

Notes of meeting 11/7/11

Workshop 5: Infrastructure Delivery and CIL – presentation by Bakers/Tym

Present: Cllr Sue Steel, Cllr Peter Seib, Cllr Ric Pallister,

MAG Officers present: Andy Foyne, Jean Marshall, Martin Woods, Dave Norris, Charlotte Jones, Helen Rutter, Andrew Gillespie, Steve Joel, Angela Watson,

Other officers in attendance: Amy Cater, Neil Waddleton, Nick Cardnell, Jo Manley, Jo Wilkins, Margaret Bignell, Keith Lane, Liz Arnold

Consultants: Dominic Houston, Paul Jobson, John Baker

1. AF introduction to IDP, doing this to establish infrastructure priorities, bring stakeholders together and inform the priorities for the Core Strategy. The consultants work will also assist in identifying new funding sources as there is likely to be a shortfall in money for funding of infrastructure. For CIL, consultants looking at whether SSDC should move towards a CIL and what planning obligations policy should be used in the interim and if the advice is to move towards a CIL, a methodology to do so.

S106 v CIL

CIL can be used to raise funds for infrastructure and for maintenance. Cannot have a CIL until the Core Strategy is in place. Effectively, it is a levy on all building used by people. The landowner is responsible for paying CIL unless anyone else has material interest e.g. developer. S106 will still be sought from development but will only be able to pool monies from 5 sites after 2014.

Payment is due on commencement of development but can do installements. Need to set a CIL rate to balance development viability and infrastructure funding. Can set a zero charge for CIL for some uses. Realistically and based on past experience most LPAs looking to charge CIL on Housing and large format retailing but setting zero charge for other uses such as town centre businesses, offices and small format retailing as their viability is more marginal. Will obviously have to consider in light of own SSDC findings as these are generalities. There is no ability to be flexible on CIL for a site by site basis and every site where CIL is chargeable must be, it is not discretionary.

Setting a low CIL charge will allow development to come forward but would just take potential monies out of the CIL “pot”.

Examples of CIL proposed charges: Newark and Sherwood, Portsmouth, Redbridge. All set in range of between £70 and £105 per sqm. CIL is applicable to all new floorspace over 100 sqm including extensions, mezzanines and all new dwellings (except affordable housing). “Meaningful proportion” will need to be diverted to relevant town/Parish Council for local infrastructure. This % likely to be defined in further legislation.

Infrastructure

List of infrastructure requirements being populated but getting a fairly good overall picture for SSDC. Clear variation in detail coming in from stakeholders. Some schemes very detailed in terms of likely costs, others had to make sensible costing judgements based on average build costs. At present looking at somewhere in region of £150m for infrastructure costs til 2028 with known funding for approx £40m. This

leaves a funding gap of £110m. Funding info has been taken from stakeholders own plans. This shows huge gap and it is this funding gap where CIL looks to fill. Need for the LPA to develop a “list” under reg 123 of priorities which will change over time. Funding will become available for other projects identified as time goes on but is not planned for at present, equally other infrastructure will be needed hence to ongoing nature of the project.

CIL needs to be set at a rate which factors in policy. The intention long term is that the impact of these costs will be reflected in land value but there will be a lag given lots of land already purchased.

Priorities

(see chart circulated)

Parish monies can be handed back for bigger schemes. It is for SSDC to administer the funds. Where land is given this is still counted. Some things will still be done under S106 e.g. if a school is required on a specific site or money is needed for a very specific school or road project then this will be done under S106 and the school or project names (so money effectively ring fenced) More general moneies, e.g. for education in the area or road improvement in Western Yeovil will have to be funded through CIL.

Infrastructure per dwelling (Chard see chart)

Chard comes out with an approx £21k per dwelling cost, higher than elsewhere due to huge infrastructure costs. Elsewhere averaging £7500 per 85sqm dwelling. In reality would be looking on this on phasing basis. Easier in many ways to bring forward rural settlements and rural centres, plus Langport, Castle Cary, Somerton, Ilminster, Crewkerne as they appear to have lower infrastructure requirements. There is therefore an obvious tension between where it will be easiest to deliver growth rather than where it is the most sustainable to do so and where policy is saying we should develop.

Funding

Generally gloomy picture for funding but there are new grants coming forward e.g. regional growth fund but money here could be drying up. NHB available but this isn't ringfenced! HCA kickstart but monies reducing here too.

Realistically, main funding sources are RGF, NHB, LTP£ plus load options and other funding sources including joint ventures (LA backed vehicles) Mya need to expand commercial SSDC activity. Service provider budgets will also have fluctuating ability to invest in infrastructure e.g. PCT and Env Ag.

Will need to develop a clear strategy for development based on assessment of risks to fill the gaps. Will need to put effort into sourcing funding and the picture on this will continue to change. Will need to be smart in tracking opportunities for money e.g. NHB based on accurate Council Tax.

Developer Workshop

Conclusion coming from this workshop was that if CIL is set too high land won't come forward. Must be an incentive to develop land and concern that CIL mustn't just go “on top” of historic S106 monies.

Next Steps

- 1) Need detailed infrastructure list

- 2) Draft will be available in August to used then to review the growth options, location and directions of growth. This will feed into PMB in Sept.
- 3) View to finalising report for October/November

Questions

Are there any showstoppers? None found to date

How do we prioritise? Will be for members to decide what is priority once full list of infrastructure identified. Likely to be a workshop

Is there an interim model to capture the 60% who pay nothing on S106 now? No, will continue with S106 until can bring in CIL if that is what Council decide to do.