

**Allocations and Infrastructure Development Plan Document  
Hearings April 2010  
Note from Mid Devon District Council**

**Matter 4 Infrastructure – further minor changes to AL/IN/1 and comments on prioritisation of infrastructure items.**

**Further minor changes to policy AL/IN/1**

The Council offered to revise the wording of policy AL/IN/1 to take account of the recently published Community Infrastructure Levy Regulations, which came into effect on 6 April 2010.

Following consultation with Devon County Council and the Highways Agency, the Council has amended the section of the DPD beginning with Policy AL/IN/1 and ending with paragraph 3.15. The Council proposes to abandon previous Minor Changes for these sections, in favour of the revised wording set out below (proposed DPD wording in italics). In summary, the amendments remove reference to any proposed rate of CIL within the policy itself, refer more closely to the regulations within the supporting text, and emphasise the need for further viability assessment to establish differential rates to be applied.

In putting these amendments before the Inspector, the Council has had regard to the comments made by the Highways Agency and Devon County Council, but not all suggestions have been upheld. The Council intends to review the Infrastructure Plan and work closely with infrastructure providers in the preparation of a charging schedule, at which time the priorities and rates for CIL can be agreed in detail.

***AL/IN/1 Community Infrastructure Levy***

***The Council will seek to implement the Community Infrastructure Levy by 1<sup>st</sup> April 2011 through the relevant legal processes, to support the provision of necessary infrastructure serving Mid Devon. The Council will strike an appropriate balance between the estimated costs of infrastructure needing to be funded by the Community Infrastructure Levy and the potential effects of the Levy on the economic viability of development.***

***The imposition of the levy will be based on an appropriate rate per square metre of net additional floorspace. No charge will be made for affordable housing or charitable development. Developments will be able to make in-kind payments of land under circumstances permitted by the regulations.***

- 3.10 *The Mid Devon Infrastructure Plan examines the need for infrastructure and the potential for this to be provided. The approximately £60m funding gap referred to earlier provides the justification for policies requiring development to contribute to infrastructure provision over the plan period. Current policy seeks contributions on a relatively ad-hoc basis, for example through Supplementary Planning Document policies on open space and air quality and in support of requests from infrastructure providers arising from particular planning applications. Planning obligations are used to seek this funding from relevant individual planning applications. However, there are a number of concerns with this approach, which have led the Council to propose the implementation of an alternative method.*

- 3.11 *In general, the use of planning obligations can be a relatively inefficient method of funding infrastructure, particularly on small developments. Each has to be prepared and signed separately, and requires clear monitoring. On the whole, smaller developments tend to contribute less per dwelling than the larger ones, despite the fact that the cumulative impact of a dwelling is similar whether it is on a small or large development site. A series of one-off payments, each potentially linked to a particular item of infrastructure can lead to an ad-hoc approach to provision, rather than the strategic approach which government policy recommends. The Infrastructure Plan therefore suggests that the Council implement the Community Infrastructure Levy, which was introduced by the latest Planning Act. Policy AL/IN/1 therefore proposes that the Council will introduce the levy by 2011 in accordance with the relevant regulations.*
- 3.12 *The regulations require that an appropriate balance is struck between the desirability of funding from the Community Infrastructure Levy (in whole or in part) the cost of infrastructure required to support development in its area, and the potential effects of the imposition of the levy on the economic viability of development across its area. Rates may be set according to the use of development or by location, and supplementary charges, nil rates, increased rates or reductions may be applied where appropriate. In order to plan for infrastructure provision, the Council has made initial assumptions about the amount the Community Infrastructure Levy might generate. A rate of approximately £10,000 per dwelling (equivalent to £115 per square metre of net additional floorspace) is considered viable for market housing in principle, but the levy rates to be applied to housing and other developments will be assessed in much more detail as the Infrastructure Plan evolves and a charging schedule is prepared.*
- 3.13 *An assumed levy of £10,000 per market dwelling would contribute about £35m in the period to 2026. The levy will be used to support infrastructure provision to enable the growth proposed in Mid Devon, such as transport, green infrastructure, air quality measures, education, youth and other community services, health and social care, sport and leisure and carbon reduction investment. Current estimates are that a further £25m is required to fund these items of infrastructure, although levy from "windfall" developments will reduce this disparity. Emerging Government policy confirms that infrastructure planning will never be a precise science and an element of pragmatism is necessary. The Council is committed to working with infrastructure providers and other partners to close this gap, including through the following actions;*
- Pursuing additional sources of funding, including providers' capital programmes, central government sources, private sector investment and other less traditional sources;*
  - Innovations in provision such as co-location to reduce costs;*
  - Prioritisation based on strategic and local assessments of need.*

#### **AL/IN/2 Development Without Infrastructure Levy**

***In advance of the implementation of the Community Infrastructure Levy developments will be required to meet their infrastructure requirements through planning obligations and conditions in accordance with national, regional and Development Plan policies.***

**The Council will review the use of planning obligations and conditions to take account of the scope and uses of the Levy, with a view to following a revised approach upon the Levy's implementation. The implementation of policies and proposals in this Development Plan Document will be considered in the light of this.**

- 3.14 The Council intends to implement a Community Infrastructure Levy in 2011, as set out in policy AL/IN/1 above. The strategy of this Development Plan Document is based on the assumption that this will occur. However, the implementation is through a separate legal process and is therefore not entirely certain. Accordingly, it is necessary to include a contingency to ensure that development and infrastructure continue to be provided in step.
- 3.15 The Council will continue to use existing methods for housing developments including Supplementary Planning Documents, Planning Obligations and Conditions until such time as the Community Infrastructure Levy is in place. During the preparation of the charging schedule and work leading up to the implementation of the levy, the Council will review the current policies with a view to ensuring that the use of planning obligations and conditions complies with the limitations imposed by the regulations, and remains reasonable and fair once the levy is introduced. The Council will consider the need to apply phasing to development through the use of "Grampian" conditions where the provision of a certain item of infrastructure is considered to be a prerequisite for that development.

#### **Guidance on prioritisation of infrastructure**

The Inspector also requested the views of the District Council on infrastructure priorities. The views of Devon County Council and the Highways Agency have been sought and incorporated. Note that the cost of the Junction 27 improvements have been increased slightly to reflect discussions with the Highways Agency, with minimal impact on the totals.

These prioritisation tables are provided for the use of CIL, and do not reflect the existing capital programmes of the councils. In other words, they provide guidance on the prioritisation of table 13 in the Infrastructure Plan. They are therefore limited to items where there is a potential funding gap to be filled at least in part by CIL.

Table 1 sets out the priorities suggested by Mid Devon District Council. They arise from work on the Homes and Communities Agency Single Conversation, and have been approved for that purpose by the Council's Executive. The relevant report on this matter is provided with this note. The Council's views are not finalised, and may alter with new information and discussions with funding partners. The views of Devon County Council and the Highways Agency were sought, and the tables below indicate the views of the two Councils for comparison. The Highways Agency support the categorisation of improvements to Junctions 27 and 28 as Very High priority.

<b>Table 1 Mid Devon Prioritisation</b>			
<b>Infrastructure</b>	<b>Funding Required</b>	<b>MDDC Priority</b>	<b>DCC Priority</b>
Bus Improvements	5.0	High	High
Carbon Mitigation	3.2	High	Medium
Crediton Air Quality	0.5	High	Low
Cullompton Air Quality	2.1	High	Low

Cullompton Eastern Relief Road	10.7	High	Very High
Cycle and Pedestrian	2.0	High	High
M5 J27 Improvements	<b>0.5</b>	High	Very High
M5 J28 Improvements	9.0	High	Very High
POS/Green Infrastructure	3.9	High	Medium
High Sub-Total	36.9		
Community Transport	0.13	Medium	Low
Cullompton Children's Centre	0.43	Medium	Medium
Cullompton Community Hall	0.55	Medium	Low
Cullompton Youth Centre	1.0	Medium	Medium
Tiverton Community Hall	0.55	Medium	Low
Tiverton GP Surgery	3.2	Medium	Low
Tiverton Primary School	6.4	Medium	High
Tiverton Youth Centre	1.0	Medium	Medium
Voluntary Sector	1.8	Medium	Low
Medium Sub-Total	15.06		
Crediton Library Extension	0.4	Low	Low
Cullompton Primary School	6.4	Low	High
Mobile Library	0.15	Low	Low
Tiverton Children's Centre	0.43	Low	Medium
Tiverton Library Extension	0.25	Low	Low
Low Sub-Total	7.63		
Grand Total	59.59		

Table 2 sets out the same list of infrastructure items in the Devon County Council priority order, with the Mid Devon District Council prioritisation for information.

Table 2 Devon Prioritisation			
Infrastructure	Funding Required	DCC Priority	Priority
Cullompton Eastern Relief Road	10.7	Very High	High
M5 J27 Improvements	<b>0.5</b>	Very High	High
M5 J28 Improvements	9.0	Very High	High
Very High Sub-Total	20.2		
Bus Improvements	5.0	High	High
Cycle and Pedestrian	2.0	High	High
Tiverton Primary School	6.4	High	Medium
Cullompton Primary School	6.4	High	Low
High Sub-Total	19.8		
Carbon Mitigation	3.2	Medium	High
POS/Green Infrastructure	3.9	Medium	High
Cullompton Children's Centre	0.43	Medium	Medium
Cullompton Youth Centre	1.0	Medium	Medium
Tiverton Youth Centre	1.0	Medium	Medium
Tiverton Children's Centre	0.43	Medium	Low
Medium Sub-Total	9.96		
Crediton Air Quality	0.5	Low	High

Cullompton Air Quality	2.1	Low	High
Community Transport	0.13	Low	Medium
Cullompton Community Hall	0.55	Low	Medium
Tiverton Community Hall	0.55	Low	Medium
Tiverton GP Surgery	3.2	Low	Medium
Voluntary Sector	1.8	Low	Medium
Crediton Library Extension	0.4	Low	Low
Mobile Library	0.15	Low	Low
Tiverton Library Extension	0.25	Low	Low
Low Sub-Total	9.63		
Grand Total	59.59		

The two councils do not necessarily agree on every priority, but the main differences relate to the relative importance attached to primary school provision and air quality improvements. Differences such as this would be negotiated and ironed out over the period of the DPD, depending on the amount of CIL and other finance available over the plan period.