block Exemption for Services of a General Economic Interest. Relief is not being given through the differential rate setting.
4. In summary, the Council would say that lower rates simply reflect lower values, whilst maintaining both viability and the deliverability of sites.