

HUNTINGDONSHIRE INFRASTRUCTURE BUSINESS PLAN 2013/14

(Report by Head of Planning Services)

1. INTRODUCTION

1.1 The purpose of this report is to update Members on the implementation of a Community Infrastructure Levy (CIL) for Huntingdonshire and the endorsement of the Huntingdonshire Infrastructure Business Plan 2013/14.

2. BACKGROUND

2.1 The CIL is a mechanism, introduced by Government in 2010, to allow local planning authorities to raise funds from development to pay for the infrastructure that is, or will be, needed as a result of new development. Cabinet has been kept informed of the development of the CIL Charging Schedule and its adoption by HDC Council in April 2012 with an implementation date of 1st May 2012.

2.2 The CIL Charging Schedule is complementary to the 'Developer Contributions Supplementary Planning Document' (SPD) which was adopted by Cabinet in December 2011. The SPD and the CIL operate along side each other with S106 requirements still applying to development specific infrastructure and mitigation as outlined in Table 1 below.

TABLE 1

Development Specific (Non-CIL funded) infrastructure	Remaining Infrastructure (CIL funded)
Local site-related road / transport requirements	Remaining Roads and other transport facilities
Large scale major ⁽¹⁾ development specific school provision contributions	Remaining Schools and other educational facilities
Large scale major ⁽¹⁾ development specific health provision contributions	Remaining Health facilities
Large scale major ⁽¹⁾ development specific sport and recreational facilities contributions	Remaining Sport and recreational facilities
Development specific provision of informal and formal green space land requirements	Remaining Green infrastructure open spaces / facilities
Large scale major ⁽¹⁾ development specific library provision and community facilities contributions	Remaining Social infrastructure
Local site-related economic inclusion requirements	Remaining Economic regeneration
Large scale major ⁽¹⁾ development specific police provision	Remaining Emergency services

Development Specific (Non-CIL funded) infrastructure	Remaining Infrastructure (CIL funded)
contributions	
Local site-related utility requirements	Remaining Utilities
Local site-related flood risk solutions requirements	Remaining Flood defences
(1) DCLG Development Control PS 1/2 statistical definition 2007/8	

2.3 The National Planning Policy Framework (2012), published following the introduction of CIL in Huntingdonshire, sets out the three dimensions to sustainable development - an economic role, a social role and an environmental role - and outlines the presumption in favour of sustainable development:

- an economic role – contributing to building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation; and by identifying and coordinating development requirements, **including the provision of infrastructure**;
- a social role – supporting strong, vibrant and healthy communities, by providing the supply of housing required to meet the needs of present and future generations; and by creating a high quality built environment, with **accessible local services** that reflect **the community's needs** and support its health, social and cultural well-being; and
- an environmental role – contributing to **protecting and enhancing our natural, built and historic environment**; and, as part of this, helping to improve biodiversity, use natural resources prudently, **minimise waste** and pollution, and mitigate and adapt to climate change including moving to a **low carbon economy**.

These dimensions give rise to the need for the planning system to perform a number of roles which clearly identify the importance of infrastructure.

3. CIL IMPLEMENTATION

3.1 CIL was set up to provide a simpler and fairer system of developer contributions for developers to understand their financial obligations related to development - an amount to pay per square metre of development. Nevertheless this is a new system and there are complexities within the legislation which have had an impact on the collection process. A number of Developer and Agent Forums have been held to ensure developers are aware of these complexities in order for delays to be avoided and a further one was held in February 2013.

3.2 Since 1st May 2012, when CIL came into force in Huntingdonshire, over 125 developments have been shown to be liable for CIL. It is important to remember that some developments are liable but will not be required to pay any levy, such as those associated with a use that has a £0 levy rate. Those that do have a financial chargeable amount will not be required to pay this until the development granted permission actually commences and then this is linked to an instalment policy. This can permit between 120 and 720 days for full payment. The Council has only started to receive payment this month.

4. GOVERNANCE

- 4.1 On 18th October 2012 (item 51) Cabinet approved the proposed CIL Governance structure and the progression of further work with partners through the Huntingdonshire Strategic Partnership (HSP) to develop the framework and draft business plan, to take forward the next stages required in the Governance process. A further report would then be submitted to Cabinet. This report aims to cover this point. At its meeting on 23rd November 2011, the HSP Board also indicated its support for the proposed CIL Governance Structure.
- 4.2 It was agreed that the HSP Growth and Infrastructure Group would be restructured and take on the role for developing the Infrastructure Business Plan. This restructuring of membership was finalised in the autumn 2012 with amended Terms of Reference being agreed. The Group has worked together across a wider partnership to develop the Infrastructure Business Plan 2013/14.
- 4.3 It is important to note that the 'meaningful proportion' of the CIL collected that will be allocated to the area in which the development is occurring to spend on infrastructure has yet to be confirmed. However, recent announcements have suggested that Parish / Town Councils with an adopted Neighbourhood Plan will receive 25% of the funding whilst those without will receive 15% of the funding capped to £100 per existing council tax dwelling. In light of this it will be critical for those Towns and Parishes to be fully aware of the implications on infrastructure delivery and work with the LSP in order that we can appropriately work together to plan for the provision of new local community facilities. Amendment Regulations have now been laid before parliament.

5. INFRASTRUCTURE BUSINESS PLAN 2013/2014

- 5.1 The Infrastructure Business Plan (IBP) 2013/2014 (copy attached) is the first piece of work to be delivered by the re-structured HSP Growth and Infrastructure Group. This is a key document for all partners to fully understand the infrastructure needs from the economic growth of the district, timings, phasing and funding requirements. It also looks at the potential income from CIL receipts and how projects should be prioritised for receiving this limited funding having taken into account development trajectory, infrastructure need and other potential funding options. It is critical to note that CIL is a funder of infrastructure but not the sole funder.
- 5.2 Section 6 of the IBP shows the resulting CIL Implementation Action Plan, which focuses on the initial three years of short (2013/14) to medium term projects (2014/16). It is clear to see from this and the cash flow funding analysis that:
- there is still a significant funding gap, and this will always be the case;
 - limited CIL receipts are expected in the 2013/14 financial year; and
 - further prioritisation will need to be undertaken.

As such greater project detail will be required from infrastructure providers in the future in order to aid decision making for the next business plan.

- 5.3 In light of the above paragraph, the IBP 2013/14 recommends that CIL receipts received in 2013/14 are only spent on the only short-term critical infrastructure

of the Huntingdon West Link Road and, if there are any additional monies, this is 'banked'.

6. REGULATION 123 LIST

- 6.1 The CIL Regulation 123 restricts the use of planning obligations for infrastructure that will be funded in whole or in part by the CIL, to ensure no duplication between the two types of developer contributions (CIL and S106 agreements). Further detail regarding Section 106 requirements can be found in the Developer Contributions SPD – this was consulted on alongside the Preliminary Draft Charging Schedule in 2011 and adopted in December of the same year.
- 6.2 A CIL charging authority is expected to publish on its website a list of infrastructure (commonly referred to as the Regulation 123 List) that it intends will benefit from CIL. Huntingdonshire District Council (as CIL Charging Authority) had its current Regulation 123 list published for 1st May implementation date and agreed this could be reviewed at least once a year as part of its CIL governance process.
- 6.3 On the implementation of the Community Infrastructure Levy across Huntingdonshire on 1st May 2012, section 106 requirements were scaled back to those matters that are directly related to a specific site, and are not set out in the regulation 123 list. Huntingdonshire District Council was clear in its evidence at the examination of the Charging Schedule how S106 would operate in accordance with the CIL Regulations 2010 (as amended) and the newly adopted Huntingdonshire Developer Contributions SPD. As noted at the examination, “The principle is that all eligible developments must pay towards CIL as well as any development specific requirement to be secured through Section 106 Agreements.” Large scale major developments ¹, usually also necessitate the provision of their own development specific infrastructure, such as schools. These are dealt with more suitably through a Section 106 agreement, in addition to the CIL charge. It is important that the CIL Charging Schedule evidence, and now the IBP 2013/14, differentiate between these infrastructure projects to ensure no double counting takes place between determining those Section 106 funded development specific infrastructure projects and the remaining district wide CIL funded infrastructure projects. It is also important to note that the Infrastructure Project List (November 2011), in line with the appropriate guidance, and the IBP 2013/14 are stated not to be a definitive list but an indication of the likely infrastructure required by new development, taking account of any known surpluses.
- 6.4 The latest published Guidance states that “Where a regulation 123 list includes project-specific infrastructure, the charging authority should seek to minimise its reliance on planning obligations in relation to that infrastructure.” The Council has worked from the offset of this work to do just that by clearly stating in all documentation, including the introduction of a new Developer Contributions SPD, that S106 contributions would still apply to large scale major developments.

¹ DCLG Development Control PS 1/2 statistical definition 2007/8

- 6.5 The Government published a new Community Infrastructure Levy Guidance document in December 2012. This guidance does not apply to Huntingdonshire Charging Schedule as it was already in place on publication.
- 6.6 A revised Regulation 123 List has been compiled in light of the new Infrastructure Business Plan 2013/14. The draft list is attached. One of the changes in the latest guidance is to state that when charging authorities wish to revise their regulation 123 list in this way, they should ensure that these changes are clearly explained and subject to appropriate local consultation. Whilst this is not a necessity for this authority it is felt that, in order to continue the partnership working, a local consultation on the proposed Regulation 123 List revision would be appropriate.
- 6.7 It is not considered that the proposed change to the regulation 123 list would have a significant impact on the viability evidence that supported examination of the charging schedule and, as such, it is proposed that a 6 week consultation takes place. If the draft list is approved, the consultation is likely to commence in April or May 2012. The list would be made available on the Council's website and at local libraries and community access points


7. RECOMMENDATION(S)

- 7.1 It is recommended that Cabinet:
- a) Approve the Huntingdonshire Infrastructure Business Plan 2013/14;
 - b) Authorise the Assistant Director, Environment, Growth and Planning in conjunction with the Portfolio Holder for Planning and Housing Strategy to make any minor amendments necessary to the plan prior to publication on the Council website
 - c) Approves the banking of CIL receipts during 2013/14 financial year with the exception of funding the Huntingdon West Link Road scheme;
 - d) Requests the Head of Planning and Housing Strategy to liaise with the Head of Finance and the Head of Legal to agree a 'service level agreement' for utilising on release of any CIL receipts for infrastructure project delivery; and
 - e) Approve the draft Regulation 123 List for public consultation as outlined above, subject to any minor amendments necessary as authorised by the Assistant Director, Environment, Growth and Planning in conjunction with the Portfolio Holder for Planning and Housing Strategy.

Background Papers:

- Core Strategy 2009
- CIL Examination documents, which can be found on the HDC website at <http://www.huntingdonshire.gov.uk/Planning/Community%20Infrastructure%20Levy/Pages/CommunityInfrastructureLevyExamination.aspx>
- Huntingdonshire Infrastructure Business Plan 2013/14
- Draft Regulation 123 List

Contact Officer: Steve Ingram, Assistant Director, Environment, Growth and Planning

 **01480 388400**