

**Cabinet**

**9 October 2013**



**The County Durham Plan: Community Infrastructure Levy Draft Charging Schedule, Sustainability Appraisal and other Evidence Base**

**Key Decision R&ED/19/13**

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**Report of Corporate Management Team  
Report of Ian Thompson, Corporate Director Regeneration and Economic Development  
Councillor Neil Foster, Cabinet Portfolio Holder for Economic Development**

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**Purpose of the Report**

1. This report seeks approval for the Community Infrastructure Levy (CIL) Draft Charging Schedule, the Statement of Consultation, the Sustainability Appraisal and Habitat Regulations Assessment. The Report also sets out a series of evidence base documents used in developing the policies that underpin the Pre-Submission Draft of the County Durham Plan. Cabinet approval of these documents provides the necessary weight for them to be used in future planning decisions. The documents concerned are:
  - Affordable Housing and CIL Development Viability Study;
  - Strategic Housing Land Availability Assessment;
  - Low Level Radioactive Waste Study; and
  - County Durham Plan Transport Modelling.
2. The CIL Charging Schedule will be consulted on alongside the County Durham Plan from 14 October until 6 December. The other documents will also be available during the consultation and can be commented on in relation to the particular policies they support. Copies of all of these documents will be made available in the Members' Resource Centre.

**Background**

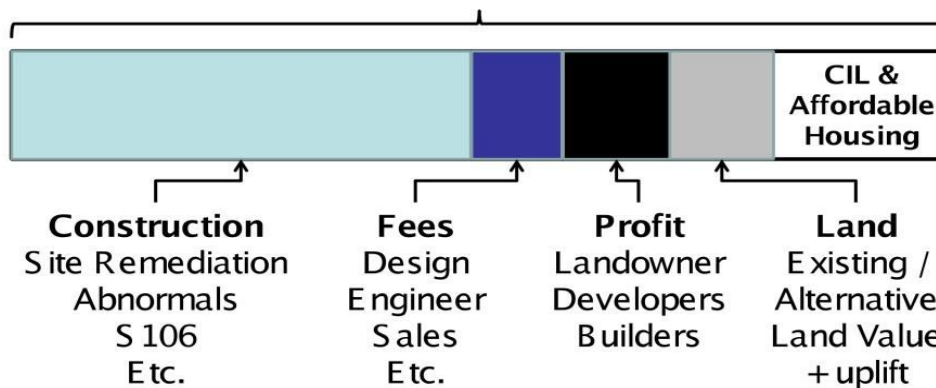
3. A robust and credible evidence base is integral to preparing a sound Local Plan. Members will recall that some evidence such as the Strategic Housing Market Assessment and the Travellers Site Needs Assessment was also included in September's report on the County Durham Plan.

## Community Infrastructure Levy (CIL) Draft Charging Schedule

4. The CIL Regulations came into force on 6 May 2010 and gave 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 Infrastructure Delivery Plan (IDP). 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. It was agreed by Members in 2012 but is continually being updated as more up to date information is obtained.
5. 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.
6. 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 is set out in the Affordable Housing and CIL Development Viability Study and must show that the level of CIL being charged is not so high that it would prevent a site from being developed.
7. The Study provides evidence on the financial viability implications of policies included in the County Durham Plan, the introduction of CIL and the impacts on, and realistic targets for, the provision of affordable housing.
8. The amount of CIL or affordable housing requested from developers is justified by the viability evidence contained in the AH&CIL VS, principally using site appraisals for different types of development such as housing or retail. The viability work is based on a number of modelled test sites based around County Durham for both residential and commercial uses. The test sites have had a number of assumptions on costs and revenues applied to them.
9. The viability analysis is based on a residual land valuation methodology that is commonly used by developers to work out how much they can afford to pay for a plot of land before developing the land. Once the land value is calculated, the AH&CIL VS sets out how much 'Additional (or super) Profit' is left over once land price, construction, fees, finance and developers profit have been deducted from the Gross Development Value of the site. This is illustrated in the figure below.

# Additional Profit

**Gross Development Value**  
All income from a Scheme



10. The viability evidence indicates that there is enough additional profit to justify a CIL charge. 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 zones that have been identified are one for the Durham City and Chester-le-Street area, one for the housing market renewal areas and one for 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	Durham and Chester-le-Street	West Durham	Rest of County Durham	Housing Market Renewal Areas
Residential Development	£60/m <sup>2</sup>	£30/m <sup>2</sup>	£15/m <sup>2</sup>	£0
Large retail – 1,000 m <sup>2</sup> or above	£150/m <sup>2</sup>	£150/m <sup>2</sup>	£150/m <sup>2</sup>	£0
All other A class development (shops and similar establishments; financial and professional services; food and drink (classes A3-5))	£0	£0	£0	£0
All B class development (business, industry, storage and distribution)	£0	£0	£0	£0
Student Accommodation	£150/m <sup>2</sup>	£150/m <sup>2</sup>	£150/m <sup>2</sup>	£0

Sheltered Housing	£15/m <sup>2</sup>	£15/m <sup>2</sup>	£15/m <sup>2</sup>	£0
Extra Care	£15/m <sup>2</sup>	£15/m <sup>2</sup>	£15/m <sup>2</sup>	£0

11. The CIL will be used to fund items of infrastructure that are important for the delivery of the proposals in the County Durham Plan and be set out in what is known as a '123' list. The mechanisms for how the money is to be spent will need to be agreed before the Charging Schedule is finally adopted.

### Statement of Consultation

12. The purpose of the Statement of Consultation is to show how the Council has engaged key stakeholders and the local community in the development of the County Durham Plan. It includes:
- Who was consulted;
  - When and how consultation and other engagement happened;
  - All representations received broken down by site and policy; and
  - A response to each one showing where changes have been made and where changes have not been made explains why.

### Sustainability Appraisal and Habitats Regulations

13. The purpose of the Sustainability Appraisal (SA) is to promote sustainable development through the integration of social, economic and environmental considerations into the preparation of plans. SA is a statutory requirement which incorporates Strategic Environmental Assessment (SEA) which is required by English and European Law.
14. SA has been built into all stages of the County Durham Plan process. Following the Preferred Options consultation, policies were redrafted in line with representations received, and where significant amendments were made as a result, or new evidence became available which provided greater certainty to the implementation of policies and associated development, they were subject to further SA and HRA Screening. This not only ensured that the Pre-Submission version of the Local Plan was supported by an up-to-date and accurate evidence base, but also that policies will provide a strong and appropriate framework for future development in the County. In addition, all potential housing allocations were assessed. Where negative effects have been identified within the Pre-Submission version, a combination of mitigation measures and recommendations to either avoid or minimise potential negative effects or increase the positive effects, were made.
15. The report, which documents our findings and recommendations in relation to sustainable alternatives, changes to policy and mitigation, will also show how the recommendations from the SA have been taken into account in spatial policy decision making. Importantly where a recommendation is not followed, justification needs to be provided to explain why such an alternative approach is not reasonable and appropriate.

16. The purpose of the Habitat Regulations Assessment (HRA) is to ensure that the Plan (in combination with other plans or projects) does not have an adverse impact on the integrity of European protected Natura 2000 (N2K) sites. The N2K sites within the County considered in relation to the CDP and its potential impact include the North Pennine Moors Special Protection Area (SPA)/Special Area of Conservation (SAC), Durham Coast SAC, Thrislington SAC, Moorhouse and Upper Teesdale SAC, North Pennine Moors SAC. The HRA must also assess any impact upon the Northumbria Coast SPA/RAMSAR and Teesmouth and Cleveland Coast SPA due to their proximity to the County boundary and identified pathways.
17. As with the SA process mitigation advice and recommendations were provided on all policies included in the Preferred Options. These recommendations have been made to ensure that any implicated policies and allocations are 'screened out' and so that it can be demonstrated the Plan will not have any adverse impacts on identified European sites. If this is not achieved, it is likely that the Plan will be considered 'unsound'.

### **Other Evidence**

#### Strategic Housing Land Availability Assessment (SHLAA)

18. Members will recall previous versions of the SHLAA. The document needs to be regularly updated and this is the latest version to support the Pre-Submission Draft Plan. The primary role of the SHLAA is to identify sites with potential for housing and assess when they are likely to be developed. The principle aim of the SHLAA is to demonstrate sufficient potential sites to meet targets set out in the County Durham Plan. Ideally the SHLAA should identify more suitable sites than the Plan requires enabling a degree of choice of where housing goes.
19. It is important to stress that whilst the SHLAA provides information about sites, it is the plan that decides which are allocated. The SHLAA does not make decisions about which sites should be developed for housing, but provides evidence to support decision-making within the plan process.
20. The SHLAA has been prepared in partnership with key bodies from the development industry, including the Home Builders Federation, to ensure that the local planning authority has a sound understanding of the current housing market across the County.
21. The conclusion of the SHLAA is that there is sufficient housing land within the majority of settlements, identified as key to the spatial approach of the County Durham Plan, to demonstrate deliverability. In those areas where there is insufficient land to deliver the spatial approach, particularly Durham City, the SHLAA provides part of the exceptional circumstances for the release of Green Belt land.

## Low Level Radioactive Waste Study

22. The Waste Planning Authorities of Durham County Council (the Study lead), Gateshead Council, Newcastle City Council, Northumberland County Council, South Tyneside Council and Sunderland City Council have commissioned a study to provide estimates of radioactive waste arisings from the non-nuclear industry within the region and their origins and destinations. This Study informs and supports the preparation of Local Plan documents for each of the Waste Planning Authorities involved in the Study. The study aims to address data gaps in information on Low Level Radioactive Waste (LLRW or LLW), incorporating Very Low Level Radioactive Waste (VLLRW or VLLW) adding further detail to the regional commercial and industrial (C&I) waste study. The conclusion of the Study was that there was no specific requirement for a site allocation within the Plan but that a criteria based policy was required to deal with any future proposals. We intend to put this policy in the future Minerals and Waste Policies and Allocations Document.

## Transport Modelling

23. Transport consultants, Jacobs were commissioned to undertake a study to investigate the transport impacts on Durham City of the proposed housing and employment growth set out in the County Durham Plan. Two spatial development scenarios were modelled to inform the study:
- A 2030 'Preferred Approach', with the houses distributed as they were in the Preferred Options; and
  - A 2030 'Dispersed Development' where the houses are distributed more widely across the surrounding area.
- Both options included development of a strategic employment site at Aykley Heads.
24. In overall terms the Jacobs Study demonstrates that the 'Dispersed Development' scenario has greater adverse impacts on the road network compared to the 'Preferred Approach'. Owing to the relatively localised nature of the impacts from the 'Preferred Approach', mitigation measures can potentially provide a more coordinated and focused approach to negative impacts. Therefore the 'Preferred Approach' offers a more sustainable approach to future development in Durham City, in terms of transport network performance and resilience.
25. The Study also considered a range of transport mitigation measures including demand management measures such as new facilities for both pedestrians and cyclists, public transport infrastructure and services, plus marketing and promotional activity as part of a comprehensive strategy for network management across Durham City. However, the Study identified that these measure alone were considered inadequate to meet the demands from future development and background traffic growth. In terms of the proposed relief roads, the study indicated that:

- The proposed Western Relief Road is essential in mitigating localised impacts of planned growth in Durham City and will improve performance of some key junctions within the City Centre.
  - The proposed Northern Relief Road has wide strategic impacts across the study area and will lead to significant reductions in traffic levels and congestion across city wide routes reverting to Reference Case (pre strategic development) levels.
26. Furthermore, the study has indicated that whilst both proposed relief roads have positive impacts individually that the benefits of introducing both relief roads in combination is greater still. The traffic modelling indicates that one relief road is needed in the short term by 2021. To enable the delivery of the new housing on the strategic sites around Durham City this needs to be the Western Relief Road.

### **Next Steps**

27. Subject to Members' agreement, the CIL Draft Charging Schedule, SA and HRA will be subject to public consultation (together with the County Durham Plan) from 14 October until 6 December 2013. Although the other documents are not subject to specific consultation these documents support specific aspects of the County Durham Plan and can therefore be commented on as part of the consultation.
28. Following consideration of the Pre-Submission Draft consultation responses and the making of any minor modifications, the Plan will be formally submitted by April 2014 (subject to approval by Cabinet and Full Council) with the Examination in Public to follow in June/July 2014 and finally Adoption by December 2014. The Planning Inspectorate have indicated that the Examination of the CIL Charging Schedule will follow that of the Plan after a two week break.

### **Recommendation**

29. Cabinet are recommended to:
- i. Agree the Infrastructure Delivery Plan and CIL Draft Charging Schedule for consultation from 10 September to 2 November 2012.
  - ii. Agree the Statement of Consultation;
  - iii. Agree the Sustainability Appraisal;
  - iv. Habitat Regulations Assessment;
  - v. Agree the following evidence based documents:
    - Strategic Housing land Availability Assessment;
    - Affordable Housing and CIL Development Viability Study;
    - Low Level Radioactive Waste Study; and
    - County Durham Plan Transport Modelling.

### **Background Papers**

County Durham Local Plan – Pre-Submission Draft (2013)  
 County Durham Local Plan – Preferred Options (2012)  
 County Durham Local Plan – Policy Directions (2011)

County Durham Local Plan – Issues and Options (2010)  
County Durham Local Plan – Issues Paper (2009)  
National Planning Policy Framework (CLG, March 2012)  
County Durham Local Development Scheme  
County Durham Statement of Community Involvement (June 2012)  
The Sustainability Appraisal of the Plan (2013);  
Habitat Regulations Assessment (2013);  
Transport Modelling for County Durham Plan (2011/12 and 2013);  
Strategic Housing Land Availability Assessment (2013); and  
Low Level Radioactive Waste Study.  
Affordable Housing and CIL Development Viability Study (AH&CIL VS)

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## **Appendix 1: Implications**

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### **Finance –**

The Regeneration Statement and the County Durham Plan outline the approach for investment which includes Durham County Council's capital programme.

### **Staffing –**

None.

### **Risk –**

A risk assessment was completed and reported to Cabinet in September 2013.

### **Equality and Diversity / Public Sector Equality Duty –**

Equality and Diversity has been an integral part of policy development in the County Durham Plan. The vision as outlined in the Regeneration Statement is to *shape a County Durham where people want to live, work, invest and visit and enable our residents and businesses to achieve and maximise their potential* – this will have a positive effect on all residents, employees and visitors. Detailed Equality Impact Assessments have been and will be carried out for individual strategies or projects.

### **Accommodation –**

None.

### **Crime and Disorder –**

None.

### **Human Rights –**

None.

### **Consultation –**

The timings of consultation is included in the Local Development Scheme. Significant consultation will be undertaken in October to December 2013 and on other occasions during plan preparation.

### **Procurement –**

None.

### **Disability Issues –**

None.

### **Legal Implications –**

Legal opinion has been sought from the Council's in-house legal team on all the policies in the plan. Advice has also been received from external legal specialists on particularly complex topics, such as the funding of the relief roads.