INFRASTRUCTURE CONTRIBUTIONS

Introduction

New development can place additional demands upon physical, social and green infrastructure such as roads and sewers, community buildings and parks. It is a well-established principle in national guidance and legislation that new development should contribute towards the provision of such infrastructure to ensure existing communities are not disadvantaged by any increased pressure on facilities from new development.

Planning legislation provides for the funding of infrastructure from developers. The legislative framework is set out in Section 106 of the Town and Country Planning Act 1990, as amended by Section 12 of the 1991 Planning and Compensation Act, Part 11 (Community Infrastructure Levy) of the Town and Country Planning Act 2008 and the Community Infrastructure Levy (CIL) Regulations 2010 (as amended 2011, 2012 & 2013). Government policy on planning obligations is also set out in paragraphs 203 to 205 of the National Planning Policy Framework (NPPF) 2012.

The last Government made provision for a Community Infrastructure Levy (CIL) to be introduced in Regulations that came into force in April 2010, now amended by the Community Infrastructure Levy (Amendment) Regulations 2011, the Community Infrastructure Levy (Amendment) Regulations 2012 and the Community Infrastructure Levy (Amendment) Regulations 2013. Local authorities will be empowered to charge a levy on new developments to help finance the infrastructure needed to support growth. However, local authorities should have clear evidence about planned infrastructure, its cost, timing and other likely sources of funding to underpin their development strategies. This will be provided through an Infrastructure Delivery Plan (IDP) which will sit alongside the Core Strategy.

This will need to be accompanied by a Charging Schedule for how the levy is calculated which will be independently examined. In addition, a list of community infrastructure projects that the Council has prioritised for the infrastructure levy to be spent on will be prepared (a CIL 123 list).

The use of planning obligations, known as Section 106 contributions, (which Herefordshire has traditionally used) will still remain but will only relate to those infrastructure requirements required as a direct result of the development and where they meet the following statutory tests;

1. necessary to make the development acceptable in planning terms;
2. directly related to the development; and
3. fairly and reasonably related in scale and kind to the development.

For clarity, CIL is a fixed tariff intended to be used for general infrastructure contributions whilst S106 obligations will be for site-specific mitigation.
For the avoidance of doubt, infrastructure is defined as those physical, social and green infrastructure projects required as a result of growth in the county and includes housing, transport, sport and recreation, community facilities including education, health and emergency services, water and sewerage facilities, flood risk management, renewable energy generation, waste management, built environment and public realm improvements and green infrastructure.

Policy ID1- Infrastructure Delivery
Provision for new and the enhancement of existing infrastructure, services and facilities to support development and sustainable communities will be achieved through a co-ordinated approach. This will include in addition to planning conditions for essential on-site design requirements and critical infrastructure: 1. contributing towards strategic infrastructure from new development through a mandatory tariff system; 2. S106 contributions for specific infrastructure from all types of development directly required in order for the development to be considered acceptable in accordance with national and local planning policies and relevant legislation; 3. utilising Government funding sources; 4. linking with other public investment programmes; 5. co-ordinating with the capital investment programmes of the gas, electric, telecommunications and water industries (utilities); 6. other new funding or innovative investment approaches. Tariff contributions will be used to service the following community infrastructure a) physical infrastructure including improved pedestrian, cycle and bus routes, the construction of the Hereford western relief road, the inner relief road, park and ride sites and transport hub, , strategic sewerage; strategic flood defence, projects arising from the Nutrient Management Plan, renewable energy generation, broadband provision b) social infrastructure including education, healthcare, emergency services, community facilities, built sports facilities, cultural facilities including improvements to the built environment and public realm c) green infrastructure including play areas, parks, allotments and green spaces, sporting and recreation facilities, heritage assets and habitat creation. S106 contributions will be used to service specific on and off site infrastructure requirements to include: affordable housing, water management including sustainable drainage, safe and sustainable access and transport links, essential utilities (including sustainable alternatives), play, sport and recreation facilities, landscaping and associated maintenance payments.

Links to Core Strategy Objectives
This policy will address objectives 1, 2, 3, 5, 6, 7, 8, 9, 10, 11 and 12.

Explanation
All new development can impact on existing services and facilities in its local area whether individually or cumulatively. This can have a direct impact on the need for new facilities either locally or on a larger, strategic scale. For example, new development on a single large site or on lots of smaller sites will have the same overall impact on the demands placed on the existing sewerage network. In this respect it is right to expect all new development to contribute to making communities safe, healthy and attractive places to live. This policy addresses this issue and will help to deliver a whole range of other policies in the Local Plan - Core Strategy.

The policy proposes that all new development is required to contribute to infrastructure requirements. This will be achieved through a combined approach of using a set Community Infrastructure Levy (CIL) and planning obligations (Section 106) for all development types to bring forward affordable housing (in conjunction with Policy H1) and other site specific infrastructure necessary for the development to take place.

Individual developments will not be charged for the same items of infrastructure through both CIL and planning obligations.

The CIL has been introduced to provide a fair and consistent mechanism for pooling contributions from all eligible developments towards infrastructure. It provides certainty so that developers can calculate in advance of submitting a planning application the level of contribution required. Although the tariff will usually be a financial contribution, there is also the option of transfer of land in lieu of a financial payment.

The levy is a fixed rate charge, based on square metres of net additional built floor space and is non negotiable. The charge is levied on 1 or more dwellings and developments of more than 100 sq m of floor space. Exemptions include affordable housing and charities. The CIL regulations allow the Council to introduce charge variations by geographical zone within its area, by land use, or both. These are set out in the Charging Schedule. Some uses maybe set at zero in some zones as the variations reflect differences in viability.

The proceeds of the CIL will be spent on strategic and local infrastructure to support the development of the county. Developer contributions on their own will not be able to meet the entire cost of a major infrastructure project. Core public funding will continue to contribute.

The type of infrastructure that the tariff will be used to service is set out in an Infrastructure Delivery Plan (IDP) The IDP provides robust evidence of infrastructure requirements through to 2031 but the focus is on the measures that are needed within the first 5 years (2011 to 2016), in the context of the longer term plan set out in the Core Strategy. The IDP schedule and required infrastructure is set out on an area basis to include Strategic County-wide, The Hereford Area, the Market Towns and the Rural Areas.

It is acknowledged that the IDP schedule cannot specify the entire infrastructure that will be provided in the county to 2031. Changed requirements may become apparent as new areas of development are designed in more detail and or ways of delivering services or facilities are reviewed. The IDP schedule is not intended as a one-off document. Through the life of the Core Strategy, changes to the policies and strategies of service providers and the introduction of new technology will have implications for infrastructure requirements and their costs. Public funding levels are also likely to vary over the life time of the Plan. The information contained in the IDP schedule will be kept under review and updated. The Council together with its partners will need to look for innovative ways to fund and provide the necessary infrastructure. This is why it is called a **"live"** document".

A list of prioritised Infrastructure Projects, which the Council have committed to, will be advertised on the Council's website in the form of a Regulation 123 list. This list will have been verified in terms of achievability and phasing of delivery through the *Economic Viability Study* which will ensure that a balance is struck between the required infrastructure projects and the ability of the strategic sites to be delivered by the development industry.

Monies received in respect of the tariff and planning obligations will be monitored and reported on through the LDF Annual Monitoring Report. Joint working with internal and external delivery partners will be necessary to keep the Charging Schedule and Infrastructure Delivery Plan up to date and relevant.

The council accepts that there are may be occasions where development proposals are unable to meet all the relevant policy requirements and still remain viable, Where the council is satisfied that an otherwise desirable development cannot be fully compliant and remain viable, a reduced package of planning obligations may be recommended.

In order to enable the council to assess the viability of a proposal, the applicant will be required to provide any necessary cost and income figures to the council and pay the council's full costs in appointing an independent assessment of the viability proposal.

In all cases, the council requires viability to be undertaken using a residual land value approach. This means that the starting point for a viability assessment is to be the existing use value (i.e. what the site is worth in its current condition for the use that it has planning consent for). Viability claims based on an over inflated price that has been paid for a site will not be accepted,

A Planning Obligations Supplementary Planning Document will be prepared to give more detaisl as the council's requirements which are to be met through planning obligations.

Delivery
The policy will be delivered through:
- the development management process;
- the neighbourhood planning process;
- partnership working with infrastructure providers;
- an Infrastructure Delivery Group to administer project proposals and propose priorities;
- a S106 Supplementary Planning Document;
- a CIL Charging Schedule;
- a CIL 123 List.

IMPLEMENTATION & MONITORING

The continuous monitoring of the policies and proposals is essential to ensure that the Core Strategy achieves its objectives. The policies will be monitored principally through the Annual Monitoring Report (AMR) in the manner described under each policy. The AMR report will set out the basic achievements of the main policies and contain details about the implementation of the housing policies in particular

If it appears that the policies are not being effective, the following actions will be taken:

- Review of the policy or policies concerned and of the implementation mechanisms;

- Action to slow or speed up the delivery of land for development depending on the rate of development achieved;
- Identification of alternative or additional land.

The policies and proposals will also be assessed against key objectives and targets included in the Sustainability Appraisal to assess their contribution towards promoting sustainable development. There will be a section in the AMR dealing with this aspect.

Clearly the Core Strategy must be able to respond to changing needs and circumstances. This will include assessing the potential impacts of new or updated national and local policy and guidance. There will be a section in the AMR dealing with this aspect.