

# Overview & Scrutiny Committee

West Northamptonshire  
Joint Core Strategy  
Infrastructure Delivery Plan  
Update 2012



SCRUTINY PANEL  
**Infrastructure Requirements and  
Section 106 Agreements**

**May 2013**



**NORTHAMPTON**  
BOROUGH COUNCIL

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## Foreword

The objective of this Scrutiny Panel was:

- To identify the infrastructure requirements to Northampton and the surrounding areas
- To evaluate how the infrastructure will be delivered through Section 106 Agreements/Community Infrastructure Levy (CIL)
- To identify any funding gaps and how these will be filled
- To understand the management of S106 funding

The Scrutiny Panel was made up from Members of the Overview and Scrutiny Committee: Councillors Elizabeth Gowen (vice-chair), Matt Lynch, Suresh Patel and myself, together with Councillors Ifty Choudary, Jonathan Nunn, David Palethorpe and Terry Wire DL and Councillor Alan Chantler (Daventry District Council) and Councillor Marion Minney (Northamptonshire County Council) who we co-opted onto the Scrutiny Panel.

The Scrutiny Panel received a wealth of background information and data to inform its comprehensive review of a period of ten months. A series of interviews with a number of expert advisors were also held.

The Scrutiny Panel conveys it's thanks to Officers from Huntingdonshire District Council for taking the time to visit Northampton and give an informative presentation on "*the Community Infrastructure Levy (CIL) – A Local Authority's Perspective*".

As part of its monitoring regime, Overview and Scrutiny will review this report six months after Cabinet has received it.

I would like to thank everyone who took part in this piece of work.



**Councillor Phil Larratt**  
Chair, Scrutiny Panel 3

## **Acknowledgements to all those who took part in the Review: -**

- Councillors Elizabeth Gowen, Matt Lynch Suresh Patel, Ifty Choudary, Jonathan Nunn, David Palethorpe and Terry Wire DL, Councillor Alan Chantler (Daventry District Council) and Councillor Marion Minney (Northamptonshire County Council) (co-optees) who sat with me on this Review.
- Councillor Brandon Eldred, Cabinet Member (Community Engagement), Councillor Mary Markham, Cabinet Member (Housing), Northampton Borough Council (NBC), Councillor Andre Gonzalez de Savage, Cabinet Member (Infrastructure and Public Protection), Northamptonshire County Council (NCC), David Farquhar, Assistant Director, Highways, Transport and Infrastructure, NCC, Lesley Wearing, Director of Housing, NBC, Julie Seddon, Director of Customers and Culture, NBC, David Atkinson, Head of the Joint Planning Unit (JPU), Jonathan Price, Highways Agency, Ben Hunter, Acting Project Manager, Business Development, NCC, Kay Ringwood, Capital Programme Manager, NCC, Duncan Mills, Strategic Planning Manager, NCC, Michael Daly, Head of Estates, Milton Keynes and Northamptonshire PCT, Eric Owens, Construction Futures, John O'Neill, Environment Agency, Richard Baldwin and Chief Superintendent Paul Fell, Northants Police, and Ian Oliver and Martin Frost, Western Power, for attending a meeting of the Scrutiny Panel and providing a response to the core questions
- Homes and Communities Agency, Anglian Water, East Midlands Ambulance Service and Northamptonshire Fire and Rescue Service for providing a written response to the Panel's core questions
- Steve Ingram, Director of Environment, Growth and Claire Burton, Planning the Implementation Team Leader, Huntingdonshire District Council, for visiting Northampton and giving the Panel a presentation on "Community Infrastructure Levy (CIL) in practice – A Local Authority's perspective"
- Sue Bridge, Head of Planning, NBC, for her support to this Review

## EXECUTIVE SUMMARY

The purpose of the review was:

- To identify the infrastructure requirements to Northampton and the surrounding areas
- To evaluate how the infrastructure will be delivered through Section 106 Agreements/Community Infrastructure Levy (CIL)
- To identify any funding gaps and how these will be filled
- To understand the management of S106 funding

The Overview and Scrutiny Committee agreed at its work programming event in March 2012 to include a review of infrastructure requirements and S106 Agreements. A number of proposals around these issues had been put forward by members of the public as a key suggestion for a future Scrutiny Review. The Overview and Scrutiny Committee commissioned Scrutiny Panel 3 to undertake the review. An in-depth review commenced in July 2012 and concluded in May 2013.

A Scrutiny Panel was established comprising Councillor Phil Larratt (Chair); Councillor Elizabeth Gowen (Vice-Chair); Councillors Ifty Choudary, Matt Lynch, Jonathan Nunn, David Palethorpe, Suresh Patel, Terry Wire DL, together with co-opted Members, Councillor Alan Chantler (Daventry District Council) and Councillor Marion Minney (Northamptonshire County Council).

This review links to a number of the Council's corporate priorities including Priority 1 – Putting Northampton back on track – a vibrant town, Priority 2 – Invest in safer, cleaner neighbourhoods and Priority 5 – Better homes for the future.

The Scrutiny Panel established that the following needed to be investigated and linked to the realisation of the Council's corporate priorities:

Baseline data:

- purpose and scope of S106 Agreements and introduction to Community Infrastructure Levy (CIL)
- Joint Core Strategy Infrastructure Schedule
- Central Area Action Plan Infrastructure Schedule
- Sources of funding for infrastructure
- Table of existing NBC S106 obligation monies and information relating to NCC and WNDC S106 monies
- Developer Obligations Supplementary Planning document
- Future provision of skills and training programmes
- Affordable housing
- Memorandum of Understanding for the Growth Management Scheme for the A45/M1

- Sports and Playing Pitch Strategy
- Map: defended and undefended areas
- Drainage Strategy (summary)
- A copy of a Section 106 Agreement
- Desktop research – best practice elsewhere
- Evidence from a variety of key partners and Agencies

## CONCLUSIONS AND KEY FINDINGS

A significant amount of evidence was heard, details of which are contained in the report. After gathering evidence the Scrutiny Panel established that: -

### **Infrastructure Requirements**

5.1.1 The Scrutiny Panel concluded that infrastructure requirements are identified up to 2026, in the West Northamptonshire Joint Core Strategy Infrastructure Delivery Plan, covering the administrative areas of Northampton Borough Council, South Northants Council and Daventry District Council, including:

- Highways
- Drainage/Water management
- Flood defences
- Schools
- Primary Health Care
- Leisure

5.1.2 The Scrutiny Panel welcomed that the West Northamptonshire Joint Core Strategy Infrastructure Development Plan will be updated annually, which it realised, is a necessity to ensure that priorities are continually aligned with changes in development priorities or pace of development. It emphasised that flexibility to re-prioritise accordingly will be important.

### **Highways**

5.1.3 The Scrutiny Panel identified that there is a significant funding gap in respect of the building of highways. Section 106 Agreements and CIL will have to contribute to improvements to the Strategic Highways Network via the A45/M1 Growth Management Scheme. It is recognised that the funding gap remains challenging for growth beyond 2026 and further work will have to be undertaken in this area.

## **Joint working and early engagement**

- 5.1.4 The evidence gathered accentuated the need for joint working, in particular, joint working when drawing up charging schedules; joint review of Infrastructure Delivery Plans and housing/employment delivery performance / development trajectories, could be helpful in ensuring proper cross boundary funding of key infrastructure. The need for all partners to be involved in planning stages for infrastructure to design the most efficient and cost effective schemes as possible was highlighted.
- 5.1.5 The evidence gathered identified the need for early engagement between the developer, Council and relevant authorities (such as the Environment Agency, Northamptonshire County Council and water company) to promote efficiency, help to understand the requirements for the site and identify a solution that meets the needs of the proposed development whilst operating within environmental limits.

## **Schools**

- 5.1.6 The Scrutiny Panel noted that it is vital to continue to encourage development and try to ensure developments take place and developers are able to deliver viable schemes. The importance of partnership involvement in order to make this happen was realised. It was further realised that there is some capacity in secondary schools, but the increasingly steady growth in primary numbers means this will be an issue in the future.
- 5.1.7 The evidence gathered highlighted a major increase in inward migration. There is a requirement for more school places in Northampton.

## **Drainage/Water management Flood defences**

- 5.1.8 The evidence collected identified that future developments need to be planned carefully so that they do not add to the pressures already on the water environment, i.e. flood water resources and increased volumes of sewage effluent that may lead to any compromise in water quality.
- 5.1.9 It was recognised that the funding of water and wastewater infrastructure identified, will be managed within the Water Industry Act 1991 and will not be required to form part of CIL provisions.

## **Western Power**

- 5.1.10 The Scrutiny Panel highlighted that Western Power's infrastructure improvements are put in place through a cost supporting factor, which means that the customer is required to pay a percentage of the cost of providing the infrastructure. This upgraded infrastructure cost via new

load activity can be “clawed back” by subsequent users over a five year period.

### **Policing**

- 5.1.11 The Scrutiny Panel noted that generally, small scale development can be absorbed within existing Policing resources but larger scale developments generate additional policing resource requirements.
- 5.1.12 The Police would welcome any opportunity to occupy shared spaces in public buildings.

### **Leisure**

- 5.1.13 The Scrutiny Panel was pleased to note that all leisure facilities are well used, with most of the pitches and courts fully booked. However, some current leisure provision, such as that at the Lings Centre, which has a limited life span, will need to be reviewed in the next 5-10 years.

### **Primary Health Care**

- 5.1.14 It was acknowledged that the Trust, East Midlands Ambulance Service (EMAS) is currently in the process of an estates restructure targeted at more efficient support to the public. Any funding from Section 106 and infrastructure projects will be used to support its on-going effects.
- 5.1.15 The evidence gathered identified that for large housing developments, Milton Keynes and Northamptonshire Primary Care Trust (PCT) would prefer a ‘turn key’ ready to occupy a health centre.
- 5.1.16 Location of new facilities should be planned to ensure connectivity within new and existing communities.

### **Funding gap**

- 5.1.17 In noting the infrastructure funding gap of £439.6 million as identified in the Infrastructure Delivery Plan, the Scrutiny Panel concluded that infrastructure cannot be totally funded through Section 106 Agreements or Community Infrastructure Levy (CIL) and that other sources of funding are required.

### **Section 106 Agreements**

- 5.1.18 Currently, Section 106 delivers contributions to strategic infrastructure requirements, as well as site specific requirements.
- 5.1.19 Section 106 is managed through the Section 106 Board and projects. The infrastructure is delivered through Northampton Borough Council or Northamptonshire County Council’s capital programme. S106

Agreements will still be used for on-site mitigation following the introduction of CIL.

### **Community Infrastructure Levy (CIL)**

- 5.1.20 The Scrutiny Panel realised that although it was in no way anticipated that CIL will be adopted throughout the country, Section 106 arrangements will change in 2014, which will restrict the pooling of S106 agreements to five for any one type of infrastructure or infrastructure project. The advantage of CIL is that it allows flexibility on where it can be spent as it does not have to be in the same locality as the development.
- 5.1.21 The Scrutiny Panel acknowledged that a recent Government speech, January 2013, made it clearer as to the proposed level of meaningful proportion of CIL to be spent in the local area. Figures indicated a 15% levy, within Parished areas, up to £100 per existing household, with that percentage rising to 25% if there was a local neighbourhood plan has been adopted, with no upper cap. This was a much higher figure than had previously been anticipated.
- 5.1.22 The evidence gathered highlighted that determining and administering CIL needs to be a corporate exercise for the whole Council, not just planning services, with required adequate administrative support. The Scrutiny Panel emphasised that the process of introducing CIL needs to be properly resourced.
- 5.1.23 The Joint Planning Unit is looking at how CIL will be implemented across West Northamptonshire.
- 5.1.24 The Scrutiny Panel acknowledged that in order to deliver schools, CIL is the only realistic method to deliver secondary schools.

### **Affordable Housing**

- 5.1.25 The evidence received alluded to a potential shortfall in affordable housing once CIL is introduced. This was of particular concern to the Scrutiny Panel because affordable housing provision is a Council priority. The Scrutiny Panel was concerned that the amount of affordable housing may fall.
- 5.1.26 The Scrutiny Panel realised that the demand for affordable housing is likely to increase. The Localism Act, the slow-down in new building, difficult economic climate and changes to Welfare Reform are likely to increase demand for all forms of affordable housing. If new affordable

homes are not delivered, the Council may have to use expensive bed and breakfast accommodation and temporary accommodation.

## RECOMMENDATIONS

The above overall findings have formed the basis for the following recommendations: -

6.1 The purpose of this Scrutiny Panel was:

- To identify the infrastructure requirements to Northampton and the surrounding areas
- To evaluate how the infrastructure will be delivered through Section 106 Agreements/Community Infrastructure Levy (CIL)
- To identify any funding gaps and how these will be filled
- To understand the management of S106 funding

Scrutiny Panel 3 recommends to Cabinet that:

### **Infrastructure Requirements**

6.1.1 The Scrutiny Panel formally informs Cabinet that it is satisfied that the infrastructure requirements are identified in the West Northamptonshire Joint Core Strategy Infrastructure Delivery Plan up to 2026.

6.1.2 Infrastructure cannot be totally funded through Section 106 Agreements or Community Infrastructure Levy (CIL). Cabinet investigates other funding sources to meet the funding gap of £439.6 million.

6.1.3 It is ensured that the North West Bypass is fully funded and built, when required, to serve new developments and that appropriate arrangements are agreed with South Northants Council and Daventry District Council to ensure funding CIL infrastructure is given priority across the partnership.

6.1.4 Section 106 Agreements and CIL contribute to improvements to the Strategic Highways Network via the A45/M1 Growth Management Strategies.

### **Affordable Housing**

6.1.5 Cabinet satisfies itself that the introduction of Community Infrastructure Levy (CIL) will not have an adverse impact on the provision of affordable

housing; whilst recognising that the existing S106 Policy allows for flexibility in accordance with Government Policy.

- 6.1.6 Cabinet recognises that the introduction of CIL will have corporate implications and these must be identified and addressed.

#### **Overview and Scrutiny Committee**

- 6.1.7 The Overview and Scrutiny Committee, as part of its monitoring regime, reviews the impact of this report in six months' time.

# NORTHAMPTON BOROUGH COUNCIL

## Overview and Scrutiny

### Report of Scrutiny Panel 3 - Infrastructure Requirements and S106 Agreements

#### 1 Purpose

1.1 The purpose of the Scrutiny Panel was:

- To identify the infrastructure requirements to Northampton and the surrounding areas
- To evaluate how the infrastructure will be delivered through Section 106 Agreements/Community Infrastructure Levy (CIL)
- To identify any funding gaps and how these will be filled
- To understand the management of S106 funding

1.2 A copy of the scope of the review is attached at Appendix A.

#### 2 Context and Background

2.1 The Overview and Scrutiny Committee agreed at its work programming event in March 2012 to include a review of infrastructure requirements and S106 Agreements. A number of proposals around these issues had been proposed by members of the public as a key suggestion for a future Scrutiny review. The Overview and Scrutiny Committee commissioned Scrutiny Panel 3 to undertake the Review. An in-depth review commenced in July 2012 and concluded in May 2013.

2.2 A Scrutiny Panel was established comprising Councillor Phil Larratt (Chair); Councillor Elizabeth Gowen (Vice-Chair); Councillors Ifty Choudary, Matt Lynch, Jonathan Nunn, David Palethorpe, Suresh Patel, Terry Wire DL, together with co-opted Members, Councillor Alan Chantler (Daventry District Council) and Councillor Marion Minney (Northamptonshire County Council).

2.3 This review links to a number of the Council's corporate priorities including Priority 1 – Putting Northampton back on track – a vibrant town, Priority 2 – Invest in safer, cleaner neighbourhoods and Priority 5 – Better homes for the future.

2.4 The Scrutiny Panel established that the following needed to be investigated and linked to the realisation of the Council's corporate priorities:

Baseline data:

- purpose and scope of S106 Agreements and introduction to CIL

- Joint Core Strategy Infrastructure Schedule
- Central Area Action Plan Infrastructure Schedule
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- Table of existing NBC S106 obligation monies and information relating to NCC and WNDC S106 monies
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- Drainage Strategy (summary)
- A copy of a Section 106 Agreement
- Desktop research – best practice elsewhere
- Evidence from a variety of key partners and Agencies

2.5 The West Northamptonshire Joint Core Strategy Infrastructure Delivery Plan sets out the majority of the Infrastructure requirements, how they should be delivered and who will deliver the various different elements. There are some additional Infrastructure requirements set out in the Central Area Action Plan. The West Northamptonshire Joint Core Strategy Infrastructure Delivery Plan concentrates only on the perceived Infrastructure requirements that are a result of new development and would not be aimed at improving any current deficiencies.

2.6 Key Infrastructure types:-

- Transport
- Health
- Education
- Community and Leisure
- Open Space and Green Infrastructure
- Utilities

2.7 Primary School provision is not included as a key Infrastructure requirement. Secondary school is. Building a secondary school would cost in excess of £40 million.

2.8 The provision of utilities is chiefly the responsibility of the commercial power supply companies. Power companies will probably not be working to the same time scales as the Infrastructure plan but a shorter time frame based on trigger points in capacity.

2.9 Within the Infrastructure requirements, there are requirements identified for improvements in walking/cycling, crossing improvements and bus improvements in each section of the town.

2.10 Several areas have community leisure facilities based in schools. A review of existing facilities is underway, and it is likely that some areas will have an over provision and some an under provision. There will also be a review of sports facilities.

### **3 Evidence Collection**

3.1 Evidence was collected from a variety of sources:

#### **3.2 Briefing Session**

3.2.1 A briefing session was held early into the evidence gathering process that apprised the Panel of a number of background documents around the subject matter of Community Infrastructure Levy (CIL) and Section 106 Agreements.

#### **3.3 Background data**

3.3.1 A series of key documents:

- [West Northamptonshire Joint Core Strategy Infrastructure Delivery Plan Update 2012](#)
- [Infrastructure Delivery Plan Final Report February 2011](#)
- [A45/M1 J15 NGMS – Memorandum of Understanding – March 2012](#)
- [Section 106 \(S106\) Agreements held – August 2012](#)
- [Potential sources of funding for infrastructure projects](#)
- [West Northamptonshire Water Cycle Study](#)
- [Northampton Level 2 Strategic Flood Risk Assessment](#)
- [Northampton Central Area Drainage Assessment Final Report](#)
- [Affordable Housing Interim Statement](#)
- [Northamptonshire County Council- Flood Prevention Strategy](#)
- [Northampton Borough Council Sports and Playing Pitch Strategy](#)

3.3.2 A briefing note detailing background to CIL. (Appendix B) and a further briefing note providing updates to CIL regarding the meaningful proportion. (Appendix C) were provided as evidence.

#### **3.4 Core Questions**

3.4.1 The Scrutiny Panel produced a series of core questions that it put to key witnesses over a number of meetings. Copy at Appendix D.

3.4.2 Key witnesses provided a response to these core questions at the meetings of the Scrutiny Panel held on 8 November 2012, 10 December, 17 January 2013 and 7 March.

3.4.3 Key points of evidence:-

#### **Head of the Joint Planning Unit (JPU)**

- The Submission West Northamptonshire Joint Core Strategy Local Plan (JCS) and the Northamptonshire Central Area Action Plan, together, set out a vision for the future of Northampton. Delivering the vision is dependent on growth and infrastructure provision.
- The emerging JCS Local Plan identifies 12 Primary Key Infrastructure Projects across West Northamptonshire which if not delivered in a timely manner could hold up the delivery of development or compromise the delivery strategy. Seven of which relate to Northampton Borough.
- Funding of these key infrastructure projects should fall within the Council's identified priorities for funding. These strategic projects includes:
  - Northampton Bus Interchange
  - Castle Station Improvement
  - Northampton Growth Management Scheme (A45/M1 improvements);
  - North West Bypass
  - Sandy Lane Relief Road
  - Improvements to the waste water network for Northampton Town
  - Increased capacity at Great Billing Waste Water Treatment Works
- Funding has been received for the bus interchange and Castle Station.
- A Memorandum of Understanding is in place setting out funding requirements and phasing of the A45/M1 improvements. The timetable of the delivery of the A45/M1 improvements is dependent on which developments are delivered first.
- Waste water and drainage is the responsibility of Anglia Water Services and it will monitor its capacity as developments are delivered. The Environment Agency is also closely involved.
- The transport infrastructure required is assessed according to modeling completed based on evidence obtained by Northamptonshire County Council. New development acts as a trigger for that assessment.
- It is difficult to assign a priority between affordable housing and S106 requirements in advance. It should be undertaken on a site by site basis. Provision may be determined as part of how an overall requirement is being

provided. There may be occasions when insisting on a particular affordable housing percentage could impact upon the viability of a development. Nevertheless, affordable housing is an important priority for Northampton and all efforts should be made to secure what is required to meet need.

- Although the funding gap of £440 million may seem very large it is not unprecedented or unexpected. There are several places which are facing larger gaps.
- Finance will have to be concentrated on key priorities and as many funding sources as possible identified.
- The submitted JCS policy advises that developers will need to demonstrate that the provision of the necessary infrastructure will be made within an appropriate timescale.
- The West Northamptonshire partner authorities are working together closely to identify early master planning matters.
- A steering group is looking at how CIL (Community Infrastructure Levy) might be implemented.
- Government consultation is ongoing regarding the level of meaningful proportion of CIL that should be directed to the local community in which new development is located.

### **Highways Authority, Northamptonshire County Council**

- Key priorities are the primary infrastructure projects that have been identified as part of the Joint Core Strategy. As the Highways Authority, Northamptonshire County Council (NCC), looks at any potential development impact by creating traffic modeling based on projected vehicle movements etc. and identifies potential measures that might be introduced to mitigate them. Developers can only be asked to mitigate against the impacts that their development creates and not to mitigate against natural growth. In other words to maintain the status quo at time of application/development. NCC is responsible for maintaining a strategic overview of the whole highway network.
- NCC works with Borough and District Council partners to ensure a viable network. Local and strategic networks need to work together.
- Prioritisation is complex and although a general principle will be chronological order, sometimes previously unforeseen opportunities develop that need to be explored.
- The works around the Guildhall, widening of Swan Street and St John's are a Growing Places Fund scheme, of just under £1 million in value.
- The town is expanding. There is a finite amount of space available for the expansion of roads. There are areas of town which do come close to reaching

traffic capacity; however, this is predominantly at peak times during the day. In tackling the growth of the town and associated growth in traffic then changes in the way that people regard car journeys will need to change but this will not transpire overnight.

- Widespread consultation is undertaken on the Local Transport Plan, with a series of public workshops.
- Although NCC does have strategic responsibility for highways and transport, it doesn't for the overall planning and development and as such it has to be aware of the localism agenda and the need to make sure that funding goes to the appropriate area.

### **Highways Agency (HA)**

- Plans to deliver considerable housing and employment growth have been evolving over the past few years as part of the development of a West Northamptonshire Joint Core Strategy (WNJCS). Ensuring that the appropriate transport infrastructure is in place to accommodate these aspirations is important. To assist the planning authorities to address this, and in response to approaches from the local authorities in the area, the Highways Agency (HA) has been working with the West Northamptonshire Joint Planning Unit (WNJPU), the Local Planning Authorities in West Northamptonshire and NCC to understand the scale and location of development proposed, and to advise them about the implications of new development on the operation of the SRN and the need for measures to safeguard its future operation.
- Through this process and the study work undertaken by the HA itself, the HA has been able to identify appropriate and deliverable SRN transport measures for inclusion in the WNJCS and IDP, together with requisite funding and delivery mechanisms. These include measures on the A45 around Northampton known as the Northampton Growth management Scheme (NGMS), improvements to junctions on the A43 to be provided directly by developers and an improvement at the A5/A45 junction, to be delivered through the Growing Places Fund but also to be ultimately funded by developer contributions.
- Given the HA's remit is focused on the SRN, its priority given to delivering SRN measures required to support the WNJCS, including where relevant, developer contributions, provided either through planning condition or Section 106/CIL. It nevertheless seeks to take into consideration viability and resource constraints.
- In engaging with the West Northants local authorities, the HA has sought to be open about its own sources of funding and government expenditure programmes. The government has recently announced a new Pinch Point

Programme and funding has been allocated from this programme to deliver an improvement at the A5/A43 Tove roundabout. The HA is keen to work with the West Northants local authorities to investigate all possible funding sources that could support delivery of enhanced transport facilities in the area.

- The transport network, and particularly the SRN, can be impacted by development over a wide area. The HA therefore considers it important to identify transparent and clear mechanisms to enable the infrastructure required to support development to be brought forward. HA has worked with local authorities in the Northampton area and West Northants Development Corporation to develop a Memorandum of Understanding (MoU) to provide an agreed basis for supporting the funding and delivery of the A45 Northampton Growth Management Scheme (NGMS) using developer contributions.
- The implementation of the NGMS will be managed by the HA and is expected to take place in stages as funding is identified. Works will be coordinated between the HA and NCC through agreements under the Highways Act 1980 as necessary. This process will be subject to on-going review by the HA and reported to the parties on a regular basis. Provision is also included within the MoU for it to be reviewed as and when CIL proposals for the area are clarified.
- The HA considers that it is important for CIL to support both local and strategic requirements that arise as a result of development. Given the funding gap identified in the West Northamptonshire Joint Core Strategy Infrastructure Delivery Plan Update 2012, the HA anticipates that a prioritisation of infrastructure requirements will need to take place on an on-going basis and will wish to be closely involved in this process with the aim of ensuring that the requirements of the SRN are fully considered.
- It appears that CIL alone will not deliver all infrastructure requirements and there will be a need for alternative funding sources such as future Pinch Point Programmes or innovative solutions like Northants County Council is exploring.

**Action Project Manager, Business Development, Capital Programme Manager and Strategic Planning Manager, Northamptonshire County Council (NCC)**

- Over the last five years there has been a 19% increase in the number of under 5's. This is looking to be a sustained growth. The greatest pressure in the county is in Northampton town.
- Three key reasons for the growth:

- Since 2008 large scale housing developments have reduced, but smaller scale developments has been continuing.
  - A national rise in the birth rate that is reflected in Northamptonshire.
  - A rise in in-migration in Northamptonshire. A majority is from migrants into the country, but there is also inward migration from other counties.
- The admissions team looks at projections to predict the number of students who will require places. In some cases, preferences made by parents do not necessarily reflect the schools that are in the closest locations. When predicting places required, the admissions team tries to place children in the nearest locations in order to minimise transport journeys.
  - Resources for capital works, in order to provide sufficient places, come from both central Government, in the form of a grant based on numbers of spaces required, and monies raised by S106 contributions. In 2011/2012, the basic needs grant was £6.5 million, funding levels for 2013/2014 will not be known until January 2013.
  - The capital maintenance grant was £9.5 million for 2012/2013. This money was mainly spent on extending school premises. There was also a £20 million programme which was spent on a programme of refurbishment of schools with severe maintenance issues. If additional space is required, the first approach is usually to extend existing school premises. The cost of providing a completely new school is more costly and requires new leadership and staffing.
  - The admissions team is consulted about every development of more than ten houses. Normally demand generated from smaller developments should be able to be absorbed in existing capacity.
  - There is a changing trend in where people are living. Historically, families moved out of the town centre as they grew in size, recently more people are continuing to live in the town centre.
  - Development funding only takes primary stage education into account. Potentially, there is a corresponding deficit when those primary children reach secondary school age.
  - When assessing the numbers of school places that are likely to be required as a result of any particular development then an assessment is made of the number and types of dwelling. There are surveys which provide a formula which gives an average number of potential students arising from different types of dwelling.
  - There is a significant funding gap. Finances will be unlikely to be sufficient to build a new school which is why extending capacity of existing schools is a preferred option. Should significant developments warrant new schools, build timing is considered very carefully. If schools open before developments are complete there tends to be a trend of them taking pupils from neighbouring

schools which can mean that when developments are complete there are not any spaces available for local children.

- It is vital to continue to encourage development and try to ensure developments take place and developers are able to deliver viable schemes. Partners need to be fully involved in order to ensure that this happens.
- There is still some limited capacity in secondary schools. The increasingly steady growth in primary numbers means this will be an issue in future.
- All sites that are still in county ownership are being re-examined, alongside other sites that may be suitable for conversion to school premises.
- There has been a major increase in inward migration in recent years. Over the last two to three years there has been a sevenfold increase in the number migrating to the county. This can be hard to predict. Overall, there have been 1,200 additional movements in schools in Northamptonshire. On average, there are 9,000-10,000 primary place requirements and a similar number of secondary places.
- Within Northampton, many existing schools have been Private Finance Initiative (PFI) funded, new schools will be academies. No distinction is made in terms of how funding is set up, just the number of spaces available. The only impact being that it is more complex to amend PFI agreements as contracts need to be renegotiated.
- During the previous decade, there was a national policy of reducing the number of surplus school places. As Northampton has converted from the three to two tier system there are a number of original middle school sites which have closed. The value of these sites has decreased during the recession, but they are all being re-evaluated in terms of considering whether they should be sold or the potential reuse of the site.

#### **Head of Estates, Milton Keynes and Northamptonshire Primary Care Trust (PCT)**

- There are 77 GP surgeries across Northampton each with an average 1,800 patient list. It is anticipated that for every 500 new dwellings there is the need for an additional GP and supporting primary care infrastructure.
- On average, patient numbers from small developments (fewer than ten new properties) can be absorbed into existing GP practices.
- There may be certain geographical concentrations whereby certain GP practices cannot take on additional patients without extra investment in their premises, such as, another consulting room and supporting ancillary accommodation, and ideally additional car parking space.
- In respect of large housing developments (upwards of circa 1300 dwellings), the PCT would prefer if the Council, in discussion with developers, factored in a 'turn key' ready to occupy health centre based around the set GP/patient

multiplier. On average a new GP surgery would require land of between 0.75 – 1.0 acres.

- It is preferred that funding for primary health care provision is secured early in the development. On average, it takes around one year to plan and one year to build a new GP surgery.
- The PCT will not usually request a S106 contribution in respect of social housing. Across different counties within Northamptonshire, Councils use a 'roof funding formulae'; which gives the PCT a greater degree of certainty in forward premises planning.
- From April 2013, Northampton General Hospital will negotiate any increase in patient activity directly with the Nene Clinical Commissioning Group.
- The management of primary health care is undergoing significant re-organisation, locally and nationally.
- NHS Northampton has re-commissioned its Estates Strategy which will address the projected housing trajectory (where known) across Northampton. Future allocation of Community Infrastructure (CIL) and Section 106 money will only make a contribution to the planned expansion of primary care premises locally. This Strategy will form part of the supporting case for additional NHS resources.

### **Construction Futures**

- Construction Futures was set up with the aim of tackling unemployment, particularly youth unemployment.
- A lack of available skills locally and employers' reluctance to invest in apprenticeship and training opportunities for young people was identified in the construction industry. There were poor links between the industry and schools with perceived barriers for some groups, such as women or ethnic minorities wishing to enter the industry.
- Construction Futures helps Local Authorities create training and apprenticeships on new developments by using planning and procurement policies to secure opportunities. It brings properly accredited skills into the industry and helps to ensure local people benefit from new developments and helps to balance the supply and demand of labour; ensuring opportunities are allocated on an equitable basis.
- Construction Futures makes assessments regarding the number of training opportunities that developments may provide and matches the relevant applicant to the training. These training requirements can then be made part of the required legal process i.e. delivered through Section 106 agreements.
- Construction Futures has been included in 40 legal agreements, including a range of development types. A contribution of £97 per dwelling has been secured and over 2,300 training weeks secured in Northampton; 1,300 weeks have been delivered.

- Previously, candidates had to pass academic tests in order to be accepted for training. Construction Futures' scheme does not use educational attainment as criteria, but commitment to the process and personal development. The time taken to obtain an NVQ varies dependent on the individual, but it is usually around a year.
- Construction Futures offers training in a range of construction related skills and works closely with developers to identify required skills.
- Construction Futures keeps an on-going record of participants so that they can track the future careers of the participants. Generally, students who have been on work placements do better in their college achievements. Nationally, only about a third of participants stay in the construction industry, but those who have participated in the Construction Futures programme have a higher success rate.

Briefing note with further details at Appendix E.

### **Cabinet Member (Housing) and Director of Housing, Northampton Borough Council**

- Affordable housing priorities are within the Council's Housing Strategy. The Strategy is considered by a cross party group who assess predicted needs and development opportunities. Affordable housing is defined as that which is made available at between 60 and 80% of market value.
- Delivery of affordable housing is achieved mainly through Housing Association partners. There have been recent changes in the way that the Housing Revenue Account (HRA) funding operates. In *the* business plan there are funds for new build 2015.
- The Council has a target to provide 150 affordable homes each year, from 2013/14. These homes were previously provided through Housing Association partners or Registered Social Landlords (RSL) using Section 106 monies, and direct government grant funding. The recent changes in this area means this is may not be possible as grant rates are changing Housing Associations are exploring other methods of funding and may fund more directly.
- Changes denote it will be very difficult to provide affordable housing within the Community Infrastructure Levy (CIL). If CIL is set too high it will damage the viability of development schemes to deliver any affordable housing, particularly in times of recession. The percentage delivered could not then be guaranteed.
- There are interdependencies regarding infrastructure requirements as if houses are not built, there will not be as high an increase in demand for infrastructure services.

- If new affordable homes are not delivered, the Council will have to use expensive bed and breakfast accommodation or temporary accommodation
- Demand for affordable housing is likely to increase. The Localism Act, the slow-down in new building, difficult economic climate and changes to Welfare Reform are all likely to increase demand for all forms of affordable housing.
- The current HRA business plan allows for 40 homes a year to be built once the decent homes programme has been completed with the first ones starting in 2014/15.
- There are proposals under consideration to use private sector investment to supply affordable homes. The Council will manage the properties, paid for by private investment companies, and there will be an agreement to buy the properties at a point in the future.
- Agreements are made with many partners to ensure the provision of affordable housing wherever possible.
- The Council has a Joint Nominations Agreement with Daventry District Council that enables Northampton to have 100% of the nominations on all the affordable homes built on the Sustainable Urban Extensions; this has been agreed by the Cabinets of both Councils. Negotiations are also taking place with South Northants Council on a similar basis.

### **Homes and Communities Agency (HCA)**

- Significant work appears to have been undertaken to identify the quantum, timing and cost of infrastructure requirement to support development in and around Northampton. The Joint Core Strategy Infrastructure Delivery Plan and Schedules sets out the vision, challenge and requirements. Some of the key points relating to determining funding priorities have already been identified.
- Key factors:
  - to maintain a frequently updated and detailed housing/employment site delivery trajectories as this will underpin infrastructure requirements and phasing.
  - to understand which infrastructure items could potentially stall or block development (e.g. through grampian conditions) and work pro-actively with responsible delivery authorities to deliver these infrastructure requirements in a timely fashion, identifying sources of funding, including developer contributions via planning obligations or Community Infrastructure Levy (CIL).
  - Work appears to have been done to classify infrastructure as key primary infrastructure secondary or tertiary. This should help in

assessing whether items should be delivered via planning obligations or whether contributions should be sought via a CIL charge. The Infrastructure Delivery Plan leaves this decision to the various Charging/Collecting Authorities. Given the nature of some of the more strategic infrastructure items, Charging Authorities may need to work together to ensure that these priorities are aligned and to determine whether combined CIL charges will meet any funding gap. Regulation 122 prevents pooling of more than five planning obligations to a particular infrastructure project or type of infrastructure. Some co-ordination on CIL priority projects will be required if funding contributions are to be made available from more than one Charging Authority.

- Where infrastructure delivery is funded by more than one Charging Authority it may also be pertinent to consider timing of payments for example where charging Authorities decide to introduce an instalment policy. This may help ensure that CIL funding contributions are available in a timely fashion.
  - The Infrastructure Development Plan (IDP) will be updated annually, which will be a necessity to ensure that priorities are continually aligned with changes in development priorities or pace of development. Flexibility to re-prioritise accordingly will be important.
  - Statutory obligations are also likely to affect delivery priorities.
  - There will be conflicting priorities as there are a number of potential delivery agencies (local authorities, Highways Agency, PCT/Clinical Commissioning Groups etc.). Phasing of projects could to help alleviate this.
- A balanced approach is recommended to deliver affordable housing requirements but with a CIL charge that has due regard to economic viability. If a CIL charge is set too high, negotiation will be around contributions such as affordable housing and other S106 obligations. Developers will seek Social Housing Relief on the qualifying part of the development, so this would need to be modelled as part of the viability work when determining a CIL charge.
  - Delivery of a balanced, sustainable development will be important and robust modelling will be required to understand the impacts of various levels of charge. Different rates can be applied for different zones (e.g. greenfield, brownfield, or geographical zones where development values may differ) or to different end uses.
  - The HCA's Area Wide Viability Model could potentially be useful in understanding some of the impacts of differential charges.
  - Local Authorities and delivery Partners will have a good understanding of their funding streams. Consideration could also be given to initiatives which

provide revolving funds where this could help development by forward funding infrastructure requirements (e.g. Growing Places Fund).

- Joint working when drawing up Charging Schedules; joint review of Infrastructure Delivery Plans and housing/employment delivery performance / development trajectories, could be helpful in ensuring proper cross boundary funding of key infrastructure
- There is a balance to be struck and this would need to be determined by each Charging Authority. An understanding of potential local projects and costs, whether they have a robust business case and governance procedures in place and any impact on revenue budgets will need to be understood.

## **Environment Agency**

- The Environment Agency (EA) acts as a planning advisor (Schedule 5, Articles 16 and 17 of the Town and Country Planning (Development Management Procedure) (England) Order 2010), but is also the regulator for key infrastructure items such as waste water treatment works. Northampton has one waste water treatment works (Billing).
- Future developments need to be planned carefully so that they do not add to the pressures already on the water environment, i.e. flood water resources and increased volumes of sewage effluent that may lead to any compromise in Water Quality. Following the significant flooding to Northampton town centre in Easter 1998 improvements were made to the defences along the River Nene. In order to secure the level of protection afforded by the new defence the standards set for new development (within the Upper Nene catchment) is greater than that required by the National Planning Policy Framework.
- All proposed developments are considered on a site by site basis, with a range of partners. There is a continual review of potential flood water storage/attenuation areas and one area currently being examined is in relation to Billing. There is an enormous cost associated with flooding and many practical, financial and emotional consequences of flooding incidents.
- Responses to requests for consultation on planning development are assessed on a basis of the probability of flooding. The probability of an event is typically defined as the relative frequency of occurrence of that event, out of all possible events. Probability of flooding will be expressed as a percentage and/or an annual chance. For example:
  - a chance i.e. '... a 1 in 100 chance of flooding at that location in any given year' or
  - a probability i.e. '... a 1% annual probability of flooding'.

- The Environment Agency receives numerous reports from local residents expressing their concern at potential local problems. Local residents are very involved in identifying problems and potential solutions. An evidence base on water resources, waste water treatment, water quality and flood risk has been prepared to inform the development of policy throughout the process of producing the Joint Core Strategy. The EA is committed to an on-going working relationship to develop and deliver an integrated approach to water related policy. This approach is essential to ensure that water resources, waste water and flood risk management is taken into account as growth within West Northamptonshire proceeds. The West Northamptonshire Water Cycle Study is a vital piece of evidence supporting the JCS. The Local Flood Risk Management Strategy is also going through the public consultation process. All of the comments received during the consultation period will be analysed, and the draft strategy and associated documents will be amended as appropriate to form the adopted strategy. This will be taken to Cabinet for approval in the summer of 2013. The Environment Agency held records of reported incidences of groundwater flooding. In carrying out its new lead role as the LLFA the County Council's key duties and responsibilities, once all elements of the Flood and Water Management Act (2010) have been enacted will include a power to undertake works to manage flood risk from surface water run-off and groundwater.

### **Anglian Water**

- As identified within the West Northamptonshire Water Cycle Strategy and Northampton Drainage Plan, there are likely to be water and waste water infrastructure costs, covered by the developer that are secured by the Water Industry Act 1991. Surface water infrastructure will also need to be delivered. It is assumed that the developer will provide onsite solutions; there may be a need to fund strategic solutions through planning obligations.
- The water and wastewater infrastructure requirements will be dependent on the location, size and phasing of the development. All sites will require a local connection to the existing sewerage network which may include network upgrades. To enable new developments to connect to existing infrastructure local connections and sewer reinforcements would be funded by developers through the provisions of the Water Industry Act (1991). Upgrades to the Sewage Treatment Works may also be necessary. These are usually planned and funded through Anglian Water's Quinquennial business plan, approved by the economic regulator Ofwat. Additionally, there are likely to be developer contributions required for strategic and local water infrastructure improvements. These costs are calculated based on site specific information including location, phasing and demand.

- The funding of water and wastewater infrastructure identified will be managed within the Water Industry Act 1991 and will not be required to form part of Community Levy Infrastructure (CIL) provisions. The drafted policies require surface water management on site in accordance with the management hierarchy set out within Building Regulations part H and the National Planning Policy Framework Technical Guidance. There may be opportunities to provide more cost effective strategic options which may require funding through planning obligations.
- Early engagement between the developer, Council and relevant authorities (such as the Environment Agency, Northamptonshire County Council and water company) promotes efficiency and helps to understand the requirements for the site and identify a solution that meets the needs of the proposed development whilst operating within environmental limits. Anglian Water provides a [pre-planning service](#) for developers that identifies the need and cost of any upgrades required. This information is compiled specifically to inform the planning process and aid discussions on viability. Co-ordinated pre-application discussions will reduce the uncertainty regarding the provision of infrastructure to support growth and ensure all parties are fully informed.
- Planning strategically and ensuring infrastructure is not delivered in isolation is likely to result in economies of scale. Anglian Water endorses the work completed to assess drainage requirements at catchment level. Masterplanning could be promoted in order to reduce the risk of piecemeal delivery and allow parcels to be implemented in accordance with an approved strategy.
- The evidence compiled to inform the Joint Core Strategy and Central Area Action Plan, the Water Cycle Strategy and Northampton Drainage Plan respectively, has developed a strong partnership in West Northamptonshire on water issues. This partnership and close working arrangements needs to continue in order to ensure adequate water, wastewater and surface water infrastructure is delivered in parallel with the proposed growth.
- In the case of drainage infrastructure, local solutions may alleviate pressure on strategic infrastructure. Accordingly the timing or extent of necessary strategic infrastructure may be impacted by expenditure at a local level.

## **Western Power**

- Infrastructure improvements are put in place through a cost supporting factor, which means that the customer is required to pay a percentage of the cost of providing the infrastructure. This upgraded infrastructure cost via new load activity can be “clawed back” by subsequent users over a five year period. Actual levels of contribution vary depending on what is required.

- An internal funding system for slow growth provision and replacement of infrastructure is in place. Both of are monitored annually. Currently there is excess capacity. The level of this varies dependent on geographical areas, for example the Swan Valley Infrastructure has good capacity as it was built at a time of economic prosperity and has not attracted as much business as it was designed to accommodate.
- Certain large scale users, such as Carlsberg, have been upgraded at their cost. The next grid site due to be upgraded is that near Avon.
- Infrastructure is now made up of a series of smaller generation points (private assets). There are a number of circuit sites around town, most of which could be boosted if demand required. All capacity is assessed on a rolling 10-20 year programme. Location will determine the type of “asset”, in a town centre the largest asset possible will always be included.
- Over time the type of usage has changed there is less industrial/commercial usage and more domestic.
- There is sufficient capacity regarding the Moulton/ Overstone area but there are some problems in achieving direct delivery, although work is on-going in the area.
- In the main, additional demand generated from small scale developments can be incorporated into the existing systems, however, these developments are monitored through the slow growth process to determine when capacity may be reached. Kingsthorpe is the latest area where this applies, and this peak point will be dealt with this year.
- There are also issues concerning the growth of solar power, which requires management in order to balance the generation and use of energy. There have been over 500 enquiries from the Kings Heath area and it will require the building of bigger assets to distribute the generated capacity.

### **Northamptonshire Police**

- Priorities should be determined by the local community. All service providers have been going through difficult economic times. The Police Force has the additional difficulty of being unable to generate income.
- Locally generated funding should be spent locally. Under Section 17 of the Crime and Disorder Act, the Borough Council has a responsibility to reduce crime and disorder. Many of the organisations that would have previously participated in delivering that have also experienced reductions in funding and have withdrawn their assistance.
- The Police supports good examples of delivering improvements that are value for money i.e. examples of self-policing and new developments which are secure by design.

- The Police supports any opportunities that can be generated through Section 106 monies to provide shared spaces in public buildings or fund specific items such as Police Community Support Officers to provide a police presence from the moment building commences, and the site becomes a crime attractor, to the point at which other revenue streams, such as council tax precept, come into effect.
- Whilst the provision of affordable housing is not a function of the Police, it emphasises the need to make sure that any form of social housing is properly integrated. The most efficient communities will be safer and more sustainable.
- There is a national formula which is used to determine the amount of funding required for new development, however, in the current economic climate Northants Police recognises that it is not reasonable to expect developers to fully meet the cost of policing new developments. Therefore the cost of policing small scale developments will usually be absorbed within existing resources but larger scale developments, which inevitably generate greater amounts of crime, will require contributions from developers to meet the cost of the additional resource requirements.
- Overall, it is vital to make sure that best value is delivered whatever the Infrastructure project and that every aspect is considered by making sure that
  - developments are properly planned and that advice is taken to ensure that crime is designed out.
  - Partnership is vital. All partners need to be involved in planning stages for Infrastructure to design the most efficient and cost effective schemes possible.
  - It is difficult to identify a number which would represent a meaningful proportion as it would depend on the type/size and timing of the development.

**Cabinet Member for Community Engagement, Northampton Borough Council**

- Of the 17 Rugby Union pitches in Northampton, one is provided by Northampton Borough Council. The other facilities belong to Rugby clubs. There is one Rugby League pitch at Duston that is provided by a private club.
- There are four hockey pitches, all run by clubs, and there is no public provision.
- All facilities are well used with most of the pitches and courts fully booked. The need for future facilities is calculated by examining the demographics of local areas. The Leisure Strategy identified that Northampton is very well served by private clubs. There are areas where there is provision which is not necessarily being utilised.
- Some areas and clubs had reported a massive surge in demand since the Olympics 2012. New clubs are given support.

- A comprehensive analysis of requirements associated with the urban extensions has been undertaken.
- Some current leisure provision, such as that at the Lings centre, which has a limited life span, will need to be reviewed in the next 5 –10 years.

### **East Midlands Ambulance Service (EMAS)**

- Funding priorities need to be based on demographic changes and the demand that services are seeing. The ambulance service in Northamptonshire is responding to 6% more calls for help from the public than in 2011/12. This equates to over 92,000 calls during 2011/12 with a predicted 100,000 calls in 2012/13. This increase in demand is against a back drop of tightening budgets and a global increase in demand putting significant pressures on the service to maintain quality, timeliness and patient experience.
- The Trust is currently in the process of an estates restructure targeted at more efficient support for the public and any funding from section 106 and infrastructure projects will be used to support its on-going efforts.
- Provision or prioritisation of affordable housing is not a view the Trust is able to comment upon.
- Where funding is available, it needs to get to the organisations delivering the service, so partnership is essential to ensure that increase in population are supported by appropriate and proportionate increases in emergency service provision.
- Proportionality can be calculated on the basis of costs, predicted demands and current demands. This can also take into account the need to deliver the infrastructure requirements.
- An overarching consideration should be given to patient, public and stakeholder early involvement, engagement and consultation on the plans where there are more details.
- EMAS is committed to working with all of its partners.

### **Northants Fire and Rescue Service (NFRS)**

- Currently Section 106 of the Town and Country Planning Act 1990 allows NFRS to apply for financial or other contributions due to the impact caused on the Service by the growth within the County.
- NFRS adopts a tariff based approach to financial contributions from developers to address the impact of growth on Service provision. The funding formula is based upon population growth and applies to both residential and commercial development.

- The indication to seek section 106 contributions for Fire and Rescue will be outlined in an initial section 106 response sent by the Northamptonshire County Council (NCC) Development Management Team, who co-ordinate section 106 applications for all NCC service areas. The Business Planning Manager will liaise with NCC Development Management Team to ensure the correct tariff is applied. A record of all section 106 applications will be recorded in the S106 Growth Planning Database by the Business Planning team.
- On-going discussions to come to an agreement on any section 106 monies will take place between NCC's Development Management Team/NFRS and the relevant Local Planning Authority and developer, until an agreement is made and signed. The Service Improvement department will co-ordinate this element of work on behalf of the Service.
- Contributions received will provide capital funding to enable the Fire and Rescue Service to maintain its operational standards of response. This is achieved through a combination of prevention and enforcement activity to reduce community risk and through response in implementing changes to fleet, equipment and properties.
- Developer contributions may be used for the capital element of any or all of these, as required to mitigate the impacts of development growth in accordance with the results of risk mapping, data analysis and predictive modelling.
- NFRS strongly advocates the installation of fire suppression systems in all commercial buildings and in high risk residential accommodation. Where developers are prepared to install these systems, NFRS would negotiate on the tariff to reflect the reduction in community risk.
- All new developments require the installation of fire hydrants. Whilst each development requires a risk based assessment for hydrant provision, on average, one fire hydrant is required for every 50 properties. The cost to install a fire hydrant is currently £834, which equates to a cost of £16.68 per residential dwelling or approximately £16.68 per 100 sq. m of commercial building
- The capital contribution for hydrants can be secured through a planning obligation, it is the preference of NFRS that fire hydrants should be designed into the development at the master-plan stage and enforced through a planning condition.

### **3.5 Presentation – Huntingdonshire District Council on the Community Infrastructure Levy (CIL) in practice – A Local Authority's perspective**

3.5.1 The Scrutiny Panel received a comprehensive presentation from the Assistant Director of Environment, Growth and Planning and the Implementation Team

Leader from Huntingdonshire District Council, on its CIL process on 7 March 2013. Key points:

- Huntingdonshire District Council (HDC) has already implemented the Community Infrastructure Levy (CIL) system. It is now able to collect monies from smaller developments which had not previously had to make Section 106 payments. It felt that this bought the amount of money available via CIL to approximately that previously made available by Section 106 monies.
- Determining and administering CIL needs to be a corporate exercise for the whole Council, not just planning services, with required adequate administrative support, which HDC stated can be taken at 5% of monies collected.
- The process of introducing CIL has taken two years, which has been longer than anticipated, much in part to the changing regulations when the process was undertaken. The process needed to be properly resourced.
- It is clear that there is more infrastructure need in the district than CIL monies that will be received to be spent on infrastructure within the area. There will be further clarification from the Government on how monies can be used regarding the meaningful contribution to be given to Parish and Town Councils.
- HDC has been working with its Parish Councils to ensure that the full local infrastructure needs are known and to support the Parish and Town Councils in making their decision on how their meaningful proportion should be spent, which may include contributing it towards larger infrastructure projects in the parish area

#### **4 Equality Impact Assessment**

- 4.1 Overview and Scrutiny ensures that it adheres to the Council's statutory duty to provide the public with access to Scrutiny Reports/agendas/minutes and other such documents. Meetings of the Overview and Scrutiny/Scrutiny Panels are widely publicised, i.e.: on the Council's website, copies issues to the local media and paper copies available in the Council's One Stop Shop and local libraries.
- 4.2 The Scrutiny Panel was mindful of the eight protected characteristics when undertaking scrutiny activity so that any recommendations that it made could identify potential positive and negative impacts on any particular sector of the community. This was borne in mind as the Scrutiny Review progressed and evidence gathered.
- 4.3 Any possible recommended changes may have perceived adverse and beneficial effects for all diversity groups.

- 4.4 In order that the Scrutiny Panel obtains a variety of views, a number of key witnesses provided evidence as detailed in section 3 of this report.
- 4.5 Details of the Equality Impact Assessment undertaken can be obtained from the Overview and Scrutiny [webpage](#).

## 5 **Conclusions and Key Findings**

- 5.1 After all the evidence was collated the following conclusions were drawn:

### **Infrastructure Requirements**

- 5.1.1 The Scrutiny Panel concluded that infrastructure requirements are identified up to 2026, in the West Northamptonshire Joint Core Strategy Infrastructure Delivery Plan, covering the administrative areas of Northampton Borough Council, South Northants Council and Daventry District Council, including:

- Highways
- Drainage/Water management
- Flood defences
- Schools
- Primary Health Care
- Leisure

- 5.1.2 The Scrutiny Panel welcomed that the West Northamptonshire Joint Core Strategy Infrastructure Development Plan will be updated annually, which if realised, is a necessity to ensure that priorities are continually aligned with changes in development priorities or pace of development. It emphasised that flexibility to re-prioritise accordingly will be important.

### **Highways**

- 5.1.3 The Scrutiny Panel identified that there is a significant funding gap in respect of the building of highways. Section 106 Agreements and CIL will have to contribute to improvements to the Strategic Highways Network via the A45/M1 Growth Management Scheme. It is recognised that the funding gap remains challenging for growth beyond 2026 and further work will have to be undertaken in this area.

## **Joint working and early engagement**

- 5.1.4 The evidence gathered accentuated the need for joint working, in particular, joint working when drawing up charging schedules; joint review of Infrastructure Delivery Plans and housing/employment delivery performance / development trajectories, could be helpful in ensuring proper cross boundary funding of key infrastructure. The need for all partners to be involved in planning stages for infrastructure to design the most efficient and cost effective schemes as possible was highlighted.
- 5.1.5 The evidence gathered identified the need for early engagement between the developer, Council and relevant authorities (such as the Environment Agency, Northamptonshire County Council and water company) to promote efficiency, help to understand the requirements for the site and identify a solution that meets the needs of the proposed development whilst operating within environmental limits.

## **Schools**

- 5.1.6 The Scrutiny Panel noted that it is vital to continue to encourage development and try to ensure developments take place and developers are able to deliver viable schemes. The importance of partnership involvement in order to make this happen was realised. It was further realised that there is some capacity in secondary schools, but the increasingly steady growth in primary numbers means this will be an issue in the future.
- 5.1.7 The evidence gathered highlighted a major increase in inward migration. There is a requirement for more school places in Northampton.

## **Drainage/Water management**

### **Flood defences**

- 5.1.8 The evidence collected identified that future developments need to be planned carefully so that they do not add to the pressures already on the water environment, i.e. flood water resources and increased volumes of sewage effluent that may lead to any compromise in water quality.
- 5.1.9 It was recognised that the funding of water and wastewater infrastructure identified, will be managed within the Water Industry Act 1991 and will not be required to form part of CIL provisions.

## **Western Power**

- 5.1.10 The Scrutiny Panel highlighted that Western Power's infrastructure improvements are put in place through a cost supporting factor, which means that the customer is required to pay a percentage of the cost of providing the infrastructure. This upgraded infrastructure cost via new load activity can be "clawed back" by subsequent users over a five year period.

## **Policing**

- 5.1.11 The Scrutiny Panel noted that generally, small scale development can be absorbed within existing Policing resources but larger scale developments generate additional policing resource requirements.
- 5.1.12 The Police would welcome any opportunity to occupy shared spaces in public buildings.

## **Leisure**

- 5.1.13 The Scrutiny Panel was pleased to note that all leisure facilities are well used, with most of the pitches and courts fully booked. However, some current leisure provision, such as that at the Lings Centre, which has a limited life span, will need to be reviewed in the next 5-10 years.

## **Primary Health Care**

- 5.1.14 It was acknowledged that the Trust, East Midlands Ambulance Service (EMAS) is currently in the process of an estates restructure targeted at more efficient support to the public. Any funding from Section 106 and infrastructure projects will be used to support its on-going effects.
- 5.1.15 The evidence gathered identified that for large housing developments, Milton Keynes and Northamptonshire Primary Care Trust (PCT) would prefer a 'turn key' ready to occupy a health centre.
- 5.1.16 Location of new facilities should be planned to ensure connectivity within new and existing communities.

## **Funding gap**

- 5.1.17 In noting the infrastructure funding gap of £439.6 million as identified in the Infrastructure Delivery Plan, the Scrutiny Panel concluded that infrastructure cannot be totally funded through Section 106 Agreements or Community Infrastructure Levy (CIL) and that other sources of funding are required.

## **Section 106 Agreements**

- 5.1.18 Currently, Section 106 delivers contributions to strategic infrastructure requirements, as well as site specific requirements.
- 5.1.19 Section 106 is managed through the Section 106 Board and projects. The infrastructure is delivered through Northampton Borough Council or Northamptonshire County Council's capital programme. S106 Agreements will still be used for on-site mitigation following the introduction of CIL.

## **Community Infrastructure Levy (CIL)**

- 5.1.20 The Scrutiny Panel realised that although it was in no way anticipated that CIL will be adopted throughout the country, Section 106 arrangements will change in 2014, which will restrict the pooling of S106 agreements to five for any one type of infrastructure or infrastructure project. The advantage of CIL is that it allows flexibility on where it can be spent as it does not have to be in the same locality as the development.
- 5.1.21 The Scrutiny Panel acknowledged that a recent Government speech, January 2013, made it clearer as to the proposed level of meaningful proportion of CIL to be spent in the local area. Figures indicated a 15% levy, within Parished areas, up to £100 per existing household, with that percentage rising to 25% if there was a local neighbourhood plan has been adopted, with no upper cap. This was a much higher figure than had previously been anticipated.
- 5.1.22 The evidence gathered highlighted that determining and administering CIL needs to be a corporate exercise for the whole Council, not just planning services, with required adequate administrative support. The Scrutiny Panel emphasised that the process of introducing CIL needs to be properly resourced.
- 5.1.23 The Joint Planning Unit is looking at how CIL will be implemented across West Northamptonshire.
- 5.1.24 The Scrutiny Panel acknowledged that in order to deliver schools, CIL is the only realistic method to deliver secondary schools.

## **Affordable Housing**

- 5.1.25 The evidence received alluded to a potential shortfall in affordable housing once CIL is introduced. This was of particular concern to the Scrutiny Panel

because affordable housing provision is a Council priority. The Scrutiny Panel was concerned that the amount of affordable housing may fall.

- 5.1.26 The Scrutiny Panel realised that the demand for affordable housing is likely to increase. The Localism Act, the slow-down in new building, difficult economic climate and changes to Welfare Reform are likely to increase demand for all forms of affordable housing. If new affordable homes are not delivered, the Council may have to use expensive bed and breakfast accommodation and temporary accommodation.

## **6 Recommendations**

6.1 The purpose of this Scrutiny Panel was:

- To identify the infrastructure requirements to Northampton and the surrounding areas
- To evaluate how the infrastructure will be delivered through Section 106 Agreements/Community Infrastructure Levy (CIL)
- To identify any funding gaps and how these will be filled
- To understand the management of S106 funding

Scrutiny Panel 3 recommends to Cabinet that:

### **Infrastructure Requirements**

- 6.1.1 The Scrutiny Panel formally informs Cabinet that it is satisfied that the infrastructure requirements are identified in the West Northamptonshire Joint Core Strategy Infrastructure Delivery Plan up to 2026.
- 6.1.2 Infrastructure cannot be totally funded through Section 106 Agreements or Community Infrastructure Levy (CIL). Cabinet investigates other funding sources to meet the funding gap of £439.6 million.
- 6.1.3 It is ensured that the North West Bypass is fully funded and built, when required, to serve new developments and that appropriate arrangements are agreed with South Northants Council and Daventry District Council to ensure funding CIL infrastructure is given priority across the partnership.
- 6.1.4 Section 106 Agreements and CIL contribute to improvements to the Strategic Highways Network via the A45/M1 Growth Management Strategies.

### **Affordable Housing**

- 6.1.5 Cabinet satisfies itself that the introduction of Community Infrastructure Levy (CIL) will not have an adverse impact on the provision of affordable housing; whilst recognising that the existing S106 Policy allows for flexibility in accordance with Government Policy.
- 6.1.6 Cabinet recognises that the introduction of CIL will have corporate implications and these must be identified and addressed.

### **Overview and Scrutiny Committee**

- 6.1.7 The Overview and Scrutiny Committee, as part of its monitoring regime, reviews the impact of this report in six months' time.

## **Appendices**



## OVERVIEW AND SCRUTINY

### SCRUTINY PANEL 3 – Infrastructure Requirement and S106 Agreements

#### 1. Purpose/Objectives of the Review

- To identify the infrastructure requirements to Northampton and the surrounding areas
- To evaluate how the infrastructure will be delivered through Section 106 Agreements/Community Infrastructure Levy (CIL)
- To identify any funding gaps and how these will be filled
- To understand the management of S106 funding

#### 2. Outcomes Required

- An understanding of the requirements and how there are going to be delivered via developer or other funding streams

#### 3. Information Required

**Background data** purpose and scope of S106 Agreements and introduction to CIL  
Joint Core Strategy Infrastructure Schedule  
Central Area Action Plan Infrastructure Schedule  
Sources of funding for infrastructure  
Table of existing NBC S106 obligation monies and information relating to NCC and WNDC S106 monies  
Developer Obligations Supplementary Planning Document  
Future provision of skills and training programmes  
Affordable housing  
Memorandum of Understanding for the Growth Management Scheme for the A45/M1  
Sports and Playing Pitch Strategy  
Map: defended and undefended areas  
Drainage Strategy (summary)  
A copy of a Section 106 Agreement

Desktop research – best practice elsewhere

**Witness Evidence:** Utilities – Gas, Water, Electricity and Sewerage Providers  
Assistant Director of Education Services, NCC  
Childcare providers  
Developer  
Homes and Communities Agency  
Housing Strategy Manager, NBC  
Nene Commissioning  
General Manager, Construction Futures  
Assistant Director of Highways, NCC  
Assistant Director of Environment, NCC  
Highways Agency  
Assistant Chief Constable, Northants Police  
S106 Officer, NBC

**Site Visit:** Examples of infrastructure that has been constructed

#### **4. Format of Information**

- Mini training session on a Section 106 – 5<sup>th</sup> September 2012 – 6.30pm to 8pm
- Site visits
- Officer briefings and reports
- Witness evidence – verbal and written

#### **5. Methods Used to Gather Information**

- Minutes of meetings
- Briefing session
- Desktop research
- Site Visits (if applicable)
- Officer reports
- Presentations
- Examples of best practice external to Northampton
- Witness Evidence as detailed in Section 3 of this Scope

#### **6. Co-Options to the Review**

Chair, or their nominated member, of the relevant Scrutiny Committee, NCC, be approached to be co opted to this Review.

Chair, or their nominated member, of the relevant Scrutiny Committee, Daventry District Council, be approached to be co opted to this Review.

Chair, or their nominated member, of the relevant Scrutiny Committee, South Northants Council, be approached to be co opted to this Review.

## **7 Equality Impact Screening Assessment**

- An Equality Impact Screening Assessment to be undertaken on the scope of the Review

## **8 Evidence gathering Timetable**

July 2012 to March 2013

- 19<sup>th</sup> July 2012            Scoping Meeting
- 26 September 2012    Evidence gathering
- 8<sup>th</sup> November            Evidence gathering
- 13<sup>th</sup> December          Evidence gathering
- 17<sup>th</sup> January 2013      Evidence gathering
- 7<sup>th</sup> March                 Chair's draft report

Various site visits will be programmed during this period if required.

Meetings to commence at 6.00 pm

## **7. Responsible Officers**

Lead Officer            Sue Bridge, Head of Planning

Co-ordinator           Tracy Tiff, Scrutiny Officer

## **8. Resources and Budgets**

Sue Bridge, Head of Planning, to provide internal advice.

## **9 Final report presented by:**

Completed by 7<sup>th</sup> March 2013. Presented by the Chair of the Panel to the Overview and Scrutiny Committee and then to Cabinet.

## **10 Monitoring procedure:**

Review the impact of the report after six months after receipt of Cabinet's response (Approximately January/February 2014)



## **NORTHAMPTON BOROUGH COUNCIL**

**Appendix B**

### **OVERVIEW AND SCRUTINY**

#### **SCRUTINY PANEL 3 – INFRASTRUCTURE REQUIREMENTS AND S106 AGREEMENTS**

##### **BRIEFING NOTE: DESKTOP RESEARCH – COMMUNITY INFRASTRUCTURE LEVY (CIL)**

### **1 Introduction**

- 1.1 The Panel, at its inaugural scoping meeting, agreed that as part of the evidence gathering process desktop research would be undertaken regarding Local Authorities that had already introduced Community Infrastructure Levy (CIL).
- 1.2 The purpose of CIL is to provide a fair and transparent means for ensuring that development contributes to the cost of infrastructure required to support development.
- 1.3 The Planning Advisory Service (PAS) advises that there are many ways to approach setting a Community Infrastructure Levy (CIL), dependent upon the starting point and circumstances, and has published a suggested approach:
  - Show the amount of development that you are intending to put in your strategy (or is already in an adopted strategy) on a map.
  - Overlay a 'heat map' of the values of the different key development uses e.g. housing. This will help you (and your consultants) to understand where your focus should be. It will assist you in terms of what rate/s you start testing and how much differentiation is relevant. If the vast majority of your future development is all in one area, or in areas of a similar value, this will indicate that no differentiation is required. If you are undertaking your plan making and site allocation at the same time as your CIL it may help you make decisions on the deliverability of potential sites.
  - Start with a CIL rate or rates that you have estimated based on the values from your heat map and test in terms of all the other costs (s106, affordable housing, carbon reduction etc.) and for all your key uses. Then differentiate up and down from that rate. If you are preparing your plan at the same time you may need to try different combinations of CIL rate and policy levels (costs).
  - Involve councillors and management team. Make sure that they understand CIL and involve them in setting the rate, the balance

between different costs and the level of risk (the balance between maximising CIL revenue for infrastructure and risking development delivery).

- Engage with developers, agents and landowners that have knowledge of, and an interest in your area, at an early stage to test your assumptions.
- Using your infrastructure delivery plan and following engagement with developers, identify a draft regulation 123 list and identify how you could balance your CIL with s106 and affordable housing policies and test that with councillors and the relevant stakeholders.
- Be prepared, and prepare your consultant, to undertake a number of sensitivity tests and iterations at each stage in the preparation of your CIL (viability evidence, key stakeholder meeting, PDCS, DCS and examinations stages).
- Consider how you will administer your CIL – the more differentiation the more complex the administration.
- Make sure that you are considering governance of CIL at the setting

## **2 Information**

2.1 PAS reports that CIL has been in operation for over two years and that:-

- Six Local Authorities have adopted schedules
- Three have been through examination and have not yet adopted
- A few more Local Authorities are either at examination or about to go to examination.

2.2 PAS provided support to eight Authorities (or groups of Authorities) that were likely to be amongst the first to implement CIL in the form of the Front Runners Project: Each Front Runner has access to a tailored package of support from PAS to help them set a charge for their area. This includes group workshops and good practice advice.

### **List of councils - phase one**

The 'front runners' in the first phase of the Project:

- Newark and Sherwood District Council - CIL adopted
- Shropshire Council - CIL adopted
- Greater London Authority - CIL adopted
- London Borough of Redbridge - CIL adopted
- Colchester Borough Council and Essex County Council - draft charging schedule
- Greater Norwich Development Partnership (GNDP) - draft charging schedule
- Bolton Council
- Mid Devon District Council - preliminary draft charging schedule

2.3 Attached at Appendix A are examples of adopted CILs of Newark and Sherwood District Council and Shropshire Council.

2.4 PAS provided the table below that sets out a summary of adopted rates and levels of consultation response experienced by some of the more advance CIL front runner Local Authorities:

Authority and Link	Adoption date/stage	Finalised Rate/s ( post examination)	Comments	Engagement/consultations Response rates	Comments
<b>Newark and Sherwood:</b> <a href="#">Newark and Sherwood District Council adopted charging schedule, policies and documents</a> – on the NSDC website	Adopted 1 December 2012	Residential 0-£75, 0-£20 commercial, apart from retail £100-£125; and agriculture, community, leisure & sui generis - £0	Complex geographic and rate matrices for commercial and residential	PDCS – 36 responses (nine development industry) DCS 19 (nine development industry)	In addition to the consultation NSDC contacted approximately 35 developers, agents and infrastructure providers.
<b>Shropshire:</b> <a href="#">Shropshire adopted CIL documents including policies</a> – on the Shropshire website	Adopted 1 January 2012	£40 residential in Shrewsbury, the market towns and key settlements, and £80 elsewhere. All other uses £0.		PDCS- 51 responses ( 12 from development industry) DCS Engagement on the working draft of the PDCS prior to formal PDCS including the SHLAA developer panel	The SHLAA Developer Panel raised concerns that the rates proposed in the “Analysis of CIL and Affordable Targets” were too high. Subsequently the Levy rate for Shrewsbury, the market towns and other key centres was reduced to the average contribution rate currently being obtained through section 106 agreements (£40 per square metre).
<b>London Borough of Redbridge:</b> <a href="#">Redbridge CIL adopted including</a>	Adopted 1 January 2012	All uses £70 per sq M	Flat rate +Mayoral rate of £35	PDCS- 14 responses DCS- 8 responses	

<a href="#">Examiners letter</a> – on the Redbridge website					
<b>GLA:</b> <a href="#">The Greater London Authority adopted CIL schedule</a> – on the GLA website	Adopted 1 April 2012	£20, £35 and £50 (3 charging zones)		PDCS- 105 responses DCS- 75 responses	
<b>Portsmouth</b> <a href="#">Portsmouth City Council charging schedule: instalments policy, calculator, infrastructure lists, etc.</a> – on the Portsmouth website	Adopted 1 April 2012	£105 for everything apart from : £53 : A1- A5 ( small), C1 hotels, &C2 residential institutions; £0- B uses & D1 community uses		DCS-10 responses(3) PDCS – 11 responses ( 4 development industry)	No one wanted to be heard in front of an inspector.
<b>Huntingdonshire:</b> <a href="#">Huntingdonshire District Council Community Infrastructure Levy</a> – on the Hunts District Council website	Adopted May 2012	£85 for everything except: small A class (below 500 sq. m) - £40 big retail -£100 class C1 and Health £60 B and the rest of D use £0.		TBC	
<b>Wandsworth:</b> <a href="#">Wandsworth draft charging schedule and examiners letter</a> – on the Wandsworth website	Approved but not yet adopted	Residential £575, £265 ( 9 elms a & b), £0 (Roehampton) and elsewhere £275 Office and A class- 9 elms - £100 All other uses- £0		PDCS- 22 (10 development industry) DCS 22 (9 Development Industry)	1000 letters sent from LDF database
<b>Bristol:</b> <a href="#">Bristol City Council draft Charging Schedule Consultation - approved at examination with no alterations</a> – on the Bristol website	Approved but not yet adopted	Residential - £50-£70 Hotels -£70, Students Accommodation. - £100, retail - £120, B uses, All other residential C and D uses, and 999 operational-£0. Everything		PDCS- 38 responses DCS- 15 responses developers workshop during PDCS to discuss viability appraisal	

		else £50			
<b>Poole:</b> <a href="#">Poole CIL documents - at examination</a> – on the Poole website	Approved but not yet adopted	Residential £75, £100 & £150, Everything else £0			Pre PDCS, Developer and agent -Workshop – 30 invited, 12 attended PDCS 10 developer and agent comments DCS 11 developers and agents
<b>Wycombe:</b> <a href="#">Wycombe District Council draft charging schedule consultation submitted for examination July 2012</a> – on the Wycombe District Council website	Awaiting examiners report	n/a			Engagement of a range of developers, registered local housing providers and development industry stake holders during the original viability work  PDCS- 16-responses (9 from development industry) DCS-22 responses (12 from the development industry)
<b>Havant:</b> <a href="#">Havant Borough Council draft charging schedule</a> – on the Havant council website	Examination (written reps)	n/a			PDCS- 18 (4 development industry) DCS – 6 (+ 1 late) ( 2 development industry)
<b>East Cambridgeshire:</b> <a href="#">East Cambridgeshire District preliminary draft charging schedule</a> – on the East Cambridgeshire District Council	Submitted for examination October 2012	n/a			PDCS- 12 DCS- 12. Following PDCS LA & their viability consultants met individually with several developers.  The meeting post PDCS with developers gave rise to significant changes. No changes were made following DCS.

Authority and Link	Adoption date/stage	Finalised Rate/s ( post examination)	Comments	Engagement/consultations Response rates	Comments
<b>Chelmsford:</b> <a href="#">Chelmsford preliminary draft charging schedule</a> – on the Chelmsford website	DCS imminent	n/a		PDCS 107 comments from 24 respondents Developers workshop particularly on viability assumptions pre PDCS consultation	
<b>Colchester:</b> <a href="#">Colchester draft charging schedule</a> – on the Colchester website	Reviewing DCS following consultation	n/a		PDCS- 12 DCS- 13 to draft Post draft stage developer and councillor workshop	Following the developer and councillor workshop more viability work is being undertaken.
<b>Elmbridge:</b> <a href="#">Elmbridge preliminary draft charging schedule</a> – on the Elmbridge Borough Council website	Considering DCS responses	n/a		PDCS-13 (2 development industry) DCS-16 representation (9 development industry) Housing market partner panel at viability stage.	
<b>Barnet:</b> <a href="#">London Borough of Barnet preliminary draft charging schedule</a> – on the Barnet website	DCS consultation imminent		'single low flat rate' of £135/sqm.... recognises the need to prioritise economic growth in the Borough – Barnet Website	PDCS 27 parties commented 11 attended developers forum Developers invited to a further CIL training session/forum	1200 parties consulted on PDCS and told of the Developers Forum.11
<b>Plymouth:</b> <a href="#">Plymouth Preliminary draft Charging Schedule</a> – on the Plymouth website	Considering DCS responses			PDCS- 22 (14 from the development industry) DCS- 15 (10 from Development industry. Also developers from the Plymouth regeneration forum ( 4 or 5 from the outset) )	

- 2.4 A [draft manual](#) (March 2012) setting out all the main elements of introducing and implementing a CIL has been produced by the London Borough of Redbridge in conjunction with the PAS. Within the manual is a case study of how the London Borough of Redbridge developed and implemented its CIL.

### **Front Runners Project**

- 2.5 The aim of the Front Runners Project is to ensure that all Local Authorities can access useful examples of good practice. PAS will be providing support to all CIL front runners and will use their experiences to inform its events and the information will be shared on the PAS website.
- 2.6 PAS reports that the front runner Local Authorities that have succeeded at examination have rates that range from £0 to £575 per square metre illustrating the local nature of setting a CIL.
- 2.7 In all areas, with the exception of parts of Newark and Sherwood and Roehampton in Wandsworth, residential uses are levying above £0, but there is a range between £575 per square metre on the Thames waterfront at Nine Elms, Wandsworth and £40 per sq metre in Shropshire.
- 2.8 It is noted that it has been fairly common for office and industrial (B use) floorspace to be rated at £0 per square metre reflecting the challenging economic and development climate and often the practical evidence of application numbers submitted for these uses. Only Redbridge, of those that have adopted, has a single flat rate, although others are following their lead. Newark and Sherwood, the first authority to go through examination, remains the most complex structure of differentiation.
- 2.9 Most Local Authorities have CIL rates of between £40-£105 for residential, limited differentiation of four uses and/or only two or three geographic zones. PAS comments that so far there has been very limited levels of consultation response from interested parties but where there has been early engagement by the development industry on viability assumptions, cost and values, it has been of significant value to the Local Authority in the rate setting.
- 2.10 PAS advises that this has resulted in reviews of the assumptions, rates or further testing of evidence to ensure that development across the area remains deliverable. It appears likely that the development industry will become more involved and engaged with the CIL setting process as more authorities develop their CILs and awareness in the development industry increases.

### **Front runner phase two support programme**

- 2.11 PAS support for the second phase of CIL Front Runners started in July 2011 with two workshops. PAS has commissioned consultants to provide the support to the authorities.

The second Group of CIL front runners are divided into three groups:

### **Group one**

- Redcar and Cleveland Council
- St Helens Council
- Barnsley Metropolitan Council
- Gedling Borough Council
- Milton Keynes Council
- Cambridgeshire Horizons; East Cambs (draft charging schedule) and Huntingdon (adopted) and Cambridgeshire County Council.

### **Group two**

- Swindon Borough Council
- Torbay Council - preliminary draft charging schedule.
- Plymouth City Council - draft charging schedule
- Bristol City Council - approved at examination with no alterations
- Havant Borough Council - draft charging schedule
- Oxford City Council
- Wycombe District Council - submitted for examination

### **Group three**

- London Borough of Islington - preliminary draft charging schedule
- London Borough of Sutton - preliminary draft charging schedule
- London Borough of Wandsworth - completed examination
- London Borough of Barnet - preliminary draft charging schedule
- London Borough of Croydon - submitted for examination
- Elmbridge Borough Council - draft charging schedule
- Chelmsford Borough Council - preliminary draft charging schedule

2.12 As part of the Front Runners Project, PAS asked Local Authorities for their top tips and what they thought the common myths were in the development of CIL:

#### **Top Tips**

1. Engage and secure corporate and political buy in at the start of your CIL project
2. Understand in detail the viability in your local area; read the report
3. Take account of all the policy costs such as affordable housing, s106 when doing CIL assessment as they are interlinked
4. Have a project plan in place and understand the risks at the outset
5. Start CIL implementation early, its more work than the charging schedule
6. Read and understand the regulations

#### **Top Myths**

1. The CIL regulations are simple and understood by everyone  
- This is clearly not true particularly when you see the responses to the schedule consultation
2. Local Authority services will have clear infrastructure plans to support your funding gap
3. CIL will pay for all of your infrastructure

4. CIL will single handedly stop development
  - The provision of new infrastructure through CIL will make an area more attractive encouraging investment. And generally CIL as a proportion of the value of a development will usually be very small.
5. CIL is expensive and will take a long time to put in place.
6. Developers prefer CIL to Section 106. - This is not necessarily true as they often had more control over the delivery of infrastructure in the s106 regime.

### **Series of events**

- 2.13 PAS ran a series of CIL events regarding preparing a charging schedule and setting a charge. All presentations and speaker notes from the events have been made available on the [PAS website](#). Examples of the presentation material include experience to date from Shropshire Council, Redbridge and Portsmouth and details of a presentation provided by the Department for Communities and Local Government (DCLG) on adopting a schedule – regulations and guidance.
- 2.14 The Panel may find it useful background information to look over details of the [presentations](#).

Author: Tracy Tiff, Overview and Scrutiny Officer, on behalf of Councillor Phil Larratt, Chair, Scrutiny Panel 3 – Infrastructure Requirements and Section 106 Agreements

Date: 21<sup>st</sup> September 2012

Appendix A

# Community Infrastructure Levy (CIL)

Member/officer briefing

Val Coleby & Grant Perks



West Northamptonshire  
Joint Planning Unit

30 January 2012

# Before we start...



# Programme

- **What is CIL?**
- **Break**
- **Examples of CIL**
- **CIL in West Northants**



# What is CIL?

- **Planning Act - 2008**
- **CIL Regulations – April 2010**
- **Guidance - March 2010**
- **Regulations update - April 2011**
- **CIL overview update – May 2011**
- **Consultation on Reg changes – 2011**
- **Localism Act – 2011**



# What is CIL?

- **A charge on new development**
- **Development over 100sqm gross**
- **Buildings that people normally go into**
- **Can apply to development that doesn't require planning permission**



# What is CIL?

- **£x per square metre on net additional floorspace**
- **Due from the date the development is commenced**
- **The levy will be index linked**
- **The owner of the land pays**



# Why introduce CIL?

- **Local authorities can choose to introduce it or not**
- **A ‘pro-growth tool’**
- **It’s your ‘flexible friend’**
- **A little from almost everyone**



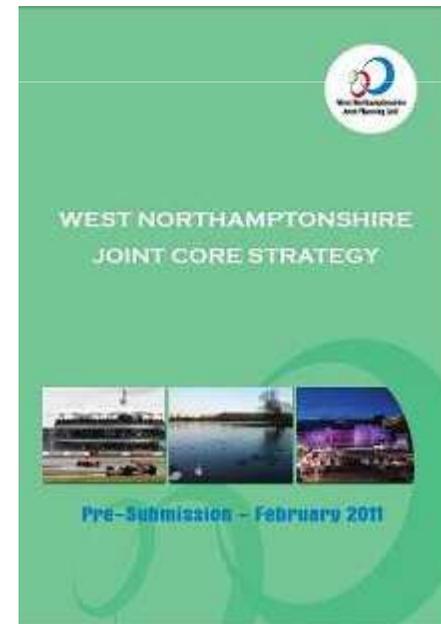
# Why introduce CIL?

- **April 2014 deadline – restrictions on pooled S106 contributions**
- **Tightening up on how S106 contributions are applied**
- **Lack of government money**



# What you need to set a CIL

- Up to date development plan



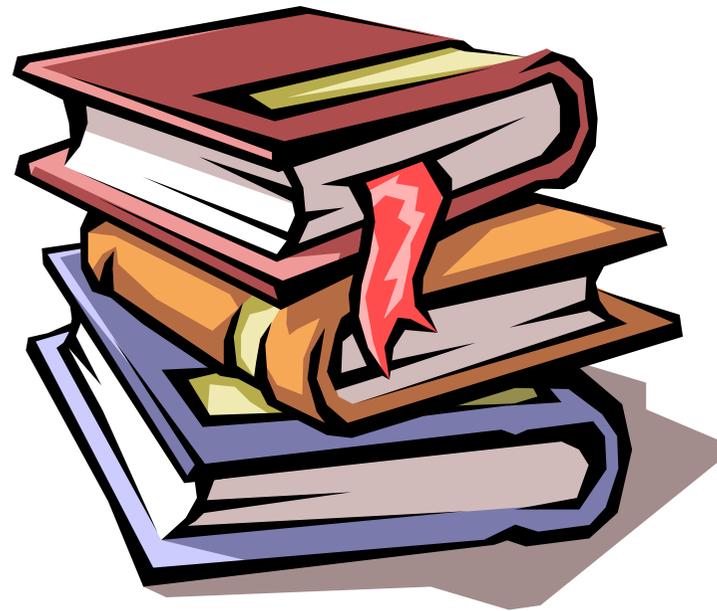
# What you need to set a CIL

- Evidence of an infrastructure funding gap

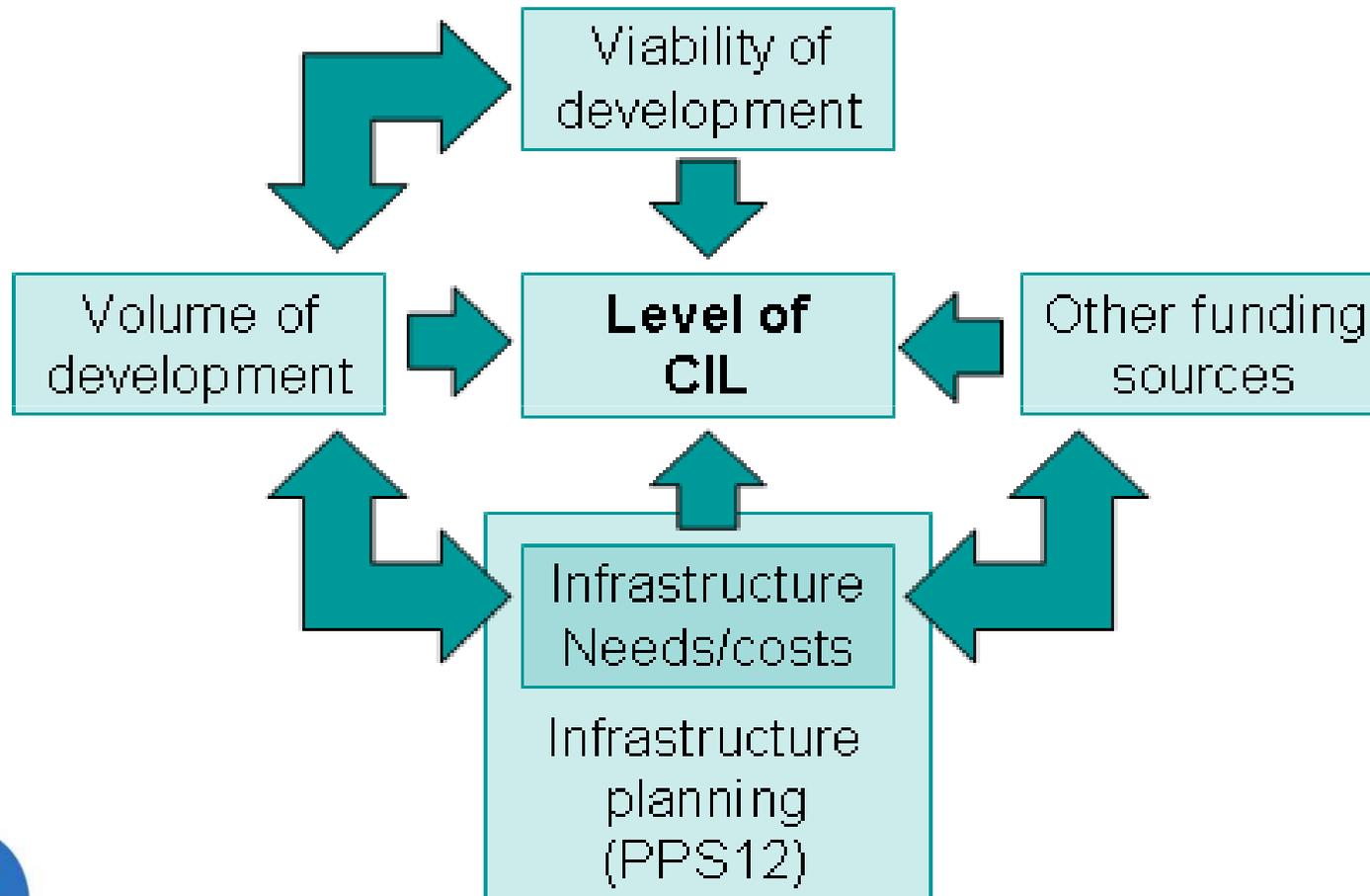


# What you need to set a CIL

- Evidence on viability



## Matters to take into account in setting CIL



# What you need to set a CIL

**‘Strike the balance’**



Desirability of funding the  
infrastructure via CIL

∨

The effect on the economic  
viability of development



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# Setting the CIL rate

- **Single rate across the whole area**

**or**

- **Different rates for different types of development**

**or**

- **Different rates in different areas**



# Setting the CIL rate

- **The CIL rate or rates are subject to independent examination**
- **Informed by appropriate available evidence**
- **An appropriate balance has been struck**



# Collecting CIL

- **A highly regulated administrative process**
  - **Notifications**
  - **Appeals**
  - **Relief**
  - **Penalties**



# Spending CIL

- **CIL monies are not ring-fenced but must be spent on infrastructure**
- **It is up to the local authority how the money is spent**
- **The local authority have to produce a spending list**



# Spending CIL

- **Collecting Authorities must report on amount collected and amount spent.**
- **This must be annually**
- **‘Real time’ reporting is under consideration.**



# Key messages

- **CIL is to support growth**
- **Your CIL rate needs to be informed by viability**
- **Don't expect to meet all of your funding gap**
- **Keep it simple**



# Key messages

- **The Local Authority has control over spending**
- **Without CL funding strategic infrastructure will be harder**
- **Authorities need to work corporately and work together**



# BREAK



**West Northamptonshire  
Joint Planning Unit**

# Examples of CIL

- **3 local authorities have CIL in place**
  - **Newark and Sherwood District Council**
  - **Shropshire Council**
  - **London Borough of Redbridge**



# Examples of CIL

- **Many others have draft charges at various stages of consultation**

**Portsmouth City Council**

**Wycombe District Council**

**Plymouth City Council**

**Colchester Borough Council**

**Greater Norwich Development**

**Partnership and others.....**



# Examples of CIL

## Newark and Sherwood District Council

**7 geographic zones with differing charges against 4 types of development**

**Charges range from nil to £100 per sqm**



# Newark and Sherwood District Council Charging Schedule



## Commercial Community Infrastructure Levy Rates

Zones	Hotel C1	Residential Institution C2	Industrial B1b/B1c/B2/B8	Offices B1a	Large Retail (500sqm+)	Small Retail (< 500sqm)	Community/ Institutional D1	Leisure D2	Agricultural	Sui Generis
<b>Newark Growth Point</b>	£0	£0	£30	£0	£125	£100	£0	£0	£0	£0
<b>1 Newark &amp; Rural South</b>	£0	£0	£0	£0	£100	£75	£0	£0	£0	£0
<b>2 Collingham</b>	£0	£0	£0	£0	£100	£75	£0	£0	£0	£0
<b>3 Newark &amp; Rural North</b>	£0	£0	£15	£0	£100	£75	£0	£0	£0	£0
<b>4 Southwell</b>	£0	£0	£5	£0	£100	£75	£0	£0	£0	£0
<b>5 Nottingham Fringe</b>	£0	£0	£0	£0	£100	£75	£0	£0	£0	£0
<b>6 Sherwood</b>	£0	£0	£0	£0	£100	£75	£0	£0	£0	£0
<b>7 Mansfield Fringe</b>	£0	£0	£0	£0	£100	£75	£0	£0	£0	£0



# Examples of CIL

## Portsmouth City Council

a basic rate (£105 per sqm) for all development types with a variation for three types of development (retail, hotels and residential institutions) at a lower rate (£53 per sqm)



# Portsmouth City Council Charging Schedule

Table 3: Proposed CIL rates (referred to as R in the formulae below) in £ per m <sup>2</sup>	
Use class/Type of Development	CIL Rate
All development types unless stated otherwise in this table	Basic CIL rate: £105
A1 – A5 In-centre retail of any size and small (<280m <sup>2</sup> ) out-of-centre retail	£53
B1(a), B1, B2. B8 Office and Industrial	£0
C1 Hotels	£53
C2 Residential Institutions	£53
D1 community Uses	£0



# Examples of CIL

## Shropshire Council

**2 geographic zones (urban/rural)**

**1 form of development (residential)**

## London Borough of Redbridge

**1 charge for all forms of  
development no zones  
identified**



# London Borough of Redbridge Charging Schedule

“A CIL of **£70/m<sup>2</sup>** of gross internal floorspace shall apply to any new building or an extension to an existing building in the London Borough of Redbridge if it has at least 100m<sup>2</sup> of gross internal floorspace or involves the creation of a dwelling even when that is below 100m<sup>2</sup>”



# Examination of CIL rates

- **5 CIL examinations to date**
- **1 by written representations**
- **Mayoral CIL charge was the most contested**



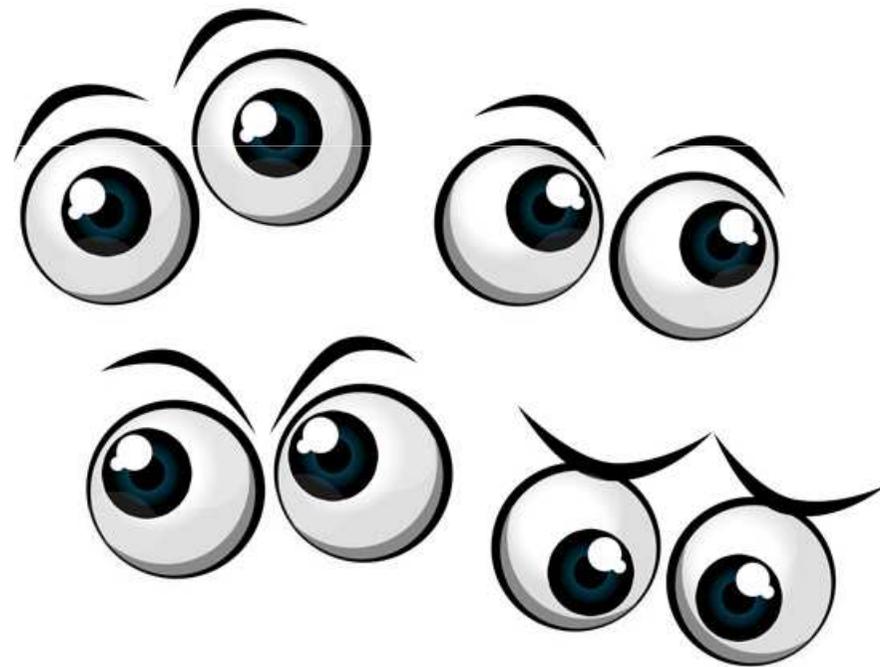
# Examples of CIL spending lists

- **3 Reg 123 lists exist at present**
  - **Newark and Sherwood District Council**
  - **Shropshire Council**
  - **London Borough of Redbridge**



# Examples of CLIL collection

- Watch this space



# CIL in West Northamptonshire

- **Each authority will be a charging authority in its own right**
- **Each authority will produce its own spending list**
- **Each authority will agree its own spending priority**



# CIIL in West Northamptonshire

- **Joint approach to viability evidence**
- **Joint approach to identification of an infrastructure funding gap**
- **Joint examination of CIIL rates**
- **Coordination of spending lists for strategic cross-boundary infrastructure**



# CIL in West Northamptonshire

- **Do we have everything we need?**
  - **an up to date development plan**
  - **an infrastructure funding gap**
  - **viability evidence**



# CIL in West Northamptonshire

- **Timetable**
  - **Run CIL preparation alongside Joint Core Strategy**
  - **Adopted Joint Core Strategy anticipated mid 2013**
  - **Adopted CIL shortly afterward**



**Thank you for listening**

**Any questions?**



**West Northamptonshire  
Joint Planning Unit**



## NORTHAMPTON BOROUGH COUNCIL

### Appendix C

#### OVERVIEW AND SCRUTINY

#### SCRUTINY PANEL 3 – INFRASTRUCTURE REQUIREMENTS AND

#### S106 AGREEMENTS

#### BRIEFING NOTE: CIL AND THE 'MEANINGFUL PROPORTION'

##### Introduction:

The Localism Act introduces a duty to pass money collected through CIL from the local authority to other persons or bodies (section 115). Explanatory notes to the Localism Act explain that s115 sets out a *framework* for the process of transferring CIL money from one body to another.

The 'Meaningful proportion' is the amount of CIL collected by the charging/collecting authority to the community group. The regulations will explain in further detail

- The area to which the meaningful proportion applies;
- The bodies it will apply to;
- The amount and timings of payments;
- Things that may or may not be funded;
- Monitoring, accounting and reporting; and
- When money should be returned to the local authority.<sup>1</sup>

The explanatory notes to the Localism Act provide some clarification on what the meaningful proportion can be used for. The notes state that:

*"[...] funds may be applied to infrastructure or any other matter that supports development by addressing the demands that it places on the areas that host it."*<sup>2</sup>

##### Ministerial Announcement:

In January 2013, the Parliamentary Undersecretary of State for Planning, Nick Boles MP announced that the Meaningful proportion will be set at 25% for parished communities with a Neighbourhood Plan in place. The Minister's principle is that communities will accept new development more readily when offered a cash incentive, thereby increasing the rate of house-building.<sup>3</sup>

This statement closely relates to the objectives of the National Planning Policy Framework (NPPF) Paragraph 175 which states that CIL should:

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<sup>1</sup> Explanatory Notes, Localism Act, s115 <http://www.legislation.gov.uk/ukpga/2011/20/notes/division/5/6/2/2>

<sup>2</sup> Explanatory Notes, Localism Act, s115 <http://www.legislation.gov.uk/ukpga/2011/20/notes/division/5/6/2/2>

<sup>3</sup> Communities to receive cash boost for choosing development, DCLG, 10/01/13 <https://www.gov.uk/government/news/communities-to-receive-cash-boost-for-choosing-development>

“... support and incentivise new development, particularly by placing control over a meaningful proportion of the funds raised with the neighbourhoods where development takes place.”<sup>4</sup>

Further explanation was published on the gov.uk website with regard to how the proportion will be applied. This is set out in figure 1, below:

✓Parish Council ✓Neighbourhood Plan (adopted)  = 25% of CiL, uncapped, Paid to the Parish	✓Parish Council ✗Neighbourhood Plan  = 15% capped at £100 per council tax dwelling, paid to the Parish
✗Parish Council ✓Neighbourhood Plan (adopted)  = 25% of CiL, uncapped, local authority consults with the community	✗Parish Council ✗Neighbourhood Plan  = 15% capped at £100 per council tax dwelling, local authority consults with

Figure 1: Meaningful proportion

## Context and History:

The Consultation ‘Detailed Proposals and Draft regulations for reform’ (October 2011) set out the requirement to pass a ‘meaningful proportion’ of CIL to the local community. The document states:

*“Clause 103 of the Localism Bill allows ministers to lay regulations to place a duty on charging authorities to pass a proportion of the funds that they raise through the levy to other persons. We intend to use the powers conferred by this clause to require charging authorities to allocate a meaningful proportion of the revenue generated from the levy to the local elected council for the area where the development and growth take place.”*

The consultation invited responses with regard to what this proportion should be. The consultation covered a range of different elements of how this transfer could work, including potential caps to the fund, who it is payable too and what it can be spent on. Many expected the proportion to be in the region of 5-10%. The regulations which set out the transfer mechanisms are subject to a further revision of the regulation, due in early 2013.

## Issues

1. **Impact on Local Authority Infrastructure Spend:** The Planning Officers' Society (POS) said the measure could seriously prejudice the delivery of essential infrastructure and hinder growth as a result.<sup>5</sup>
2. **Redefinition of the purpose of CIL:** The NPPF introduced the concept of using CIL money as an ‘incentive’ for neighbourhoods through providing local control over the funds, rather than merely offsetting local infrastructure needs arising from new development.

<sup>4</sup> P175, NPPF [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/6077/2116950.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6077/2116950.pdf)

<sup>5</sup> Fears over levy plan threat to infrastructure, Planning Resource, 25/01/13 <http://www.planningresource.co.uk/news/1167970/Fears-levy-plan-threat-to-infrastructure/?DCMP=ILC-SEARCH>

3. **'Token' Neighbourhood Plans:** there have been a number of discussions relating to Parish Councils in areas of high growth producing 'tokenistic' neighbourhood plans to receive the uncapped amount.
4. **Cross boundary, cross Parish Agreements:** It remains unclear with regard to what happens to CIL collected within a Parish but outside of a Neighbourhood Area, or how receipts could be split between adjoining parishes that experience significant expansion.

## Summary

The proportion of CIL provided to local communities will be higher than that initially expected by local authorities. There is significant uncertainty in relation to how the meaningful proportion will be applied in practice, and its effects on growth, particularly in relation to cross boundary issues. An update to members will be provided when further clarification arises.

## **SCRUTINY PANEL 3 - SECTION 106 AND INFRASTRUCTURE REQUIREMENTS**

### **KEY QUESTIONS – EXPERT ADVISORS**

The Infrastructure Delivery Plans in the JCS and CAAP set out the infrastructure requirements to deliver the development required in West Northamptonshire by 2026 and this has been endorsed by all partners and relevant agencies in advance of submission of the plan to the Secretary of State for independent examination. As the infrastructure requirements are now established, the Panel would like to explore the following within that context:

1. How do we determine funding priorities, lead delivery agencies and accountability against delivery timetables and funding availability to ensure the timely delivery of key infrastructure projects?
2. What priority or how should priority be assigned to affordable housing and other Section 106 obligations when CIL is introduced given viability and other constraints?
3. Given the funding gap of £439.6 million as identified in the West Northamptonshire Joint Core Strategy Infrastructure Delivery Plan Update 2012, what sources of funding can be identified and are available to the Council and its partners for the delivery of infrastructure to supplement Sec 106 contributions and CIL revenue?
4. What mechanisms need to be put in place between the Council and its partners to ensure proper cross boundary funding of key infrastructure. Are the JCS policies and provisions and the statutory duty to co-operate enough, or do we need other protocols?

5. The Government intends that a meaningful proportion of CIL should be allocated to be spent in the community local to the CIL development. What is a meaningful proportion in the Northampton context. Given the funding deficit is there a danger that key strategic infrastructure will not be delivered if too much is diverted to local projects?



## NORTHAMPTON BOROUGH COUNCIL

Appendix E

### OVERVIEW AND SCRUTINY

#### SCRUTINY PANEL 3 – INFRASTRUCTURE REQUIREMENTS AND S106 AGREEMENTS

##### BRIEFING NOTE: CONSTRUCTION FUTURES

### 1 Construction Futures

1.1 Construction Futures reports that it has developed an innovative way to deliver construction training and apprenticeships, including:

- Delivering training and jobs through the planning and procurement system
- Embedding requirements in section106 agreements and contracts

1.2 Construction Futures has developed ways for public sector organisations to create construction apprenticeships and training placements. It reports that Planning Authorities have the right processes and procedures to kick-start the careers of local people through two potential methods:

**Harness the Planning System** - Construction Homes works with Local Authorities to help create jobs and training. When a planning application is proposed, Construction Homes uses specialist software to forecast what training and employment opportunities could be generated by the development. These opportunities are agreed with developers and embedded in S106 Agreements. Once the development is on-site, Construction Futures work with local training providers to supply suitably skilled, site-ready trainees.

**Enhance Public Procurement** - Construction Futures reports that it has established a way to create apprenticeships and training placements on new developments. It advised that it has established the legal framework to embed training requirements in development contracts. When the development is on-site, Construction Futures work with local training providers to supply suitably skilled, site-ready trainees. Construction Futures manages the whole process.

1.3 Construction Futures also provides information for:

Potential Trainees

Developers

## Training Providers

- 1.4 Free seminars are offered to developers.
- 2.5 Construction Futures has developed a [website](#).

Author: Tracy Tiff, Overview and Scrutiny Officer, on behalf of Councillor Phil Larratt, Chair,  
Scrutiny Panel 3 – Infrastructure Requirements and Section 106 Agreements

Date: 4<sup>th</sup> October 2012