



## REPORT

### **3. Risk Assessment and Opportunities Appraisal**

- 3.1 On an annual basis, the Implementation Plan will use the identified list of investment needs within the Shropshire's Place Plans, to set out the strategic and local priorities for the use of CIL monies, in the year ahead. The publication of an annual list of schemes to benefit from CIL, within the Implementation Plan, meets CIL Regulation 123. As such, it enables the Council to continue to use Section 106 Agreements alongside CIL, although only for those items of infrastructure not listed on the CIL 123 list.
- 3.2 It is recognised that infrastructure and investment needs vary from place to place and that what is needed to make and maintain a sustainable community in one place may differ in another. In addition, it is recognised that local needs and priorities change over time. The LDF Implementation Plan therefore includes separate tables for each settlement, outlining the needs within each locality and the local priorities within each area for the use of CIL monies. The annual review process for the LDF Implementation Plan (set out in the Code of Practice in Appendix 2) ensures that the Implementation Plan provides an up-to-date framework for targeting developer contributions at strategic and local priorities.
- 3.3 The identification of infrastructure requirements and local priorities to provide a community benefit relies on effective participation by local infrastructure and service providers and the local community. The Code of Practice therefore sets out an annual process for reviewing the Place Plans and identifying priorities to inform the annual update of the LDF Implementation Plan. It is, however, important that partners are aware of this annual cycle and that town and parish councils schedule sufficient time in their programme of meetings to review their Place Plan and agree with their Shropshire Council local Member which of the local infrastructure priorities will be taken forward into the LDF Implementation Plan.
- 3.4 The LDF Implementation Plan sets out infrastructure requirements and local priorities for all settlements likely to take additional development, as part of the LDF. It therefore applies in a fair and equal manner and does not conflict with Human Rights legislation.
- 3.5 The LDF Implementation Plan is part of the Council's approach to locality working. Through the 18 Place Plans, the LDF Implementation Plan draws together community aspirations and infrastructure requirements, with the aim of ensuring that future development responds to local priorities and provides a local community benefit. The

Implementation Plan provides transparency on how developer contributions will be used to meet local priorities and needs.

- 3.6 The LDF Implementation Plan includes infrastructure requirements and community aspirations for improving the physical environment. The Council's strategy for open space, sport and recreation provision is embedded within the Implementation Plan. The Plan also includes other infrastructure requirements which provide a benefit to the environment, such as sustainable transport and drainage. However, it should be noted that some infrastructure provision may in itself have an environmental impact, which need to be considered alongside the wider community benefits that may be delivered.
- 3.7 The LDF Implementation Plan draws on information contained within the 18 Place Plans, covering the whole of Shropshire. The Place Plans have been developed following extensive discussions with a wide range of infrastructure and service providers, in addition to the local community. A summary of this partnership work and the ongoing processes for joint working on the development of the Place Plans is outlined in the Consultation Statement 'Place Making through Partnership Working' in Appendix 3.

#### **4. Financial Implications**

- 4.1 The LDF Implementation Plan provides clarity on where developer contributions are likely to be sought and provides the annual framework for the use of CIL monies. It will be reviewed annually and agreed each April, by Cabinet, following consultation with local communities and infrastructure providers, as set out in the Code of Practice (Appendix 2).

#### **5. Background**

- 5.1 The LDF Implementation Plan forms an important part of Shropshire's Local Development Framework. It supports the Development Plan Documents, by setting out the infrastructure needed to deliver Shropshire's vision.
- 5.2 The LDF Implementation Plan has three roles:
- i) providing clarity on the infrastructure requirements for Shropshire's settlements, to support the LDF, based on information within the Shropshire Place Plans;
  - ii) identifies where developer contributions will be sought, setting out the general principles the Council will use in determining whether infrastructure needs will be met through Section 106 Agreements, CIL or direct developer funding;
  - iii) identifies the strategic and local priorities for the spend of CIL funding in the year ahead (CIL Regulation 123 list)

*Infrastructure requirements and expectations for developer contributions*

- 5.3 The Implementation Plan supports the local approach taken within Shropshire's LDF, whereby the focus is on delivering infrastructure and services tailored to meet local needs. It brings together the 'top down' essential infrastructure requirements to deliver the new development identified in the Local Development Framework with 'bottom up' community priorities and aspirations aimed at providing local community benefits.
- 5.4 It provides a focus for local infrastructure and service providers, by outlining Shropshire's infrastructure priorities. It therefore enables a coordinated approach to local infrastructure delivery and informs difficult decisions on where future investment should be targeted, given limited resources.
- 5.5 The Plan also provides an annual infrastructure delivery framework for developers, clearly setting out the Council's expectations for developer contributions (Core Strategy Policy CS9). It provides clarity early on in the development process on the contributions that will be sought, thereby minimising the impact on development viability by allowing informed negotiations to take place over land values. The annual update of the LDF Implementation Plan ensures that this clarity is maintained throughout the lifetime of the Local Development Framework.
- 5.6 There is a close relationship between the LDF Implementation Plan and Shropshire's 18 Place Plans, with information being drawn from each Place Plan on an annual basis to inform the preparation of the LDF Implementation Plan. Whilst the Place Plans outline the long term vision and aspirations for Shropshire's communities and therefore include a list of local issues and opportunities, the LDF Implementation Plan provides clarity on which are the main infrastructure requirements, to deliver Shropshire's development strategy or the local priorities for delivering community benefit.
- 5.7 For each place that will have additional development to enhance and maintain their current roles (Shrewsbury, the Market Towns and Key Centres) or that has put themselves forward for some development as part of the LDF (Community Hubs and Clusters), the LDF Implementation Plan sets out the specific infrastructure priorities. For each requirement, it identifies where funding has been secured or where developer contributions will be sought and whether this will be achieved through S106 Agreements, the Community Infrastructure Levy (CIL) or funded directly by developers through land provision or on-site design of developments.
- 5.8 It should, however, be noted that many specific infrastructure requirements are not yet known and will in part be informed by the allocation of development sites through the Site Allocations and Management of Development DPD (SAMDev). The list of infrastructure requirements and expectations for developer

contributions within the Implementation Plan is therefore aimed at setting out general principles, to provide developers with some clarity on what will be required. In particular, it gives guidance on which elements of infrastructure are anticipated to be met through S106 agreements, CIL or direct developer funding. The Developer Contributions Supplementary Planning Document (SPD) provides further details on these different forms of contribution.

#### *CIL List*

- 5.9 For those elements of infrastructure that are anticipated to be met through CIL, the Implementation Plan sets out the specific actions or schemes that will benefit from CIL funding in the year ahead. The Implementation Plan therefore includes a CIL list for each place, to provide certainty as to those items of infrastructure that the Council intends to fund in each locality through CIL for the forthcoming year.
- 5.10 These annual CIL lists meet the requirements of Regulation 123 in the CIL Regulations. CIL regulations state there should be no overlap between S106 requirements and CIL funding. The purpose of these provisions in the regulations is to avoid developers paying CIL and then being asked to provide infrastructure through a S106 agreement for which CIL payments are being collected, resulting in the developer paying twice.
- 5.11 The CIL list is therefore important for clarifying which elements will be met through CIL and which elements will therefore be picked up through S106 Agreements. It enables the Council to continue to use S106 Agreements for infrastructure that is not listed on the CIL list.
- 5.12 CIL differs fundamentally from S106 in that the funds collected are not tied to specific development or the provision of specific infrastructure. CIL funds can therefore be used flexibly by Shropshire Council as a contribution to assisting the provision of overall infrastructure priorities in the area.
- 5.13 In deciding where CIL funding should be directed, the Council is keen to maintain a local focus, ensuring that the majority of the money is directed to local communities. The Developer Contributions Code of Practice sets out an annual process of consultation with town and parish councils which will assist in identifying local infrastructure priorities. 90% of CIL monies will be directed to these requirements to deliver local community benefits. However, it is recognised that some infrastructure requirements have a strategic rather than local focus and are required to deliver the overall development strategy for Shropshire. 10% of overall CIL monies will therefore be directed to meet these needs, which will be annually identified following consultation with strategic infrastructure providers, in accordance with the process set out in the Infrastructure Provision Code of Practice.

- 5.14 The Code of Practice sets out the annual process by which the strategic and local infrastructure requirements will be identified, following consultation with strategic infrastructure providers and town and parish councils. On an annual basis, infrastructure providers and town and parish councils will undertake a review of the Place Plans, identifying additional infrastructure requirements as appropriate. Through annual monitoring processes, the Council will provide information on the projected level of contributions available through CIL for strategic infrastructure and local infrastructure in each individual locality. Infrastructure providers and each town and parish council, in partnership with the relevant Shropshire Council Member will then use the updated Place Plans and this projected level of CIL, to decide the strategic and local infrastructure requirements that will form the focus for the spend of CIL monies for the forthcoming year or to bank monies for future spend.
- 5.15 Whilst the strategic infrastructure priorities are determined by what is necessary for development to take place, the Developer Contributions Code of Practice sets out the following guidelines for town and parish councils in annually determining local infrastructure priorities:

#### Spend in the year ahead

Infrastructure schemes should be:

- i) realistically deliverable (eg delivery partners in place)
- ii) able to be funded, with sufficient CIL available
- iii) in line with community aspirations, reflecting the vision for the area, where one exists.

#### Banking for future spend

Where local communities have identified:

- i) there is a longer term, aspirational infrastructure priority for CIL
- ii) the overall cost of the infrastructure requirement does not exceed the projected level of CIL over 15 years or sufficient matchfunding has been identified and there is realistic potential of securing the funding to meet the scheme cost
- iii) the scheme is in line with community aspirations, reflecting the vision for the area, where one exists.

- 5.16 On an annual basis, strategic infrastructure providers and each town and parish council will therefore need to schedule sufficient time in their cycle of meetings to review the Place Plans and agree with their Shropshire Council local Member which of the infrastructure requirements will be taken forward within the Implementation Plan, as the focus for developer contributions.

### **2011-2012 Infrastructure priorities for the use of CIL monies**

- 5.17 This initial version of the LDF Implementation Plan is an important background document for the CIL examination, which is scheduled for the week commencing 25<sup>th</sup> July 2011.

- 5.18 Given the timescale for the CIL examination, subsequent publication of the Examiner's Binding Report and adoption by Council; the CIL Charging Schedule will not come into effect until the latter part of the year (anticipated to be November 2011). At this point, the annual process for the identification of strategic and local priorities will have commenced, in line with the Code of Practice. This will result in the identification of infrastructure priorities for the period 2012-2013 and will supersede those for the remaining part of 2011-2012. In addition, funds that are likely to be available through CIL for the remaining part of 2011-2012 are expected to be limited.
- 5.19 The CIL list for 2011-12 has therefore been restricted to those infrastructure items that are identified as 'Critical' i.e. fundamental to development. Any CIL monies for 2011-2012 will, however, be banked until the annual review process within the Code of Practice has been undertaken and priorities identified and agreed for 2012-2013. The Implementation Plan will be updated in light of this annual review process and agreed by Cabinet in April 2012, as the 2012-13 delivery framework.
- 5.20 The 2011-2012 strategic and local infrastructure priorities for CIL are summarised in the below tables. As illustrated, some infrastructure projects will be able to draw from both the strategic and local CIL funds, where they are important for both Shropshire as a whole and for the local town. For example, improvements to the A5 junctions at Shrewsbury and Oswestry will have a combination of funding from both CIL receipts for strategic infrastructure and from the local infrastructure share.

**2011-2012 Strategic infrastructure priorities for CIL**

<b>PROPOSED SCHEMES</b>	<b>LEVEL OF PRIORITY</b>	<b>SPEND IN YEAR AHEAD OR BANK FOR FUTURE SPEND</b>
Upgrade of A5/A458 Churncote junction- including link to Oxon Link Road	CRITICAL	BANK
Upgrade of A5 bypass junctions to the west of A49 (T)- excluding Dobbies roundabout	CRITICAL	BANK
Improvements to A5 Mile End roundabout	CRITICAL	BANK

**2011-2012 Local infrastructure priorities for CIL**

<b>PROPOSED SCHEMES</b>	<b>LEVEL OF PRIORITY</b>	<b>SPEND IN YEAR AHEAD OR BANK FOR FUTURE SPEND</b>
Upgrade of A5/A458 Churncote	CRITICAL	BANK

junction- including link to Oxon Link Road		
Upgrade of A5 bypass junctions to the west of A49 (T)- excluding Dobbies roundabout	CRITICAL	BANK
Surface Water Management Plan for Minsterley and Pontesbury, Wem and Ludlow	CRITICAL	BANK
Assessment of local flood risk in Albrighton, Bishops Castle, Bridgnorth, Market Drayton Whitchurch and Gobowen	CRITICAL	BANK
Provision of flood storage areas and remedial sewer works in the south eastern area of Much Wenlock	CRITICAL	BANK
Improvements to A5 Mile End roundabout	CRITICAL	BANK

<p><b>List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)</b></p> <p>Community Infrastructure Levy: Draft Charging Schedule (16<sup>th</sup> March 2011 Cabinet Report)</p>
<p><b>Cabinet Member (Portfolio Holder)</b> Malcolm Price, Portfolio Holder for Housing and Strategic Planning</p>
<p><b>Local Member</b> All</p>
<p><b>Appendices</b></p> <ol style="list-style-type: none"> <li>1- LDF Implementation Plan (available in Members library)</li> <li>2- Code of Practice i) Developer Contributions Code of Practice ii) Infrastructure Provision Code of Practice</li> <li>3- Place Making Through Partnership Working- Consultation Statement on the preparation of the Place Plans</li> </ol>