

Economy and Enterprise Overview and Scrutiny Committee

24 September 2012



The Refresh of the Regeneration Statement, the County Durham Infrastructure Delivery Plan and the Community Infrastructure Levy

**Joint Report of Lorraine O'Donnell, Assistant Chief Executive and
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Development**

Purpose of the Report

- 1 To provide members of the Economy and Enterprise Overview and Scrutiny Committee with background information in relation to: the refresh of the Regeneration Statement; the County Durham Infrastructure Delivery Plan and the Community Infrastructure Levy (in the context of the County Durham Plan) prior to receiving an overview presentation.

Background

- 2 As part of the recent refresh of the work programme for the Economy and Enterprise Overview and Scrutiny Committee for 2012 – 2014, it was identified by members that an overview would be provided in relation to the areas identified above. In addition, this would provide members with an opportunity to participate in the ongoing consultation focusing on the Community Infrastructure Levy.
- 3 It was thought timely for members to receive the overview presentation at the Committee meeting on the 24 September 2012 as this would 'set the scene' prior to the Overview and Scrutiny workshop focusing on the Preferred Options stage of the County Durham Plan arranged for the 4 October 2012 at 10.00 am. Members and Co-optees will recall that Overview and Scrutiny workshops have previously been arranged allowing members the opportunity to participate in the various consultation stages in the development of the Plan (Issues and Options 2010, the development of the Core Strategy 2011). The workshop on the 4 October 2012 will provide Overview and Scrutiny Committee members and Co-optees with the opportunity to comment upon the Preferred Options stage of the County Durham Plan. The comments made will then be fed into the ongoing consultation process.

Refresh of the Regeneration Statement

- 4 The County Durham Regeneration Statement was developed in 2009 and underpins the 'Altogether Wealthier' theme of the Sustainable Community Strategy for County Durham. It sets an integrated economic development, planning, housing and transport policy framework for County Durham and outlines the County Durham Economic Partnership's approach to delivering its ambitions. The Statement specifies the spatial, social and economic priorities over the coming years whilst recognising the tough economic climate that still exists and the altered landscape of economic development and regeneration.
- 5 Three years on, following the experience and evidence gained, a refreshed Regeneration Statement was agreed by Cabinet at the meeting on the 24 July 2012. The Statement identifies the key issues facing the County include an underperforming local economy and high unemployment. The achievement of the pre-recession employment rate will require a substantial level of private sector employment growth to replace and exceed the level of jobs lost through the economic downturn and public sector contraction.
- 6 In addition, the refreshed Statement suggests how these issues can be tackled through a partnership approach continuing to invest in opportunities across the County and capitalising on strengths including Durham City and Hitachi locating at Newton Aycliffe, aligning activity and leveraging private sector investment, to deliver the aims and objectives outlined in this Statement, to tackle the key issues facing the County. By building on and investing in our major assets, alongside complementary interventions this will release the County's potential for growth and connect areas of growth with deprived areas in need of regeneration. By following a phased approach across the County, utilising these opportunities we will be able to deliver the greatest impact for each locality and the whole of the County, using the resources available to us to best effect. Through a partnership approach we will:
 - Lift constraints on development and stimulate investment in the economic infrastructure needed to increase economic activity and wealth.
 - Capitalise on Durham City's business and tourism potential to drive forward economic growth for County Durham.
 - Invest in our major towns, continuing with our 'Whole Town' approach.
 - Drive forward the delivery of new homes with the right mix of services to support growth aspirations.
 - Improve the range of choice and standard of existing public and private housing.
 - Invest in our human capital as a direct contributor to growth.
 - Address the needs of our most vulnerable residents, mitigating the impact of welfare reform.

- 7 One of the first main steps to deliver the refreshed Regeneration Statement will be to refresh the Altogether Wealthier Delivery plan to accompany the Statement. The plan will demonstrate what partners will do and how this will help achieve the ambition, to shape a County Durham where people want to live, work, invest and visit whilst enabling our residents and businesses to achieve their potential.

County Durham Plan

- 8 The County Durham Plan seeks to guide the future development of County Durham to improve the lives of its existing and future residents. It is therefore a Plan that seeks to meet the differing needs of our communities. The Plan sets the policy framework for the next 20 years to support the development of a thriving economy in County Durham while at the same time protecting those things that are important to us all. With improved economic performance central to the Plan, it identifies a number of sites for new employment, new housing and new infrastructure to accommodate the growth needed to achieve these ambitions.

County Durham Infrastructure Delivery Plan and Community Infrastructure Levy

- 9 The County Durham Infrastructure Delivery Plan (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.
- 10 The partnerships and relationships that have 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.
- 11 The IDP identifies a gap between the actual planned investment in infrastructure and the total amount needed to deliver the County Durham Plan which justifies the introduction of a Community Infrastructure Levy (CIL).
- 12 The CIL Regulations came into force on the 6 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.

- 13 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 and 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.
- 14 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.
- 15 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 with the final Charging Schedule to go to Cabinet in June 2013 followed by publication and a final round of public consultation. A public examination will follow in spring 2014 with final adoption in summer 2014.

Recommendations

- 16 Members of the Economy and Enterprise Overview and Scrutiny Committee are asked to note the information provided during the presentation and comment upon the Infrastructure Delivery Plan and the proposed Community Infrastructure Levy (CIL).
- 17 That the comments made by the Economy and Enterprise Overview and Scrutiny Committee members are fed into the ongoing consultation process on the Preferred Options stage of the County Durham Plan as the response from Overview and Scrutiny.

Background Papers

Cabinet Report – 24 July 2012 - County Durham Regeneration Statement 2012.
Cabinet Report – 24 July 2012 – County Durham Infrastructure Delivery Plan and Community Infrastructure Levy – Draft Charging Schedule.

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Appendix 1: Implications

Finance -The Regeneration Statement outlines the approach for investment which includes Durham County Council's capital programme.

The IDP contains a financial schedule for projects listed within the document; the financial information contained within the document has been developed by the internal and external stakeholders.

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

Staffing -The Regeneration Statement shapes delivery as articulated through the operational planning framework.

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

Risk – Opposition to the alterations to the Green Belt, setting the most appropriate CIL rate that does not prevent development but still contributes to community infrastructure, the Council does not comply with the duty to co-operate with neighbouring local authorities and statutory consultees, inability to prove that proposed development sites are economically viable and attractive to investors.

Equality and Diversity - Equality and diversity principles have been an integral of policy development in relation to the Regeneration Statement. Detailed Equality Impact assessments have been and will be carried out for individual strategies or projects.

In relation to the IDP detailed Equality Impact assessments will be carried out for individual projects.

Accommodation - None

Crime and Disorder - None

Human Rights - None

Consultation - The Regeneration Statement has been consulted upon through the CDEP.

The IDP has been prepared in conjunction with the internal and external stakeholders and will be part of the wider public consultation exercise in relation to 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 exercise for 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.