## Winchester District Development Framework

## Core Strategy – Issues and Options

## December 2008

# Infrastructure and Implementation

## (Incorporating Developer Contributions and Exceptions to developer contributions)

Analysis of Consultation Responses

#### **Developer Contributions**

#### Summary of the Issue and Proposed Options

This paper deals with the issues relating to developer contributions considered under two different questions in the Issues and Options Paper. The issues concern the most appropriate method for developers to contribute to the infrastructure required by new development and whether any particular types of development should be specifically excluded from paying contributions.

Government advice in PPS 12 now places significant emphasis on the need for the Core Strategy to have a delivery strategy, and central to this is the need for an infrastructure delivery planning process. As part of this process, infrastructure needs and costs should be identified, together with possible funding sources and responsibilities for delivery. The Secretary of State's Proposed Changes to the South East Plan include the following definition of infrastructure:

Airports, Ports, Road network, Rail network
Affordable housing
Further and higher education
Secondary and primary education
Nursery schools
Acute care and general hospitals, Mental hospitals
Health centres/primary care trusts
Ambulance services
Supported accommodation
Social and community facilities
Sports centres
Open spaces, parks and play space
See South East Plan Box CC3
Waste disposal
Libraries
Cemeteries
Emergency services
Water supply, Waste water treatment
Places of Worship
Prisons and drug treatment centres
Gas supply
Electricity supply
Heat Supply

The current approach is for authorities to seek contributions to certain types of infrastructure through negotiated planning obligations, but, for some time, the Government has been investigating ways of simplifying and speeding up the

process, by the introduction of some form of standard charge for certain infrastructure.

All communities rely on an extensive range of infrastructure and services to function effectively, and it is often claimed that the provision of new or improved infrastructure lags behind the provision of the development it is required to serve. It is therefore important that the mechanism for funding and providing them is improved, to relate more closely to the timely delivery of the strategy.

Current Local Plan policy recognises that inadequacies in infrastructure can be overcome by providing new or improved facilities, and where such provision results directly from proposed development, developers are required to ensure that development makes a fair contribution towards its cost. Policy DP.9 of the adopted Winchester District Plan Review therefore requires development proposals to make appropriate provision for the social and physical infrastructure necessary to serve them. This may often be through appropriate financial contributions from developers in lieu of the actual provision required.

However, while current Local Plan policies have delivered some improvements in infrastructure, it has generally only been possible in association with larger scale developments, except for particular types of open space improvements, which have been funded by small as well as large developments, through the Council's special funding system. Improvements funded by developers have generally been restricted to a limited range of facilities and services in the absence of wider more detailed guidance.

#### Public and Stakeholder Feedback

#### Public Workshops (Jan 2008)

A significant number of comments were made on infrastructure provision at each of the public workshops and below are some of the relevant extracts from the 2008 Workshop report on infrastructure issues (the full report can be viewed at:

http://www.winchester.gov.uk/Documents/LDF/Live%20for%20the%20future/ workshop%20report.pdf).

- Existing facilities are inadequate/already at capacity (schools and health provision); will need improvements to cope with further development
- Secondary school provision is inadequate to serve Whiteley and Wickham
- The roads are currently at capacity but any improvements should reflect the character of settlements
- Rat-running on the rural roads will increase
- There is a need for an additional access to serve Whiteley

- Public transport is already inadequate there is a need for cheaper, more reliable services extending into the evening
- Park and ride facilities need to be increased in Winchester, and provided in Whiteley
- The railway station needs to be more accessible to Whiteley
- There is a need for better integration of transport modes and improvements in rural transport need to be considered
- There is a need for better traffic management
- There should be a green travel web-site for car-sharing etc.
- Parking facilities are inadequate in Alresford.
- There is insufficient off-road parking in new development
- Water supply is already at capacity, drainage and floodrisk problems are increasing, and further development would create additional pressures
- There is a need for good community halls to serve the larger settlements
- All development should provide open/green space
- There is a need for improvements in green infrastructure to link settlements
- Inadequate contributions are currently sought for infrastructure improvements through Section 106 contributions
- Contributions should cover long-term management and maintenance
- There is a conflict between government demands and developers' needs
- Would support a roof tax/tariff, but some infrastructure should be through physical provision
- Infrastructure should be in place before development

The comments were wide-ranging, reflecting the concern at each of the venues about perceived inadequacies in the current infrastructure. This related to infrastructure of different types – transport, public utilities, and community facilities, with additional concerns raised about particular local issues.

There was also concern that there would be insufficient improvements in the infrastructure to support future development, with a general feeling that the current developer contributions system needed to be improved, with some support for a tariff approach in certain circumstances.

#### Issues and Options Questionnaire

#### **Developer Contributions**

Question 24 of the Issues and Options paper presented the following options:

#### **Q** 24 – Developer Contributions

24a

Option 1: The existing system of developer contributions towards specific

infrastructure needed by individual developments should be retained and improved. Developer contributions are currently negotiated on a site by site basis, as required under the Local Plan e.g. open space or transport works.

Option 2: A tariff system should be introduced to secure financial contributions from all developments, based on floor size or site size for example.

Option 3: A combination of the above options should be created. This would introduce a tariff system, but allow developers to offset this by providing specific infrastructure instead of a financial contribution.

#### 24b

Are there any other suitable alternative approaches to provide the infrastructure needed for the current and future needs of the Winchester District?

Of the 634 respondents, 19% favoured Option 1, 12% Option 2 and 69% Option 3.

Question 24b provided the opportunity for respondents to make other suggestions and a number of responses were received. Summaries of all the responses to question 24 are available separately due to their size and can be viewed at <u>www.winchester.gov.uk</u>.

#### Issues Arising and Consideration of Suggested Alternatives

Most of the responses to Question 24b were in fact comments in detail on the options proposed in Question 24a, and Annex 1 to this report groups those comment summaries relevant to this part of the plan, together with an officer response and a recommended action. However, a few responses make suggestions for alternative ways of considering the approach to the provision of infrastructure, and these warrant further detailed consideration. The table below examines the possible advantages and disadvantages of these suggestions, compared to the three main options being considered.

Options	Advantages	Disadvantages
Issues and options proposed Retain and improve existing system of developer contributions towards specific infrastructure needed by individual developments	Policy well established and understood	Would be more difficult to achieve a comprehensive approach to the provision of infrastructure needed by future development.

Options	Advantages	Disadvantages
Introduce a tariff system to secure financial contributions from all developments	Developers aware of precise responsibilities once tariffs established	No national tariff system has yet been legalised. Establishing defensible tariff levels would be time-consuming as need to be tested through the LDF process. May be difficult to ensure the necessary infrastructure is provided at the right time and in the right locations, particularly where land acquisition is required.
Use a combination of the above options, by introducing a tariff system to complement provision made by developers.	Allows the continuance of a well-established approach with improvements, and the introduction of tariffs alongside this approach for those elements most suited to a standardised approach. On-site provision can be achieved if required.	More complex approach and therefore developers need to understand which method would be used to achieve the provision of different facilities
Other alternatives		
EU money should be used to fund improvements	EU recognition of local infrastructure issues	Generally used for projects of national benefit and therefore unlikely to be available for local infrastructure projects (especially those required to serve development)
There should be a Government development fund to fund important items of infrastructure	Would reduce local contributions and help major projects get off the ground. Where funding has been secured for the PUSH area, it is able to prioritise its use for the development of infrastructure needs, which will be of positive benefit for local	The City Council has little influence over where Government funding is provided, and currently it targets the national 'Growth Points' programme. It is therefore only available for the PUSH part of the District, where funding has been successfully secured, and not for the

Options	Advantages	Disadvantages
	development	more rural northern part
	frameworks.	of the District.
The utility providers	Would reduce costs to	Utilities usually require a
should make a larger	developers.	connection charge
contribution as they gain		already, rather than
new customers from		developer contributions,
new developments		but local authorities
		have no control over the
		budgets of the
		infrastructure providers.
		Improvements may be less related to local
Dovelopers should be	Some facilities and	developments.
Developers should be asked to provide land on	services provided within	Developers generally only have control over
which facilities may be	developments.	land within the
provided		development site.
provided		Therefore this method
		unlikely to cover full
		range of services
		required. Reservation
		of land is not an option
		for small developments.
Provision of	Would be no further cost	Existing taxes already
infrastructure should	to developers.	committed to other
come out of existing		projects. Developers
taxation		should be responsible for improvements
		generated by their own
		developments.
Local communities	Would give local	Local communities
could vote to raise taxes	empowerment to identify	unlikely to view local
to fund specific projects	local priorities.	infrastructure needs
		comprehensively or to
		be willing to fund
		requirements generated
		by development.
		Favoured projects may
		be implemented at
		expense of other
	Mould allow full man and the	essential projects.
Allow the development	Would allow full range of infrastructure to be	The development of a
of a new town at Micheldever	developer funded	new town at Micheldever would be
		inconsistent with both
		national and regional
		policy in meeting the
		District's development
		needs, and its provision

Options	Advantages	Disadvantages
	Advantages	would not solve the need for infrastructure improvements elsewhere in the District. These would be needed to serve both small-
		scale and larger-scale development in different parts of the District.

#### **Exceptions to Developer Contributions**

Question 25 of the Issues and Options Paper presented the following two options:

#### **Q25 – Exceptions to Developer Contributions**

25a

Option 1: there are no exceptions – all forms of development regardless of scale must contribute to a tariff or other financial system

Option 2: Some exceptions are allowed. This could allow some land uses/proposals such as affordable housing to contribute less or nothing to infrastructure.

25b

Are there any suitable alternative approaches to allow exceptions to developer contributions for infrastructure?

#### Issues and Options Questionnaire

Of the 628 respondents, 71% favoured Option 1 and 29% Option 2.

Most of the responses to Question 25b were in fact comments in detail on the options proposed in Question 24a, and Annex 1 to this report groups those comment summaries relevant to this part of the plan, with an officer response and a recommended action. Summaries of all the responses to question 25 are available separately due to their size and can be viewed at www.winchester.gov.uk.

Generally the responses to Question 25b, which sought suggestions for alternative approaches to allowing exceptions to developer contributions, were offering more alternatives to a system fully funded by developers. However, for completeness, the suggestions made are set out in the table below, which examines the possible advantages and disadvantages of these suggestions, compared to the two main options being considered.

Options	Advantages	Disadvantages
Allow no exceptions – all sizes and types of development must contribute to the selected system	Provides a fair and equitable system. All development creates a need for additional infrastructure and therefore should help to fund improvements.	Level of contributions may impact on the cost of some development, particularly affordable housing or other types of social infrastructure. May deter development if the contributions are not fixed at a reasonable level.
Allow some exceptions to infrastructure contributions for particular land uses, e.g. affordable housing	May allow some forms of development to be more viable/affordable.	Difficult to justify as all development, including affordable housing, needs infrastructure. Allowing exceptions would impact on other development, as their contributions would need to be correspondingly increased.
Other alternatives		
Government should provide funding	Would reduce local contributions and help major projects get off the ground. Where funding has been secured for the PUSH area, it is able to prioritise its use for the development of infrastructure needs, which will be of positive benefit for local development frameworks.	The City Council has little influence over where Government funding is provided, and currently it targets the national 'Growth Points' programme. It is therefore only available for the PUSH part of the District, where funding has been successfully secured, and not for the more rural northern part of the District.
Developers should give houses to the council to allocate to young or key workers	Allows affordable housing to be provided at nil cost. Developers already provide free serviced land for affordable housing on larger sites.	Unlikely to be viable and, if more affordable housing were achieved, might be at expense of other forms of infrastructure.

Options	Advantages	Disadvantages
In addition to a financial contribution or tariff, all premises, including student housing, should be charged council tax or business rate, to help fund infrastructure costs	Could increase local revenues	Would increase student rents or costs to businesses. Types of property liable for council tax are outside the control of local authorities. Cannot guarantee funding would be used for infrastructure
Offer reductions in contributions where developments offer other benefits e.g. waste conservation, the use of sustainable construction methods	Would encourage developers to offer other benefits	Would leave a funding shortfall for the provision of infrastructure
Where a development of community benefit is proposed, there should be an opportunity to pledge a proportion of the Community Charge to specific local projects	Would allow community empowerment, but would depend on to what extent local communities have a role in the operation of any revised system	Local communities may be able to prioritise local projects but this would need to be supplemented by other arrangements to cover types of infrastructure that are outside the responsibility of local communities, and those of wider significance.

#### Other considerations

#### Government advice

A number of Planning Policy Statements (PPSs) and Planning Policy Guidance Notes (PPGs) deal with infrastructure matters to varying degrees, the most significant references being in PPS1, PPS3, PPG 8, PPS11, PPS12, PPG13, and PPS25.

PPS 1 "Delivering Sustainable Development" is concerned with achieving sustainable development, and refers to various matters of relevance to infrastructure provision, such as accessibility, social inclusion, energy efficiency, and use of resources. It requires infrastructure to be provided to support new and existing economic and housing development while having regard to the likely resources available for implementation.

PPS3 "Housing" continues the theme of sustainable development and includes amongst its objectives the development of housing in locations with good access to jobs, key services and infrastructure. It notes the importance of working with infrastructure providers to plan the most appropriate local strategy for development. PPS3 promotes the development of previously developed land and efficient use of land, and density policies are required to have regard to the capacity of infrastructure, greenspace and accessibility levels.

PPG8 "Telecommunications" promotes the development of the telecommunications network, subject to environmental considerations. Planning authorities are encouraged to consider how the telecommunication needs of the occupiers of new housing, offices, etc will be met. The network proposed in the document is now largely in place.

PPS11 "Regional Spatial Strategies" (RSSs) expects infrastructure to contribute to determining the development strategy for a region, with the plans of infrastructure providers taken into account in developing spatial options. It requires the production of implementation plans to show how each policy in a regional spatial strategy will be implemented, and the preparation of Regional Transport Strategies as an integral part of the RSS.

PPS12 "Local Spatial Planning" emphasises the importance of the infrastructure planning process, as part of a robust 'evidence base' supporting the preparation of the core strategy. The infrastructure planning process is expected to cover the 'physical, social and green infrastructure needed to enable the amount of development proposed for the area, taking account of its type and distribution.' Infrastructure needs and costs, phasing of development, funding sources, and responsibilities for delivery are to be identified, and local authorities are required to have discussions with the infrastructure providers. The core strategy is expected to make proper provision for any uncertainties, with a possible need for contingency planning, showing how the core strategy's objectives would be achieved under different scenarios. Infrastructure planning is also expected to include the specific infrastructure requirements for any strategic sites allocated in the core strategy.

PPS 12 also makes reference to the anticipated introduction of the Community Infrastructure Levy (CIL) in 2009, which would empower local authorities, but not require them, to levy a charge on new developments to help finance the infrastructure needed. In January 2008, the DCLG published an initial document setting out the broad principles for its introduction, and, in August 2008, published "The Community Infrastructure Levy", giving further details on how the charge could be introduced and operated. It will be up to local authorities to decide whether or not to introduce it, but they will be expected to have an up-to-date development plan for the area in the first instance. If the decision is made to introduce CIL, a draft charging schedule would need to be prepared, which will not formally be part of the development plan, but, in the same way as development plan documents, it will be subject to examination by an independent Inspector.

PPG13 'Transport' deals with a range of transport infrastructure, and seeks to integrate planning and transport so as to help achieve sustainable development. Annex C of the PPG deals with Transport Infrastructure and emphasises the need to mitigate the impact of new infrastructure, which may require environmental impact assessment. It is mainly concerned with the procedures and processes involved with developing various types of transport infrastructure.

PPS25 'Development and Flood Risk' sets out Government policy on development and flood risk. Its aims are to ensure that flood risk is taken into account at all stages in the planning process to avoid inappropriate development in areas at risk of flooding, and to direct development away from areas of highest risk. This requires local authorities to undertake Strategic Flood Risk Assessments, dividing their areas into 3 zones, depending on the risk of flooding. Development is to be directed to the lowest available and suitable zone and only certain developments may be permitted in higher risk zones. A practice guide has been produced, providing further guidance on how to implement development and flood risk policies.

#### South East Plan

The South East Plan contains policies relevant to all types of infrastructure, and Policy CC7 sets out the requirements for their provision. Where new or improved infrastructure is needed, Local Development Documents (LDDs) need to identify the additional provision required to serve the development and how it would be provided in relation to the timing of development.

Contributions will be required to help deliver the necessary infrastructure, and local authorities are required to include policies in LDDs and prepare clear guidance on the role of developer contributions towards infrastructure. The policy refers to the need for a more pro-active approach to funding, involving a joint approach by regional bodies, local authorities, infrastructure providers and developers. Further consideration of the pooling of contributions and development tariffs will be needed, with mechanisms to enable forward funding of strategic infrastructure, including possibly a Regional Infrastructure Fund. To ensure the timely delivery of supporting infrastructure, an Implementation Plan will be prepared, monitored and reviewed by the Regional Planning Body, and this will identify the strategic infrastructure schemes needed to deliver the Plan.

The need to link the phasing of development with infrastructure provision is a specific requirement of Policy H2 (housing), and other policies of the Plan relate to the need to manage or invest in non-transport infrastructure, such as NRM1-NRM2 (water resources), EN1-EN4 (renewable energy), W16-W17 (waste), and S4-S8 ('social infrastructure'). For the proposed growth area of South Hampshire, Policy SH4 proposes an implementation agency to deliver the proposed development and associated infrastructure.

The South East Plan is accompanied by an Implementation Plan, initially submitted with the draft Plan in March 2006 and subsequently superseded by a Revised Implementation Plan submitted to the Examination in Public in October 2006. This includes a definition and classification of infrastructure and estimates the costs of infrastructure needed in association with the South East Plan as being in the range £37bn - £47bn. Subsequently, further work by the South East England Regional Assembly (SEERA) and the Environment Agency has estimated the additional cost of flood defences, water resources, maintaining water quality, waste treatment and countryside protection to be a further £42bn, giving a total of up to £89bn.

The Implementation Plan contains a series of Key Actions for other organisations, particularly Government and local authorities. It categorises different types of infrastructure according to its scale (local, sub-regional, regional, national) and looks at costs for each level. It attempts to estimate infrastructure costs at the 'local' level (Annex 4), based on a likely cost per additional person or dwelling. This work, along with more detailed work locally, may provide a basis for calculating 'tariffs' for new housing development, should this be possible under the proposed Community Infrastructure Levy proposals.

The work on local infrastructure costs is largely based on a report by Roger Tym and Partners, undertaken for the County Councils in the South East, entitled 'The Costs of Funding Growth in South East England'. This calculates 'per-dwelling' costs for education, health, sports provision, open spaces, libraries, etc.

The Secretary of State for Communities and Local Government published Proposed Changes to the South East Plan earlier this year. Some of the policies mentioned above are subject to proposed Changes, key ones being:

- Policy CC.7 changes to remove the requirement that development should not proceed until the relevant infrastructure is available or will be provided, and replace it with references to the capacity of infrastructure and the need for phasing to be 'closely related' to infrastructure;
- Policy NRM.1 changes to direct development to locations where adequate water supply infrastructure exists or can be provided;
- The 'EN' policies have been deleted and their provisions incorporated into revised 'NRM' and other policies;
- Policy SH.4 deleted on the basis that it is covered by Policy CC.7.

The City Council submitted representations on the Proposed Changes by the deadline of late October and the adoption of the Plan is expected in early 2009.

#### Relevant Sub Regional Studies

A report on all infrastructure needs (except transport) was first produced for the area covered by the Partnership for Urban South Hampshire (PUSH) in December 2005, and this was updated in November 2006 as background for the South East Plan's Examination in Public. PUSH has concluded that the pace of growth in South Hampshire should be determined by the rate of infrastructure investment.

The report sets out the broad details and estimated costs for all the new infrastructure that would be required to support new development. Work on identifying infrastructure needs is ongoing to inform the South East Plan Implementation Plan and emerging Local Development Frameworks. The report concludes that existing funding streams will be insufficient to fund the infrastructure required and that significant additional Government funding would be necessary. PUSH is currently updating this study and Hampshire County Council is producing a similar study for the rest of the County.

The Government has announced a New Growth Points initiative, and the Sub-Region of South Hampshire, through PUSH, was selected as a New Growth Point Area in October 2006. As a result, £3.65m funding was allocated to PUSH in 2007/8 for 14 projects to support delivery of growth in South Hampshire, a number of which relate to infrastructure.

#### Local policies

The key local policies relating to different forms of infrastructure are currently set out in the adopted Local Plan - the Winchester District Local Plan Review (WDLPR). These key policies are then supplemented by the plans and strategies of the infrastructure and service providers.

The WDLPR recognises the need to ensure that development does not overload physical or social infrastructure and Policy DP.9 is the principal policy requiring developers to provide improvements required as a direct result of development. This is supplemented by more detailed policies on flood risk (DP.8), public utilities and telecommunications (DP.14), renewable energy (DP.15), improvements to, and loss of, facilities and services (SF.6 – SF.7), further and higher education establishments in the countryside (SF.8), protection of important open areas (RT.1 – RT.2), improvements in recreational space (RT.4 – RT.10), indoor leisure uses (RT.14), and transport provision (T.1 – T.12).

#### <u>Winchester District Strategic Partnership – Sustainable Community Strategy</u>

The Sustainable Community Strategy (March 2007) is based on five key outcomes in terms of what is required to deliver its vision. These outcomes are:

- Health and wellbeing
- Safe and strong communities
- Economic prosperity
- High quality environment
- Inclusive society

The provision of adequate infrastructure can potentially have a major bearing on helping to achieve these outcomes.

#### Sustainability Appraisal

The Sustainability Appraisal of the Core Strategy Issue and Options paper commented separately on Issues 24 and 25, and commented as follows on the options for developers contributing to infrastructure provision (Issue 24):

"In terms of social provision, Option 2 would apparently be the preferred option but care would need to be taken that the tariffs were not set at a level that would deter new development. This would result in the required housing figures not being met and thereby undermining many of the social objectives.

Option 1 would ensure the provision of affordable and intermediate housing but would not provide a mechanism whereby the cumulative impact and demands made by all new development, of whatever scale, could be addressed. This could be achieved if the improvements to the system covered all potential contributions through the production of specific SPG but this would amount virtually to a tariff system although potentially with greater flexibility.

Option 3 would have the benefits of flexibility but would need to be clearly expressed to provide clarity to developers and not cause lengthy delays over Section 106 agreements which would undermine the short term provision of all forms of new housing. If Option 3 applied to all developments, it would necessarily be the option most likely to achieve sustainability benefits as it has the flexibility to address the needs and issues which are fairly related to the different types of development

On the options for making exceptions to developer contributions (Issue 25), the Sustainability Appraisal (SA) commented as follows:

"Option 1 would provide good support for SA objectives on transport, health, communities and sustainable construction as it would allow the council to specify where financial contributions are applied in support of SA objectives. As noted in relation to the infrastructure policies, the ability of this option to deliver against core SA objectives for housing and the economy would be less certain as high tariffs may deter development and smaller developers which would have a direct impact on the delivery of housing and employment. This may particularly be the case where development costs are high (e.g. due to remediation requirements).

Option 2 would be supported where the development / proposal is addressing a defined social need, e.g. for affordable housing or community facilities. Where this cannot be proven, then the benefits are uncertain and the option has the potential to compromise delivery against core objectives for housing, infrastructure and transport."

#### **Recommended Response**

There is a general acceptance, both at Government and local level, that the current system of developer contributions needs to be improved. In particular,

a system needs to be devised that would enable a wider range of essential facilities and services to be funded, and allow all types and sizes of development to contribute to them.

No real alternatives to a developer funded contribution system have been suggested in the Issues and Options consultation, although a number of respondents considered that the Government should provide more of the funding. However, the local authority has little control over this and, in the absence of any clear commitments from Government to such increases, it would not be prudent to plan on this basis. The Government has chosen to provide additional funding only to the new growth areas, and therefore is already providing additional funding to the PUSH area through the national New Growth Points programme. Part of this will be used to help fund the significant infrastructure improvements that will be required and will therefore benefit the southern part of the District within the PUSH area. However, developer contributions will also need to fund other infrastructure improvements required by growth throughout the District.

The responses to the question on developer contributions in the Issues and Options consultation showed widespread general support for Option 3 – the hybrid approach – with the introduction of a tariff system for the provision of appropriate facilities and services, combined with developers providing specific infrastructure themselves through planning obligations. This approach would appear to provide most flexibility, and this is recognised also by the Issues and Options Sustainability Appraisal, together with the benefits offered in terms of sustainability.

The responses to the question on whether or not there should be any exceptions to developer contributions gave a clear indication that there should be no exceptions. Although there was some support for certain exceptions to be made, e.g. for affordable housing, exceptions cannot be justified on policy grounds, as all development creates infrastructure demands. In addition, if infrastructure provision is essential, any funding shortfall created by allowing exceptions would have to be made up by increased contributions from other forms of development. This would require additional subsidy for affordable housing, which is itself one of the largest contributions sought of developers, and may well threaten the viability of development and/or its ability to contribute to other infrastructure requirements. It follows that, if a system is to be fair and equitable, it should apply to all types and sizes of development.

PPS 12 highlights the importance of the infrastructure planning process in the preparation of the Core Strategy, and the method for seeking developer contributions to secure funding is an important consideration in this process. The policy in the Core Strategy should therefore establish a basis for this, by stating that developer contributions will be sought for a wide range of infrastructure improvements, the need for which is generated by new development. It will, however, need to incorporate flexibility on how they are sought, to allow for the possible introduction of a Community Infrastructure Levy (CIL) during the Plan period.

The Government has said that the introduction of a CIL by local authorities will be optional. Although it may simplify negotiations on developer contributions in the long run, the amount of work needed in the first place to establish and justify a charging schedule (which can be kept up-to-date) and an effective operating system should not be under-estimated. Once the full information on introducing a CIL is available, the Council will need to take a decision on whether the work involved is justified in terms of the benefits that would be accrued.

In helping Councils to reach this decision, it is to be hoped that the Government will provide positive guidance on the infrastructure elements suitable for the application of a tariff, and those that need to be provided through planning obligations, as there needs to be a consistent approach between authorities on this issue.

The legislation to allow local authorities to charge a tariff is expected early in 2009, and, should the Council decide to pursue a tariff system, a draft charging schedule would need to be prepared, which properly reflects the District's needs. This would have to be subject to examination through the LDF process. Whether or not a Community Infrastructure Levy is introduced in the District, a Development Plan Document (DPD) or Supplementary Planning Document (SPD) on Infrastructure Provision or Developer Contributions will need to be prepared, setting out in detail what infrastructure improvements will need to be funded, how and where they should be provided, and the mechanism necessary for developers to make the required contributions. If it is decided that a DPD should be prepared, that document also would need to be subject to examination through the LDF process.

Local authorities are expected to progress work on infrastructure provision while the details of introducing the Levy are being finalised, and this is the approach being followed in this District at the present time. At this stage, discussions with the infrastructure providers are continuing alongside the preparation of the Core Strategy, with a view to establishing the infrastructure improvements required by the additional development proposed, and the level of costs involved.

In the interim, until a decision is taken on whether a Community Infrastructure Levy would be appropriate in this District, it may be possible to extend the range of facilities and services to which a standardised approach to charges may be applied, using the provisions of Circular 05/05, which encourages this in appropriate circumstances. This approach is currently used in the Council's Open Space Funding System, but this system would also need to be reviewed as part of this process. An interim approach could also provide a basis for contributions to some facilities and services if a Community Infrastructure Levy is introduced at a later date.

Clearly contributions towards a wider range of facilities and services would involve a number of different providers, and some of the improvements necessary would be at regional or sub-regional level. A Regional Infrastructure Fund (RIF), operated by SEEDA, is being established to enable forward funding of regionally or sub-regionally significant infrastructure. Formal agreements would be needed with local authorities and infrastructure providers to establish contractual arrangements for operating the Fund. Whatever procedures are agreed for this, any system set up to enable the provision of local infrastructure would need to be properly integrated with the regional arrangements.

The most recent Government paper on the Community Infrastructure Levy (CIL) indicates that an up-to-date development plan would be required in the first instance. It is therefore likely that the Core Strategy will need to be adopted before a draft charging schedule can be subject to examination. However, this may need to be clarified with the Government Office.

It is therefore concluded that the Core Strategy should seek improvements in the system for seeking developer contributions towards infrastructure, using negotiated contributions and Section 106 agreements initially, and introducing tariffs for appropriate items using current legislation or following the legislation allowing authorities to introduce a Community Infrastructure Levy.

The infrastructure will need to be improved in step with development, and it is likely that a DPD or SPD will be required to set out the specific improvements required, the level of developer contributions required to fund them, and how they would be provided in relation to the timing of development. To achieve this, there will need to be liaison with the regional planning body, the service providers and other local authorities.

#### Recommended Approach

Require all developers, through planning contributions, to meet the costs of new on-site and off-site infrastructure required to support their development.

Recognise the need for developers' contributions to be sought for a wider range of infrastructure, to be itemised in the Core Strategy.

Continue discussions with the infrastructure providers with a view to establishing the improvements needed and costs of provision in more detail.

Adopt a system using two approaches – negotiated agreements primarily for on-site infrastructure, and a tariff-based approach for appropriate off-site infrastructure. Clarify that, when legislation is in place, a Community Infrastructure Levy may be considered where this would simplify procedures and lead to improved provision of infrastructure.

Require further consideration of the mechanism for separating regional or sub-regional infrastructure from the provision of local services and facilities.

Refer to the need for a DPD or SPD to clarify the infrastructure improvements to be funded, the levels of contributions required, the mechanism for seeking them, and their relationship to the timing of development.

#### Annex 1

Key points (all common issues have been grouped)	WCC Officer Response	Suggested Action
Issue 24 General principles Approach needs to be consistent with Government policy	Agreed.	No further action required
Core Strategy must set out significant infrastructure required, timing and delivery.	Agreed – this is a requirement of PPS 12.	No further action required
Need for further consideration once legislation in place, will dictate manner contributions secured	Agreed, but Government advice is that the preparatory work on infrastructure provision should continue, so that any revised system of collecting developers' contributions can be implemented as soon as possible.	No further action required, but see main report
Role of other organisations City Council should identify needs and require developers to fund them	This will be undertaken as part of the process for establishing how infrastructure improvements are to be funded.	No further action required, but see main report
City Council savings could generate funding to provide infrastructure	There is unlikely to be scope for sufficient funding for the required infrastructure improvements, and it is now widely accepted that they should be funded by developers.	No further action required

Key points (all common issues have been grouped)	WCC Officer Response	Suggested Action
Will need cross- boundary co-operation	Agreed. This is already part of the emerging Government advice.	No further action required
Suitability of proposed infrastructure should be discussed with Parish Councils	It is likely that certain types of local infrastructure, e.g. open space improvements, would be discussed with Parish Councils	No further action required
Town and Parish Councils should be able to build up funds for major projects	This would depend on the details of the operation of any revised system for funding infrastructure but it should allow funds to be aggregated to fund larger items of expenditure	No further action required
Should enlist ideas on infrastructure improvements from local businesses	Comments from local businesses would always be welcome during the preparation of more detailed guidance.	No further action required
Making provision for infrastructure		
Impact on existing infrastructure Further development will put a strain on essential utilities whatever method of seeking contributions is selected	Although new development cannot be required to rectify existing deficiencies, improvements would often result in benefits for the existing population.	No further action required, but see main report
Developers should be encouraged to conserve resources	The Core Strategy will contain policies requiring developers to have regard to the conservation of resources.	No further action required

Key points (all common issues have been grouped)	WCC Officer Response	Suggested Action
Providing new or improved infrastructure There needs to be an improvement on the current method of	This has been agreed nationally and supported by local authorities.	No further action required, but see main report
achieving provision Need a strategy for the provision of infrastructure, taking account of developments outside the District	The method selected for seeking contributions would need to be supported by additional guidance in a DPD or SPD. Any strategy developed would take account of developments outside	No further action required, but see main report
Infrastructure should not only provide for present needs but for 50 years' time	the District. Infrastructure should provide for needs over a reasonably long timescale but it would generally be unrealistic to plan 50 years ahead, as the plans and strategies of the providers have to be taken into account.	No further action required, but see main report
Provision of infrastructure should be embedded in district/local plans with developers making provision in accordance with requirements	The proposed method of seeking contributions will be the subject of a policy in the Core Strategy with more detailed guidance being set out in a DPD or SPD. It will therefore be an integral part of the Council's LDF.	No further action required, but see main report
Types of Infrastructure		
<b>General</b> SPD should be produced to define types of infrastructure to	Further guidance will need to be prepared, but it is uncertain at	No further action required, but see main report

Key points (all common issues have been grouped)	WCC Officer Response	Suggested Action
be funded	present whether it will be a DPD or SPD. If the Council opts to introduce a CIL, a charging schedule will also need to be produced, which has to be subject to examination through the LDF process. Government legislation is awaited and this may influence the type of additional guidance required.	
<b>Transport</b> Existing roads badly maintained and would not be able to support infrastructure improvements eg bus and cycle lanes	The appropriateness of infrastructure improvements would be individually assessed.	No further action required
Needs specific consideration in larger developments, particularly public transport	Transport infrastructure would be given more detailed consideration in larger developments.	No further action required
Impact of development on the strategic road network should be mitigated by managing demand for car trips and encouraging use of public transport. Only provide new infrastructure as last resort	This is part of the process used for assessing transport needs	No further action required
Should seek contributions to station / rail improvements if appropriate	The need for these would be assessed as part of the process of assessing the overall transport needs of any development	No further action required

Key points (all common issues have been grouped)	WCC Officer Response	Suggested Action
Water Supply and Drainage Need contributions when growth requires up-sizing of water supply networks	The Water Authorities would advise on any additional water supply requirements which should be funded by developers	No further action required
Avoid building on flood plains	A Strategic Flood Risk Assessment has been carried out in accordance with the advice in PPS25. Development proposals will need to take account of this, and be directed to the lowest available and suitable of the three zones.	No further action required, but see main report
The provision of independent water and sewerage systems, as at Knowle, are unacceptable as they result in high maintenance fees	The systems at Knowle were implemented because they were the most appropriate solution on that site. Larger sites would be served by mains drainage and water supply but the needs of each development site would be individually assessed at the time of implementation.	No further action required
<b>Open Space</b> Areas of land should be reserved for this purpose with developers contributing to purchase.	Contributions will be used to purchase land for open space where a need for additional open space land is identified.	No further action required
Others Extra cost of police services should be funded	The need for funding additional police services or cultural	No further action required, but see main report

Key points (all common issues have been grouped)	WCC Officer Response	Suggested Action
Cultural provisions should be funded	facilities would need to be assessed as part of the wider infrastructure needs, as part of any revised approach to funding infrastructure.	
Developer contributions		
Types of development funding infrastructure All developments, irrespective of size, should make contributions to infrastructure	This should be a principle of any revised approach, which should be fair and equitable.	No further action required
Will all kinds of 'new development' be required to fund infrastructure, including replacement church halls?	Infrastructure improvements should be funded by all types and sizes of development that create additional demands. The nature of contributing development (and whether this includes replacement buildings) would need to be set out in further guidance but, normally, such development would need to place additional demands on infrastructure for a contribution to be sought.	No further action required, but see main report
If developers have to bear cost of infrastructure, will make houses very expensive	It is part of Government advice that any contributions sought should be fixed at a reasonable level, and the Council will consider the likely impact on the housing market when contribution levels are further considered. If	No further action required

Key points (all common issues have been grouped)	WCC Officer Response	Suggested Action
	requirements are established in advance the cost will be reflected in the price of land, not housing.	
Infrastructure costs are an unfair burden on affordable homes	It is recognised that affordable homes need to remain affordable but at the same time they place additional demands on infrastructure. It is therefore appropriate that they should make a contribution.	No further action required, but see main report
Contributions from employment uses would deter the provision of uses providing local employment	Employment uses make demands on infrastructure but the level of contribution sought will need to take account of the need to attract employment uses to establish in the area.	No further action required
<b>Costs of infrastructure</b> <b>to be funded</b> Financial contributions or physical provision should only be sought where they relate to development proposals	It is a long established principle that contributions or provision should be directly related to development proposals.	No further action required
Developers should fund full infrastructure costs, including site requirements and wider community needs, not the local community.	As set out in government advice, developers should fund both the immediate and wider infrastructure improvements required as a result of their proposals.	No further action required, but see main report
Contributions must be ring-fenced and used for the purposes provided	It is likely that contributions will need to be ring-fenced for	No further action required

Key points (all common issues have been grouped)	WCC Officer Response	Suggested Action
	particular purposes and levels of provision. How this will be achieved will need to be set out in a DPD or SPD.	
Contributions should be aggregated over a number of years to fund larger projects	This will be required if all sizes of development are to make infrastructure contributions.	No further action required
Contributions should be the maximum viable for a scheme and most should be spent on affordable housing	Contributions will be based on the infrastructure improvements needed in each locality. Currently the intention is that affordable housing would be mainly provided on-site rather than by contribution. Authorities will need to ensure that contribution levels are set at a level that would not prejudice the provision of increased amounts of affordable housing.	No further action required
Need to ensure funded improvements are implemented and linked to particular development phases	The mechanism for achieving this will need to be set out in a DPD or SPD.	No further action required
Standard of infrastructure Infrastructure should be provided to agreed standards	The infrastructure providers will be involved in further discussions so that standards of provision required can be specified.	No further action required

Key points (all common issues have been grouped)	WCC Officer Response	Suggested Action
If a developer provides a facility, a bond should be held to ensure completion to acceptable standards	A future DPD or SPD will need to address methods of ensuring that infrastructure improvements are provided to an agreed standard.	No further action required
Developers should be required to improve/replace inadequate infrastructure in addition to providing necessary improvements	Inadequacies in the current infrastructure can only be addressed where improvements would be of direct benefit to the proposed new development and this is enshrined in government advice.	No further action required
Timing of infrastructure provision		
Infrastructure should be in place before development	This is an important principle, which was sought as a principle of the South East Plan. However, the principle was weakened by the Secretary of State in her Proposed Changes to the Plan. It will, however, be important to use mechanisms, such as forward-funding arrangements, to achieve the provision of infrastructure in step with the development it is intended to serve. This will need to be addressed further in a DPD or SPD.	No further action required
The three options		
Negotiated agreements Support retention of negotiated contributions	Development will continue to take place	No further action required

Key points (all common issues have been grouped)	WCC Officer Response	Suggested Action
on site by site basis until Government provides further advice on tariff system. Provides flexibility and more likely to comply with Circular 05/05 guidance	using negotiated contributions until the legislation is in place to allow tariffs to be adopted and Government advice is clear on the issue. The Council will then need to make a decision as to whether a CIL would be appropriate for the District.	
Option should allow for provision of infrastructure in lieu of a financial contribution	Option does allow for on-site provision in lieu of a contribution. This would generally be preferred on sites where it would be practical and feasible.	No further action required
There is a need for flexibility so that developers of larger schemes have the option of off-setting significant strategic infrastructure against affordable housing obligations	Developers of larger schemes will need to meet their affordable housing requirements as well as making their contribution to any necessary strategic infrastructure improvements. The approach and contribution levels adopted would need to be developed so that they are fair and equitable for all sizes and types of development.	No further action required
Continuation of existing system unlikely to facilitate adequate contributions from small developments, thus increasing pressure on facilities.	It is recognised that it would be difficult to develop justifiable contribution levels for small developments without using some form of standardised contribution, which may	No further action required

Key points (all common issues have been grouped)	WCC Officer Response	Suggested Action
	amount to a tariff approach.	
Tariff system Is the fairest system and least likely to be circumvented	If the option is taken up, tariffs could be devised to apply fairly and payment would become an integral part of the planning application process	No further action required
But unlikely to encourage on-site provision of facilities	Agree the method would be less suitable for on- site provision of facilities. May therefore be more appropriate where provision is to be off-site.	No further action required
Provisions would need to be carefully drafted. Best approach as uniform and transparent way of generating contributions for local infrastructure	Agree would need to give detailed consideration to provisions in a DPD or SPD. Standardised approach may offer benefits of transparency and ease of application.	No further action required
Should be based on a thorough up-to-date assessment of infrastructure capacity constraints, would provide greater certainty	Agree. The Council is in the process of identifying infrastructure needs and constraints, and this information will be used to prioritise the need for improvements required in association with new development. This would be used to set tariff levels if considered appropriate.	No further action required
There should be no size threshold for this approach	Whether or not there should be a site threshold for tariffs would need be	No further action required
Should apply to	addressed in more	

Key points (all common issues have been grouped)	WCC Officer Response	Suggested Action
developments up to a certain size, above which developers should provide infrastructure themselves	detailed guidance, but this may be influenced by the forthcoming legislation. Ideally a 'no-threshold' approach would be preferred for all infrastructure.	
Would need to establish guidelines, but tariff would need to reflect site differences	Tariffs would need to be capable of reflecting site types and sizes.	No further action required
Who will decide tariff levels, and will there be public consultation?	If adopted, tariffs would be set by the local authorities in consultation with the providers, but the charging schedule would be subject to examination through the LDF process.	No further action required
Should be separate from fund for open space and recreation	Any infrastructure fund should be able to identify amounts available for different types of infrastructure, including open space and recreation. The future of the Council's current open space fund would need to be further considered in the future, if a more comprehensive approach to infrastructure is adopted.	No further action required
Should contribute to regional/sub-regional infrastructure	Any tariff approach would need to have a mechanism for contributions to regional infrastructure needs identified in the Regional	No further action required

Key points (all common issues have been grouped)	WCC Officer Response	Suggested Action
	Implementation Plan, possibly by contributing to the Regional Infrastructure Fund, if appropriate.	
May risk under-funding, may be need to assign portion to fund large infrastructure projects.	Contributions would need to be calculated to take account of local and regional needs.	No further action required
Range of benefits likely to come forward through this method needs to be clarified.	This would be clarified in further guidance, once an approach to developer contributions is agreed.	No further action required
Need for a Core Public Service Policy to acknowledge plans and programmes implemented by service providers	The approach selected would need to have regard to the plans and programmes of all the service providers.	No further action required
May result in provision of services after development completed	The system developed should ensure that provision is made as closely as possible to the development that has contributed.	No further action required
Should be a starting point, negotiations to continue on a site by site basis	This would effectively amount to a hybrid system, using tariffs and negotiated agreements.	No further action required
Hybrid system Most appropriate option for Core Strategy, as would provide more flexibility for on- and off- site provision	Agree that the hybrid option would provide more flexibility to provide facilities and services in the most appropriate way.	No further action required
Need up-to-date SPD detailing methods of calculation, formulae	A DPD or SPD will be necessary to set out the details of the approach	No further action required

Key points (all common issues have been grouped)	WCC Officer Response	Suggested Action
and tariffs and providing scope for adjustment to reflect local circumstances	selected, and to reflect local circumstances.	
Selecting the method Further consideration should be given to tariffs when legislation introduced, dictating how contributions should be secured. May be a need for local variations.	If tariffs are to be set, much of the preparatory work can be carried out in advance of the legislation, but it is recognised that further work will be necessary following the legislation.	No further action required
The options may be overtaken by the proposed introduction of the Community Infrastructure Levy	The options include the possibility of setting tariffs, either as the sole method or as part of a hybrid approach. The options have therefore taken full account of the proposed introduction of the CIL.	No further action required
Need to consider approaches being formulated for the regional infrastructure fund, the Thames Basin Heaths, and the PUSH Green Infrastructure Fund to provide models	When an approach is adopted by the Council, it will draw on examples of best practice to establish the best means of operating a local system.	No further action required
City Council needs to consider role in securing contributions for Regional Infrastructure Fund	Agree that the mechanism for this would need to be further considered.	No further action required
Existing Open Space Fund should be extended to include wider range of provision, including indoor provision, using a tariff approach linked to findings of PPG 17	Any revised system for achieving open space improvements would need to take account of the recommendations of the PPG 17 Study, but possibly as part of a system addressing the	No further action required

Key points (all common issues have been grouped)	WCC Officer Response	Suggested Action
Study and Sport England guidance on contributions.	District's wider infrastructure needs.	
Issue 25 General principles		
There should be different levels of contributions for different circumstances e.g. sites with contaminated land and conversions of listed buildings should differ from those for greenfield sites	If any system is to be fair and equitable, it should apply to all developments. Any scope for variation in the contribution levels should be determined at the detailed stage when a DPD or SPD is produced.	No further action required
If a system is to be flexible, the policy should provide for exceptions	Flexibility can be achieved in other ways than providing for exceptions to making developers' contributions. These would be difficult to justify, as all types of development place additional demands on infrastructure. It would be better to introduce flexibility through the details of the system's operation, rather than the main policy.	No further action required
Allowing exceptions		
All development should contribute to improving infrastructure i.e. there should be no exceptions	This would be the fairest approach and most easily justifiable in policy terms.	No further action required
Allowing exceptions means higher contributions for others. Who will make up the deficit?	Agree that allowing exceptions would need higher contributions from other development if infrastructure improvements are to be	No further action required

Key points (all common issues have been grouped)	WCC Officer Response	Suggested Action
	fully funded by development. This would create an unfair system.	
Allowing exceptions may lead to exploitation by developers seeking to cut costs	Agree that exceptions would be difficult to justify on policy grounds. If such a policy were promoted, agree it would be likely to lead to more claims from other developers seeking exception status.	No further action required
There should be exceptions only in very limited circumstances	The situation above would apply even if exceptions were made in very limited circumstances.	No further action required
The need for exceptions should be assessed on a case by case basis and should not be defined in policy	Any new approach could consider variations rather than exceptions, to reflect different circumstances. However they would need to be defined in a DPD or SPD rather than the Core Strategy policy.	No further action required
Possible exceptions		
Individual dwellings should not be subject to tariffs to provide infrastructure.	If a system is to be fair and equitable, it should apply to all development, including single dwellings, as they make demands on infrastructure. Contribution levels will need to be set to reflect the nature of those demands.	No further action required
Affordable housing and	Although there has been	No further action

Key points (all	WCC Officer	Suggested Action
common issues have	Response	ouggested Action
been grouped)		
Community Land Trusts	some support for lower	required
should not pay contributions	contributions or	
contributions	exemption from contributions for	
Exceptions should be	affordable housing,	
limited to affordable	there is already a	
housing, which should	subsidy in the	
pay a reduced	requirement for free	
contribution	serviced land to be	
	donated. Any	
Affordable housing should contribute to	exemption from further contributions would be	
functional requirements	difficult to justify and	
of development but	would increase costs for	
exempt from strategic	the market housing and	
contributions	other development on	
	the site. Clearly	
Affordable housing	affordable housing has	
should make	infrastructure needs and	
contributions towards education as they tend	these should be fully funded, but set at levels	
to accommodate more	to maintain viability.	
children. Any		
discounting of affordable		
units would have to be		
offset by a premium for		
market units.		
Should be exemptions	These are examples of	No further action
or reduced contributions	where the suggestion of	required
for charitable	one possible exception	
organisations and	has led to demands for	
places of worship	exception status from other organisations and	
Network Rail should be	circumstances. They	
exempt from developer	would all be difficult to	
contributions on their	justify in policy terms as	
projects as profits are	they would all make	
re-invested in railways	additional demands on	
Should be executions	infrastructure, which would need	
Should be exceptions for special	improvements to be	
circumstances where	funded.	
public benefit		
would override need for		
infrastructure provision		