Vale of White Horse District Council

Delivering Infrastructure Strategy

First draft July 2014

Foreword

Our Local Plan 2031 is one of the most important pieces of work to be carried in the Vale for a generation. It will help shape the future of the entire district and will affect the lives of everybody that lives here.

When we first published a draft of the plan in February 2013, we asked everyone to tell us what their thoughts and comments were. We were told that one of the most important priorities was to make sure that local infrastructure can cope with the growth coming our way.

To support our Local Plan we have created this Delivering Infrastructure Strategy which, together with its supporting policies and evidence bases will be a robust way of seeking to secure the best possible funding opportunities for infrastructure when we approve new developments.

In this strategy we explain how we are looking to secure funding for infrastructure from developers and other sources by use the Community Infrastructure Levy and Section 106 agreements.

We also explained here how the different types of funding can be used to provide high quality, sustainable and effective infrastructure and services, to make sure the quality of life for people in the Vale remains high, and to protect it for generations to come.

Cllr Mike Murray
Cabinet member for planning, Vale of White Horse District Council

Vale of White Horse District Council

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Commitment to investing in the Vale's infrastructure

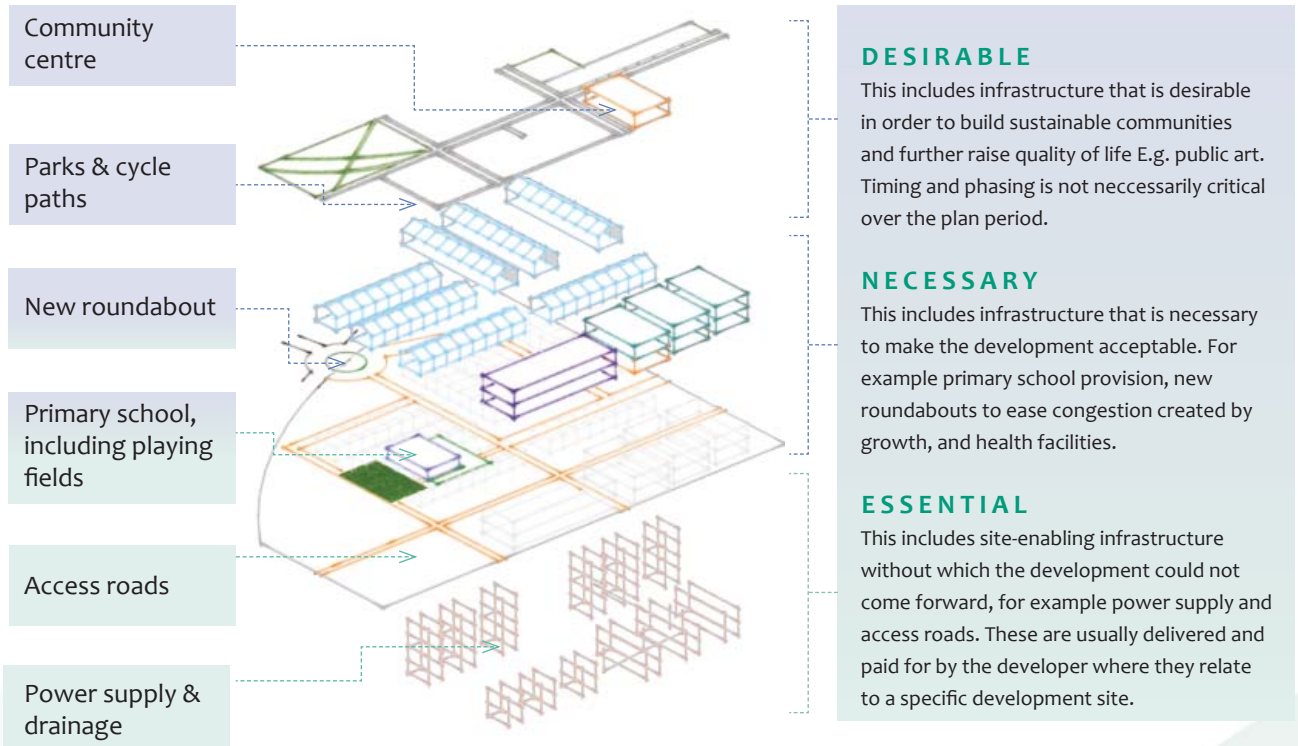
The Vale of White Horse District Council is committed to delivering housing and jobs in a sustainable and timely manner, whilst mitigating harmful effects on the District. An important element of this is planning for infrastructure.

What do we mean by infrastructure?

The facilities, services, and installations needed to support our communities and to enable the local economy to thrive. This includes but is not limited to, the following:

- **transportation:** roads, bus routes, rail network;
- **education facilities:** schools, colleges, universities, adult learning centres;
- **utilities:** water, power grids, sewers;
- **community facilities:** libraries, sports and leisure facilities, community centres;
- **health care:** hospitals, local GP surgeries and other facilities;
- **emergency & essential services:** fire, police and ambulance facilities;
- **green spaces:** playing fields and sport pitches, wildlife areas; and
- **communications systems:** digital telecommunications.

The diagram below shows some of the different types of infrastructure a typical large development requires. All infrastructure is important. The diagram below shows how we categorise the infrastructure to be delivered.



How infrastructure is planned and delivered

The infrastructure planning process is integral to the production of our Local Plan. It is made up of a seven-step process that involves careful technical analysis and close working with the bodies that are responsible for delivering.

Step 1 – Planning
Identify potential development sites and estimate how many residents will live on the site or how many workers will use the site in the future.

Step 2 – Technical Needs Assessments
Assess what infrastructure is required by considering the needs of the new communities alongside the requirements of existing communities. Then consider these requirements in light of the existing infrastructure provision and all existing plans for new infrastructure. This establishes how much more infrastructure is required.

Step 3 – How to deliver the infrastructure
Consider the design of the proposed infrastructure and whether the best way to meet the whole community's needs is by enhancing the existing facilities or provision of new facilities.

Step 4 – Safeguarding land for infrastructure
Where land for new infrastructure is required, designate the land for infrastructure use in the Local Plan. This may also be incorporated as a requirement of a mixed-use scheme.

Step 5 – Working with those bodies responsible for the infrastructure
Work with the infrastructure providers to make sure they proactively plan for infrastructure improvements. Work to ensure organisations such as Oxford County Council have a clear action plan in place to deliver the infrastructure our district needs.

Step 6 – Produce an Infrastructure Delivery Plan
This document brings together all assessments of what infrastructure is required, when and where it is required, who is responsible for its delivery and how it will be funded.

Step 7 – Delivering infrastructure through the planning process
Work with developers to ensure they deliver the necessary infrastructure to support the new communities on their sites. Where the infrastructure is not being delivered on that site consider the use of section 106 or the Community Infrastructure Levy (CIL) to secure funding from the developer to pay in part (or in total) for infrastructure to be provided in the wider area.

Successful infrastructure planning will enable the delivery of the optimal infrastructure in the right place at the right time. It is a balance of detailed analysis of projected future requirements and careful strategic planning that gives flexibility to account for, and take advantage of, future changes in circumstances. To acheive this we produce detailed evidence and delivery proposals for the first five years of the plan and clear long term objectives and a robust governance arrangement to deliver required infrastructure later in the plan.

The timing of when infrastructure is put in place is important. It is important to have basic infrastructure in place at the beginning of the development process such as access roads and utilities. It is also vital to have certain community infrastructure in place such as sufficient places for school pupils. However, having infrastructure in place before sufficient demand arises can incur potentially avoidable running costs and can harm other infrastrcuture prioritise. The council will work with developers and infrastructure providers to ensure suitable financial planning is undertaken to achieve the timely delivery of infrastructure for the Vale's communities.

Who provides infrastructure?

Who is responsible for our infrastructure?

There are various agencies responsible for building, maintaining and operating the different types of infrastructure. The Vale of White Horse District Council works with each of these agencies throughout the Local Plan process and when assessing individual planning applications. Some of the main infrastructure providers are:

- **Oxford County Council** - responsible for county roads, education and libraries.
- **The Highways Agency** - responsible for all motorways and A34.
- **Network Rail** - owns and operates the United Kingdom's railway network.
- **Utility companies** - private companies responsible for public energy, water and telecoms supplies.
- **Developers** - responsible for ensuring essential infrastructure is available within their development.
- **Vale for White Horse District Council** - responsible for waste collection, leisure facilities and open spaces as well as spatial planning. The planning process includes working with developers to make sure they provide necessary infrastructure or contributions towards local infrastructure projects.

COMMUNITY

We are working with our communities to establish needs at a local level. We do this through regular consultation.

CENTRAL GOVERNMENT

We are working with Government and national agencies such as Highway Agency, to ensure the Vale receives its fair share of investment in strategic infrastructure.

COUNTY COUNCIL

Our work with Oxfordshire County Council will focus on aligning our infrastructure needs and ensuring that strategic pieces of infrastructure are delivered in a timily and approriate manor.

DEVELOPERS

We work with local developers to identify potential housing delivery sites, as well as to identify and deliver enabling infrastructure on a site-by-site basis. In addition, developers also contribute to infrastructure delivery through payment of CIL.

Vale of White Horse District Council

OTHER COUNCILS

We will work with South Oxfordshire District Council and other neighbouring district councils to ensure infrastructure is planned according to community needs rather than just along administrative boundaries.

PARISH & NEIGHBOURHOODS

We will work with Parishes and Neighbourhoods to ensure the delivery of local infrastructure. We expect that these items will be delivered through the local allocation of the Community Infrastructure Levy.

INFRASTRUCTURE AGENCIES

We will work with agencies responsible for utilities and transport to ensure they are effectively planning for our community's requirements well into the future.

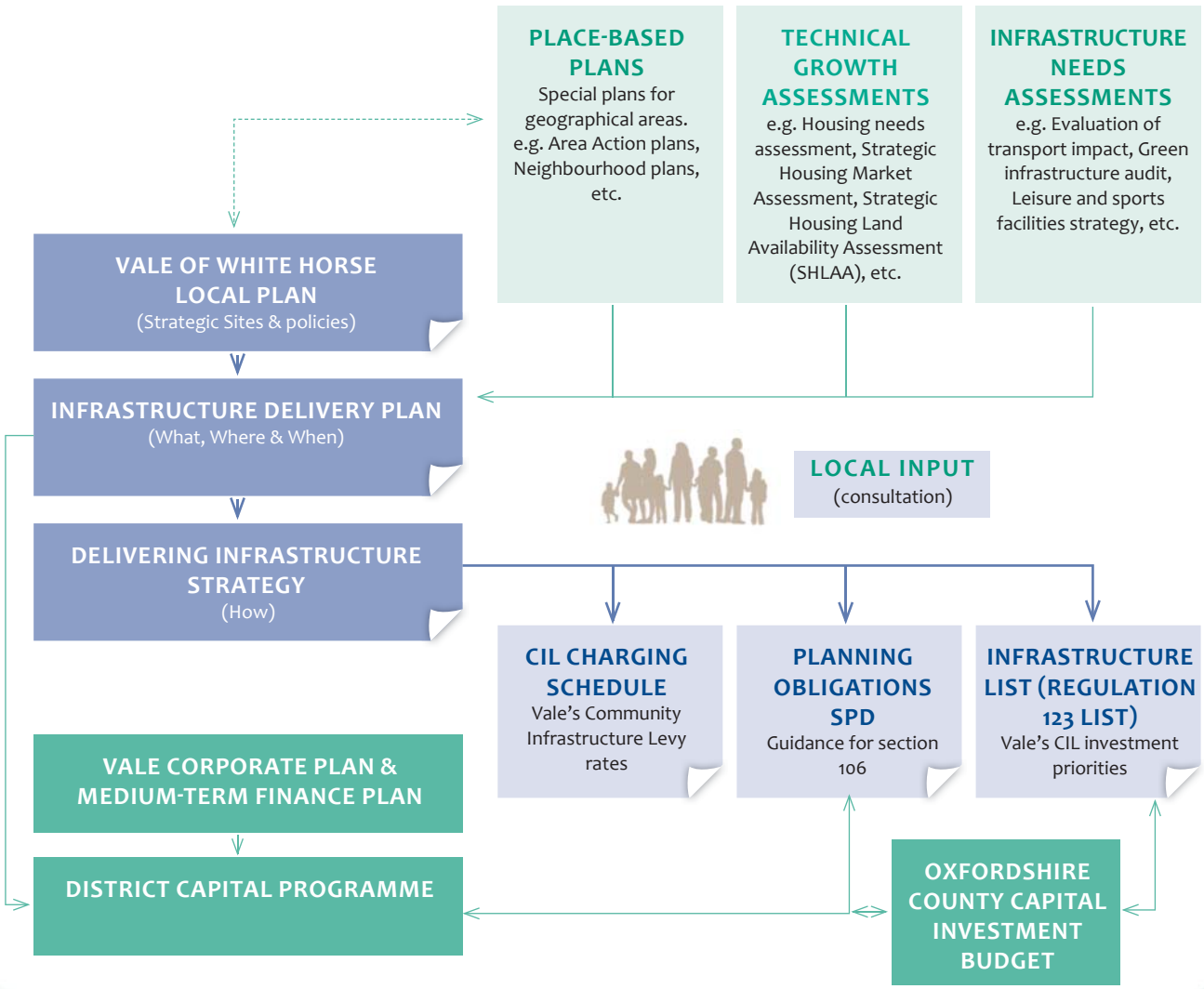
Infrastructure and the Local Plan

How does the Vale's infrastructure plan fit in with the Local Plan documents?

When the council produces a local plan we undertake a range of technical infrastructure studies that inform the infrastructure planning process. We publish these studies alongside drafts of the plan to inform the consultation process.

This technical infrastructure planning feeds into other strategies, creating an evidence base through the Local Plan to the projects listed in the Infrastructure Plan, Planning Obligations guidance and Community Infrastructure Levy investment list.

The diagram below shows how these various strategies and documents are linked:



Types of funding for infrastructure

How is Infrastructure Funded?

The wide variety of infrastructure required for a community requires funding from a range of sources. Some examples of how infrastructure is funded are described below:

Site enabling infrastructure is the basic infrastructure needed to allow a development to be usable. For example, this may include but is not limited to site roads, drainage, and services within the site; parking, footpaths, landscaping and amenity space within the site. The actual range of items will depend upon individual site circumstances. The cost for delivering this type of infrastructure should be met by the developer.

Section 106 Planning Obligations (s106) are obligations on the developer. In relation to infrastructure it is limited by the Governemnts CIL regs to items that are:

- necessary to make the development acceptable in planning terms
- directly related to the development
- fairly and reasonably related in scale and kind to the development

Community Infrastructure Levy (CIL) is a standard levy on new development. The funding is collected by the Vale of White Horse District Council and is then reinvested in infrastructure necessary to support growth in our area. The following pages outline the main differences between CIL and s106, how the levy is set and what the council's priorities are for infrastructure delivery.

Oxfordshire County Council receives a range of **mainstream grant funding** for the operation, maintenance and improvement of transport and education facilities. This is allocated from central government and calculated taking account of a number of issues including overall need and size of the local population.

Science Vale Enterprise Zone is a designated area where the Local Enterprise Partnership is leading on securing investment to fund infrastructure necessary to support economic growth. The designation allows the zone to retain funding from Business Rates (NNDR) and benefit from new and expanding science and technology businesses.

The difference between CIL and Planning Obligations

The table below sets out in more detail the main differences between how planning obligations (sometimes referred to as section 106 or s106) and the Community Infrastructure Levy (CIL) can be used

		Planning Obligations (site specific mitigation)	Community Infrastructure Levy
Scope	What type of Infrastructure can it support?	Only items justifiable within the three legal tests: a) necessary to make the development acceptable in planning terms b) directly related to the development c) fairly and reasonably related in scale and kind to the development	All infrastructure necessary to support development of the area
	Can it be used to secure Affordable Housing?	Yes - use to prescribe an agreed proportion of affordable housing	No
	What area does it apply to?	Site specific impacts that may or may not reach beyond the 'red line' of the application	A charging schedule must cover whole Planning Authority Area with no exceptions (although differential rates can be applied to different sub-areas and/or land uses)
	What types of development are eligible to pay?	All development (but the time consuming nature of the process means only the largest are charged)	Any development over 100m2 Building that people would normally go into (some further exemptions existing for charities and social housing).
	What can it be spent on?	Capital infrastructure projects (e.g. provision of public space) Revenue infrastructure projects (e.g. ongoing maintenance of public space) required to make that specific development acceptable in planning terms	Capital and revenue infrastructure projects required across the district
	Can the money be pooled from more than one development?	Not for long. After April 2015 we will not be able to pool more than five obligations	CIL is effectively a pooling mechanism with complete flexibility over spending priorities
	Once the money is collected how easy is to change what it is spent on?	Not easy - items agreed within the s106 Agreement are often inflexible. It cannot be spend on items identified for CIL investment	CIL can be spent on any infrastructure. Authorities need to set out the items they intend to fund using CIL in a Regulation 123 list.
Setting charging levels	Is there a need to establish a list of Infrastructure requirements?	The authority needs to justify the infrastructure is necessary for that development based on the three legal tests (as above). A Planning Obligations SPD is required (or as a position statement on their use for Examination)	Yes. Need a costed list of infrastructure projects to prove local need (there is no emphasis on prioritisation at the evidence gathering stage and explicit recognition that the list will change over time)
	Can differential rates be set?	The amount of s106 collected is negotiated and depends on the amount of infrastructure required for that specific development	Differences in rates should only relate to viability for • different zones • different uses • scales of development
	How is the charge calculated?	Flexible	Per m2 of additional floor space only (all uses)
	How is viability considered?	On a case by case basis (leaving room for negotiation during pre-application discussion)	Viability is tested at a borough-wide level at the evidence gather stage, then CIL payments are mandatory

Setting the Community Infrastructure Levy

Who sets the levy?

The Council sets the levy. In doing so we must carefully balance:

a) the need to fund local infrastructure, and;

b) the viability of development, which is tested on an area-by-area basis to ensure that the levy is set at an appropriate level that will not threaten the viability of development in the district.

A schedule of levy charges is produced, which must then go through two consultations and an examination before the Council is able to begin charging. This is called the CIL Charging Schedule.

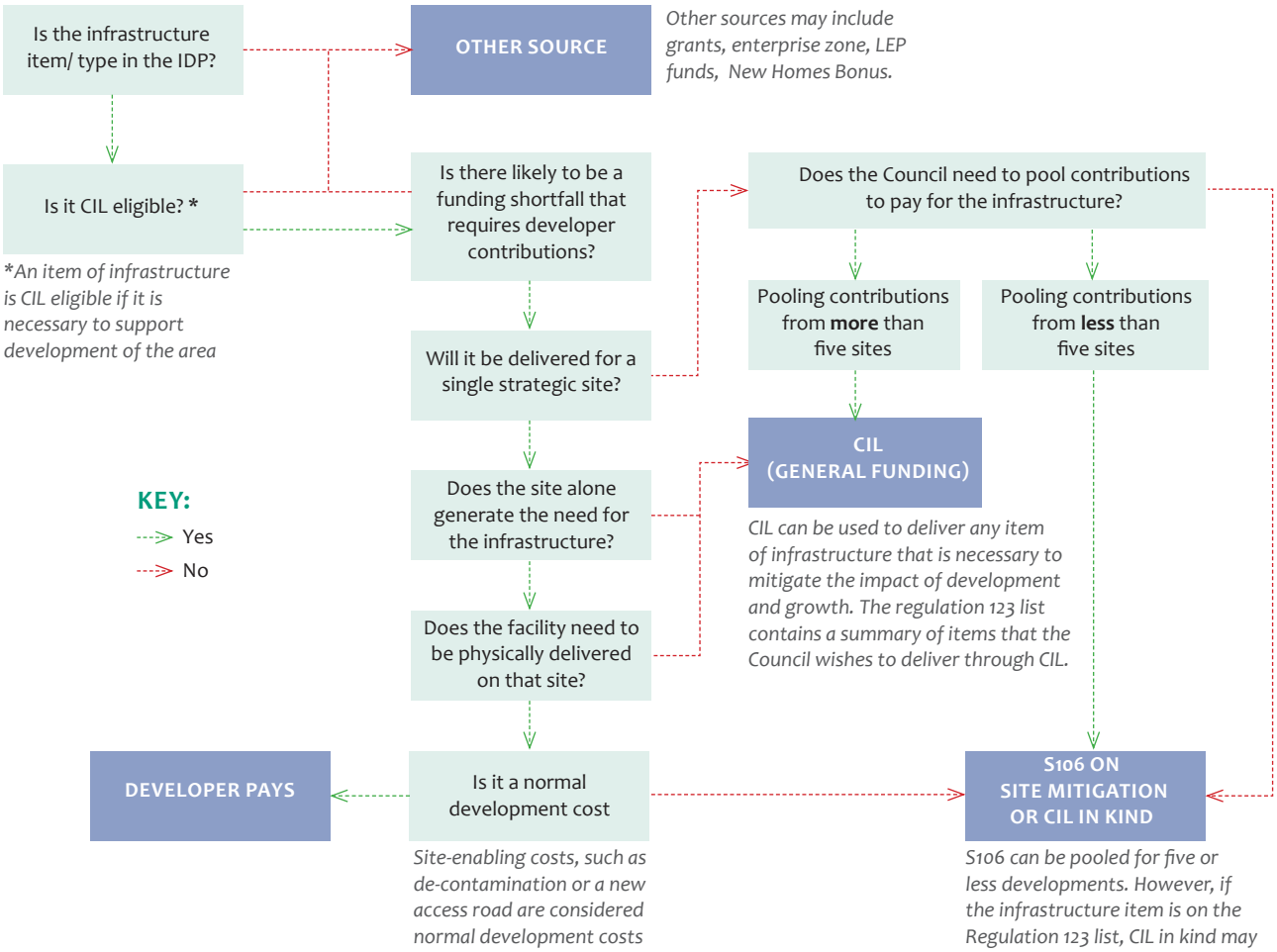
Who defines how the CIL is spent?

The Council defines how most of the CIL is spent. We will publish an Infrastructure List that identifies those projects that will be funded through CIL. This is sometimes referred to as a Regulation 123 list.

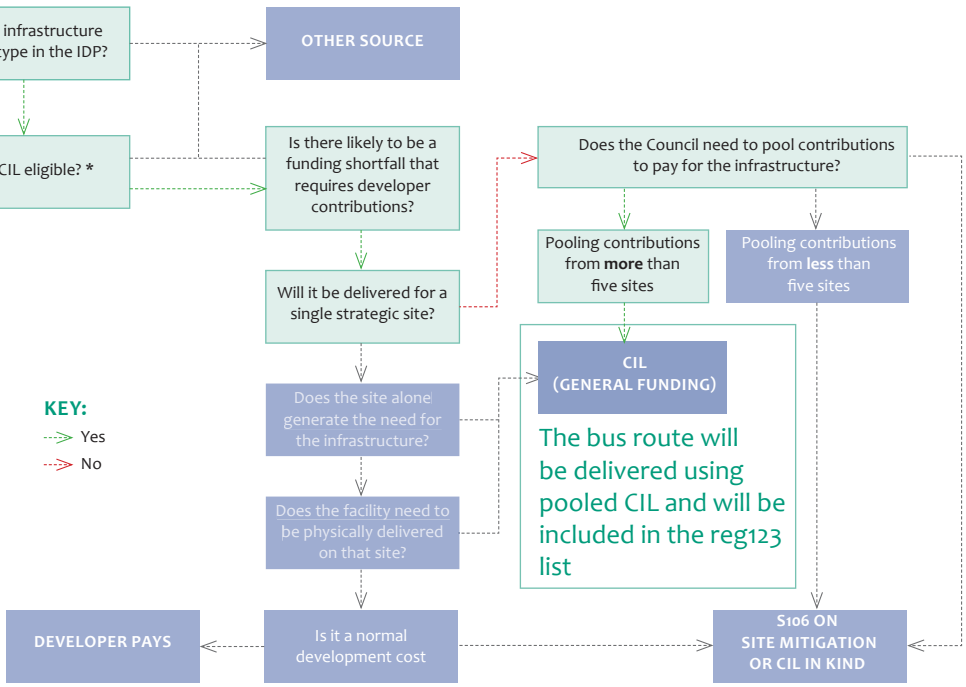
How does the Levy and s106 Planning Obligations work together?

The levy largely, but not completely, replaces planning obligations. Planning obligations will be used to secure on-site infrastructure necessary to make the development acceptable in planning terms. We will not spend CIL and s106 planning obligations on the same infrastructure.

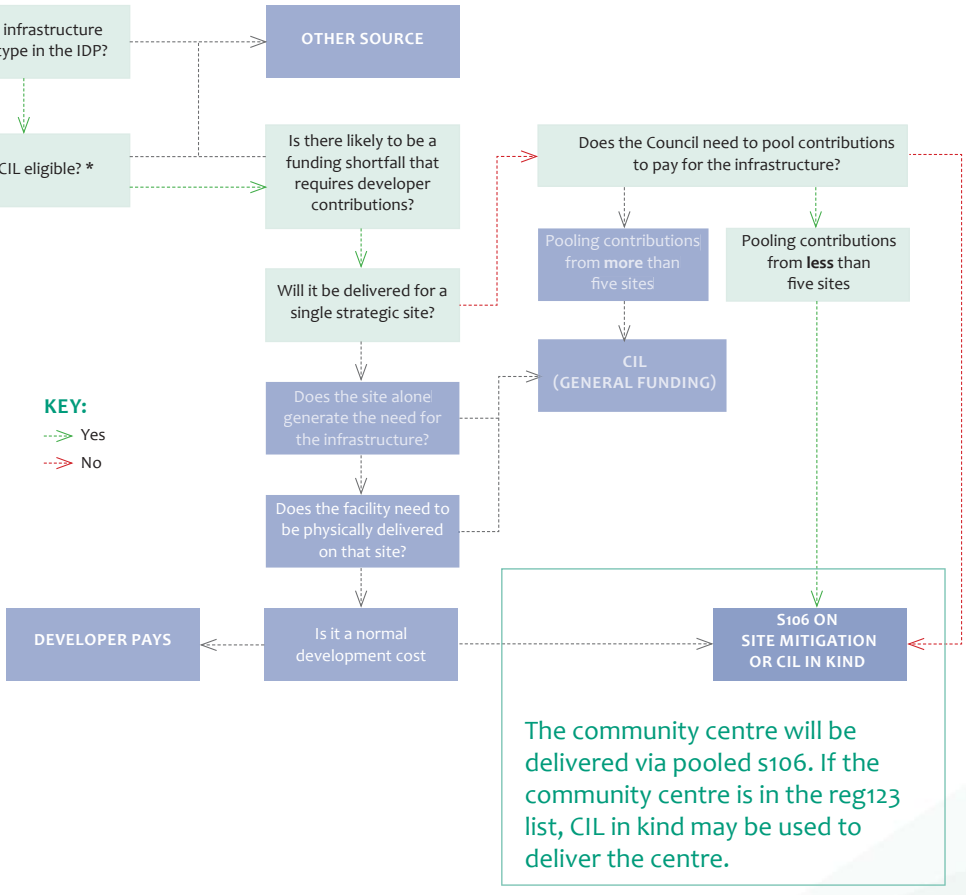
The diagram below illustrates the criteria we are using to determine which infrastructure should be funded by CIL and which through s106. This is a tool to help our strategic planning process and will not be used in the assessment of individual planning applications.


Is the infrastructure item/ type in the IDP?
OTHER SOURCE
Other sources may include grants, enterprise zone, LEP funds, New Homes Bonus.
Is it CIL eligible? *
*An item of infrastructure is CIL eligible if it is necessary to support development of the area
Is there likely to be a funding shortfall that requires developer contributions?
Does the Council need to pool contributions to pay for the infrastructure?
Pooling contributions from more than five sites
Pooling contributions from less than five sites
Will it be delivered for a single strategic site?
CIL (GENERAL FUNDING)
CIL can be used to deliver any item of infrastructure that is necessary to mitigate the impact of development and growth. The regulation 123 list contains a summary of items that the Council wishes to deliver through CIL.
KEY:
Yes
No
Does the site alone generate the need for the infrastructure?
Does the facility need to be physically delivered on that site?
DEVELOPER PAYS
Is it a normal development cost
Site-enabling costs, such as de-contamination or a new access road are considered normal development costs
S106 ON SITE MITIGATION OR CIL IN KIND
S106 can be pooled for five or less developments. However, if the infrastructure item is on the Regulation 123 list, CIL in kind may be used to deliver area-specific infrastructure. CIL in kind may be topped-up with other general CIL contributions

Example 1:
A new bus route is needed in an area where 1.200 homes are being built in six new developments.



Example 2:
A community centre is needed in a growth area where three strategic sites are being developed.



Viability

As part of the process of setting a CIL charge, the Council must consider how the charge level set may affect the viability of development in the area.

Whilst CIL, in practice, is likely to account for no more than a small proportion of a site's overall development costs, once it is set it cannot be negotiated to take account of site specific constraints. Other factors, such as the amount of affordable housing required or enabling infrastructure needs and value will have a considerable impact on viability, as shown on the diagrams below.

Development A: 35% affordable housing

The scheme has a particular end value (e.g £100m). Total costs must not exceed this value if the scheme is to be viable. Consequently there is a finite amount of CIL and s106 that can be charged. In this case, the development remains viable at the end of CIL and s106 levies.

Development B: 20% affordable housing

This scheme leads to a higher scheme value (e.g. £110m) as the market housing can be sold for higher amount than the affordable proportion.
Once set CIL is a fixed amount. There is more scope to charge s106 to deliver on-site or community infrastructure while retaining developments viability.

Development C: 35% affordable housing scheme unviable

This scheme is located in a lower value area. Although the scheme requires similar levels of investment, sale values for the private housing are lower, decreasing the income for the development. Once all these factors are taken into account, the development is unviable given the fixed level of CIL.

Using the Community Infrastructure Levy

What are our likely CIL priorities?

Following application of the process described on the previous pages our emerging priorities for CIL investment are anticipated to be:

- the provision, improvement, replacement, or maintenance of new and existing roads, highways, traffic management and public transportation, cycling and pedestrian routes and other transport facilities where they are not on development sites ;
- the provision, improvement, replacement or maintenance of flood mitigation measure, other than SUDs, where they are not specific to a single site.
- public education facilities;
- the provision, improvement, replacement or maintenance of existing open space, play space and green infrastructure, where it is provided off-site;
- the provision, improvement, replacement or maintenance of new and existing community facilities such as indoor sports facilities and libraries where it is provided off-site;

Who Pays the Levy

The levy may be payable on any development which creates net additional floor space, where the gross internal area of new build exceeds 100 square metres. Under current rules the following do not pay the levy:

- houses, flats, residential annexes and residential extensions which are built by 'self builders';
- social housing that meets the Government's relief criteria;
- charitable development;
- buildings into which people do not normally go;
- vacant buildings brought back into the same use.

Who receives the Levy?

The VOWH collects the levy and 15 per cent of the Community Infrastructure Levy is passed directly to the Parish Council for the area in which the development takes place. This proportion changes to 25 per cent where an adopted neighbourhood plan is in force.

Conclusion

The Vale of White Horse District Council is committed to delivering housing and jobs in a sustainable and timely manner. This documents has set out how we are planning for infrastructure to ensure all communities benefit from homes and growth in the number of jobs. The council will seek to ensure that the infrastructure provided as a result of new development, secured through the funding sources identified in this document, meets the needs of communities including people from protected groups where these are different from the needs of other people.

It also sets out how we are working to ensure all developer make a fair and reasonable contribution to infrastructure through the Community Infrastructure Levy.

How does it affect me?

If new homes or business premises are planned near you, you can expect robust infrastructure planning to have taken place. For example if additional school places are required those places will be planned in brand new school facilities (normally on the development site with the new homes) or investment in an existing local school to enable it to cater for the new pupils. That will be paid for by the developer the CIL or planning obligations.

Vale of White Horse District Council

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