



reducing the risk to the Council through potential appeals and ensuring our local communities benefit from new development.

- 3.4 The Developer Contributions SPD applies in a fair and equal manner to all qualifying development and does not conflict with Human Rights legislation.
- 3.5 The mechanism for the subject, priority and spend of developer contributions is through The LDF Implementation Plan, which draws together community aspirations and infrastructure requirements. The Implementation Plan provides transparency on how developer contributions will be used to meet local priorities and needs.
- 3.6 The SPD is not expected to have a differential impact on the basis of age, race, gender or disability.
- 3.7 The LDF Implementation Plan provides the framework for expenditure, whereas the Developer Contributions SPD elaborates on the means for this to be carried out. The environmental impact of infrastructure provision is assessed as part of the development process. Environmental impact of development will be considered alongside and balanced against wider community benefit.
- 3.8 Extensive consultation has taken place on The Development Contributions SPD which is outlined in the 'Statement of Consultation' in Appendix 1.

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

- 4.1 The Developer Contributions SPD provides transparency and clarity on when and where developer contributions will be sought. Expenditure of contributions is directed through the LDF Implementation Plan, which is to be reviewed by each of our local communities in conjunction with the Local Member and agreed by Cabinet on an annual basis.

#### **5. Background**

- 5.1 The Developer Contribution SPD outlines the mechanisms for developer contributions, these being: planning conditions, planning obligations and the Community Infrastructure Levy, together with the inherent design requirements of the emerging SPD on Sustainable Design.
- 5.2 A draft Developer Contributions Supplementary Planning Document (SPD) was approved by Cabinet on the 19<sup>th</sup> January 2011 for the purposes of a 12 week consultation. As a consequence, 33 responses were received. An emerging issue in these responses was the requirement for clarity in respect of what might be required in terms of financial contributions beyond the Community Infrastructure Levy (CIL). There was particular concern with regard to amenity space and maintenance payments. These have been addressed through changes to The SPD, notably in Appendix 2 to the SPD.

- 5.3 As part of the consultation process, comments were included with regard to the CIL differential levy rate. However, the Developer Contribution SPD does not provide a platform for such debate. The CIL examination scheduled for 27<sup>th</sup> July provides the opportunity for debate in respect of this issue and not the current SPD. The examiner's report is expected in early October, and will be reported to the 19<sup>th</sup> October Cabinet. The CIL Charging Schedule has to be adopted by a meeting of the full Council, and this is likely to be at the meeting on 24<sup>th</sup> November, to become effective on 1<sup>st</sup> January 2012.
- 5.4 The Community Infrastructure Levy (Amendment) Regulations 2011 introduced an opportunity for charging authorities to adopt an instalment policy for payment of CIL monies. Without such a policy in place, the full levy would be required to be paid 60 days following commencement of development. In response to concerns raised, a stand alone CIL Instalment Policy has been prepared and is included at Appendix 3. As there is such a wide range of development proposals in terms of size, it is not possible to introduce an instalment policy that is a fit for all, given the likely cost implications for the charging authority.
- 5.5 Planning obligations (section 106 agreements) will remain an important tool for ensuring that developers provide contributions to infrastructure where necessary. For employment-related and other non-residential developments, planning obligations will continue to be the main mechanism for ensuring that contributions are made where necessary. The use of planning obligations and their relationship to the Levy is detailed in this SPD.
- 5.6 Representations received as part of the consultation process have referred to the proposed administrative levy on S106 of 2%, unless otherwise agreed by the Planning Authority. It has been suggested that S106's exceeding the value of £500,000 be capped at a £10,000 administration fee. This suggestion is considered to be reasonable and is reflected in the SPD. It is felt that 'capping' at £10,000 would apply to relatively few applications.
- 5.7 The list of infrastructure requirements and expectations for developer contributions in the LDF Implementation Plan sets 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 expected to be met through S106 agreements, CIL or direct developer funding. The developer contributions SPD provides further details on these different forms of contribution, and sets out in broad terms the procedure by which decisions on infrastructure priorities will be taken on an annual basis. A more detailed elaboration of this procedure is provided in the stand-alone "Code of Practice" which comprises two elements, one for Town and Parish Councils (Developer Contribution) to determine how 90% of CIL monies will be spent for community benefit in line with locality working. The second for infrastructure providers will determine where 10% CIL monies will be spent to support delivery of the development strategy. The role of the "Code of Practice" is to inform the annual update of the Implementation Plan. The "Developer Contributions Code of Practice" also covers affordable housing contributions that are required by Core Strategy Policy CS11. The Code of Practice is a

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separate document in order that it can be readily updated in light of operational experience and to reflect any changes in legislation introduced through the Localism Bill or accompanying Regulations.

**List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)**

1. Report to Cabinet 19<sup>th</sup> January 2011 on The Preliminary Draft CIL Charging Schedule and Draft Developer Contributions SPD.

**Cabinet Member (Portfolio Holder)**

Malcolm Price, Portfolio Holder for Housing and Strategic Planning

**Local Member**

**Appendices**

1. SPD – Developer Contributions – Statement of Consultation
2. Developer Contributions SPD
3. Community Infrastructure Levy – Instalment Policy