

Cabinet

24 July 2012

**County Durham Infrastructure Delivery
Plan and Community Infrastructure Levy
Draft Charging Schedule**



Key Decision R&ED/10/12

Report of Corporate Management Team

**Ian Thompson, Corporate Director Regeneration and Economic
Development**

**Councillor Neil Foster, Cabinet Portfolio Holder for Regeneration
and Economic Development**

Purpose of the Report

- 1 To seek approval of Cabinet for the Council's Infrastructure Delivery Plan (IDP) and the Community Infrastructure Levy (CIL) Draft Charging Schedule for consultation alongside the County Durham Plan from September 10th to November 2nd 2012.

Background to Infrastructure Delivery Plan (IDP)

- 2 The types of infrastructure included in the IDP include:
 - Physical infrastructure such as highway improvements, sewage treatment works or broadband;
 - Social infrastructure such as schools, medical, doctor's surgeries or community buildings; and
 - Green Infrastructure such as play areas, public open space or rights of way
- 3 The IDP identifies existing and future infrastructure deficiencies that need to be addressed if the County Durham Plan's vision for growth is to be achieved. It also shows how, when and where the Council and its partners will address these deficiencies. The IDP is based on the most up to date information (as at spring 2012), including committed sources of funding from internal and external partners, in a financial schedule which reflects continuous dialogue between the Council's Planning and Assets Service and infrastructure providers. The financial schedule will be reviewed when required to reflect changing economic circumstances and priorities.
- 4 The partnerships and relationships that have been formed during the preparation of the IDP ensure it is as accurate as possible and mean the

ambitions and site allocations included in the County Durham Plan influence partner's future investment programmes.

- 5 As the IDP identifies a gap between the actual planned investment in infrastructure and the total amount of needed to deliver the County Durham Plan this justifies the introduction of a Community Infrastructure Levy.

Background to Community Infrastructure Levy (CIL)

- 6 The CIL Regulations came into force on the 6th May 2010 and give local authorities the option of charging a levy on new development. The CIL ensures that most new development makes a proportionate and reasonable financial contribution to delivering the infrastructure identified in the IDP
- 7 It should be noted that the CIL is not a direct replacement for Section 106 Agreements. Section 106 will continue to be used for site specific infrastructure, such as access roads and for securing affordable housing and funding for targeted recruitment training.

CIL Rationale and Preliminary Charging Schedule

- 8 The amount of CIL that is charged must be justified by viability evidence, principally using site appraisals for different types of development such as housing or retail. This evidence must show that the level of CIL being charged is not so high that it would prevent a site from being developed. Most of this work is now complete and will be sent to Cabinet in September for endorsement as evidence which will underpin the County Durham Plan and CIL charging Schedule and will be scrutinised by a Government Inspector at an Examination in Public.
- 9 Due to different land values and market conditions across the County the viability evidence indicates that different levels of CIL can be charged in different areas. The three areas that have been identified are a zone to the north west of Durham City which includes the proposed strategic housing sites of Sniperley Park and North of Arnison, a zone for the rest of the Durham City area and Chester-le-Street and a zone of the rest of the County. The different charging rates for each type of development in each zone are shown in the table below.

Type of development	CIL rate		
	Durham City Strategic Zone	Durham and Chester-le-Street	Rest of County Durham
Residential Development	£250/m ²	£80/m ²	£15/m ²
Large food retail - 4000 m ² or above	£400/m ²	£200/m ²	£200/m ²
All other A class development (shops and similar establishments; financial and professional services; food and drink (classes A3-5))	£0	£0	£0
All B class development (business, industry, storage and distribution)	£0	£0	£0
Hotels	£200/m ²	£200/m ²	£200/m ²
Student Accommodation	£50/m ²	£50/m ²	£50/m ²

- 10 It should be noted that the evidence for the CIL rates in the Durham City Strategic Zone is not yet complete. However initial work indicates that, due to the sites being removed from the Green Belt and the significant uplift in land values that would result, the work used for the rest of the Durham City would be undervaluing the maximum CIL rate that could be applied to this zone. Further work to be undertaken before submission of the CIL Charging Schedule will seek to confirm these initial findings.

Next Steps

- 11 Subject to Members' agreement, the CIL Draft Charging Schedule will be widely circulated for public consultation (together with the County Durham Plan) from September 10th until the 2nd November 2012. The final Charging Schedule will be reported to Cabinet in June 2013 and will be followed by publication and a final round of public consultation. A Public Examination will follow in spring 2014 and finally Adoption in summer 2014.
- 12 Before the Charging Schedule is adopted governance arrangements will need to be put in place to collect and spend the CIL. These arrangements must ensure that all areas of the County have the opportunity to receive the infrastructure they need.

Recommendations

- 13 Members are recommended to:

- i. Agree the Infrastructure Delivery Plan and CIL Draft Charging Schedule for consultation from September 10th to 2nd November 2012.

Background papers

National Planning Policy Framework 2012 -

<http://communities.gov.uk/documents/planningandbuilding/pdf/2116950.pdf>

County Durham Plan 2012, Preferred Options

Community Infrastructure Levy Report

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Appendix 1: Implications

Finance

The Infrastructure Delivery Plan contains a financial schedule for projects listed within the document, the financial information contained within the document has been provided by internal and external stakeholders.

The Council will need to introduce an appropriate mechanism for collecting and spending the CIL funds.

Staffing

Existing staff will need to administer and enforce the collection of CIL payments.

Equality and Diversity

Detailed Equality Impact Assessments will be carried out for individual projects.

Accommodation

None

Crime and Disorder

None

Human Rights

None

Consultation

The Infrastructure Delivery Plan has been prepared in conjunction with internal and external stakeholders and will be part of the wider public consultation of the County Durham Plan.

The CIL charge setting process has been informed by extensive consultation with stakeholders and will be part of the wider public consultation of the County Durham Plan.

Procurement

None

Disability Discrimination Act

None

Legal Implications

There will be legal implications with the setting, collection and enforcement of CIL receipts.