

SHROPSHIRE COUNCIL DEVELOPER CONTRIBUTIONS

CODE OF PRACTICE – TOWN AND PARISH COUNCILS

1.0 INTRODUCTION

- 1.1 Subject to the final regulations set out within the Localism Bill, this Code of Practice outlines the way Shropshire Council proposes to help deliver new or improved infrastructure and services to address local needs, reduce the impact of development and make communities more sustainable places, through redistributing Community Infrastructure Levy funding and negotiating appropriate Planning Obligations.
- 1.2 It supports Core Strategy Policy CS9 and the Developer Contributions SPD, by providing detailed guidance to landowners and developers on what is expected from development proposals. It also seeks to ensure that stakeholders in the planning process, such as the local community, and Members have a clear understanding of how new development will contribute to Shropshire wide strategic interests and provide local community benefit by contributing directly towards locally identified priorities.

2.0 GENERAL PRINCIPLES

- 2.1 Core Strategy Policy CS9 seeks to ensure that infrastructure is provided alongside new development. It establishes the principle that all new development should make a contribution to help make places more sustainable.

3.0 SECTION 106 AGREEMENTS

- 3.1 Section 106 Agreements are tailored to a specific development and must be directly related to its impact. They are negotiated by the Council with developers to ensure the provision of infrastructure to meet the site specific requirements of a development. They cover infrastructure needs that are not met by the Community Infrastructure Levy. Further information on Section 106 Agreements and undertakings are set out in the Developer Contributions Supplementary Planning Document (SPD).

4.0 AFFORDABLE HOUSING REQUIREMENTS

- 4.1 Core Strategy Policy CS11 requires all residential developments involving 1 or more market dwellings to provide on site provision and/or obtain a financial contribution to affordable housing, through a Section 106 agreement. Details of this requirement are set out in the Type and Affordability of Housing SPD.
- 4.2 For developments providing financial contributions towards affordable housing, the SPD states that monies will be used in the local area. Whilst the responsibility for allocating affordable housing contributions lies with the Council, it is recognised that there are significant variations

between places in terms of housing needs, level of contributions and the options for spend. In support of the Council's focus on locality working, decisions on the spend of monies will be based around the specific options in each locality, informed by an annual process of community engagement.

- 4.3 On an annual basis, each town and parish council will be provided with a forecast of the affordable housing contributions likely to be available in the forthcoming year for their locality. Using local data on housing needs together with delivery options from Registered Providers, the Council will set out options for spend within each locality. Options will be tailored to the specific circumstances of each place but may include site identification, banking monies for future spend, sharing resources with Registered Providers, Community Land Trusts, Private Developers, Landed Estates and other partners to deliver wider benefits or allocation of resources to adjacent parishes.
- 4.4 Each town and parish council will be asked to identify their preferred option, from those provided, as part of the annual discussion on Place Plans set out in Section 6. To ensure the benefits provided by off-site financial contributions are retained locally, the preferred option selected by the local community must be one of those set out by the Council on an annual basis. Each preferred option will be set out in the relevant Place Plan as part of the annual update and taken forward subject to necessary planning permissions.
- 4.5 Through this annual process of engagement with local communities, the Council aims to ensure that housing is delivered in accordance with local preferences, whilst also preventing unused contributions having to be returned to developers. However, where it appears to the Council's Housing Enabling Officers that there is no realistic prospect of delivering affordable housing in the parish within one year, the financial contributions may be pooled with other settlements in the Place Plan area, as set out within the Type and Affordability of Housing SPD, and the monies spent in this combined area. If there is still no realistic delivery of affordable housing from the financial contribution within a further four years, the contribution concerned may be spent elsewhere in Shropshire.

5.0 COMMUNITY INFRASTRUCTURE LEVY

- 5.1 The Community Infrastructure Levy (CIL) is for infrastructure required to support the development of the area. However, Policy CS9 does recognise that funding will be limited and decisions on the infrastructure to be met through CIL have to be prioritised.

Strategic Infrastructure

- 5.2 Some strategic infrastructure requirements are vital to the delivery of Shropshire's development strategy, as set out in the Core Strategy Strategic Priorities and Policy CS1. They have a strategic rather than a local benefit. It is important to ensure that some CIL monies (up to

10%) are used to meet these strategic infrastructure requirements in order to deliver the overall vision for Shropshire.

- 5.3 These strategic priorities will be identified through an annual process of consultation with key infrastructure providers, as set out in the Infrastructure Provision Code of Practice. These strategic priorities will be set out within the LDF Implementation Plan, which will be reviewed and agreed by Cabinet annually.

Local Infrastructure

- 5.4 Whilst strategic infrastructure, such as sustainable transport, provides wide scale community benefits, the main focus of the Community Infrastructure Levy (CIL) in Shropshire is on meeting local needs. In accordance with Shropshire's localism agenda the majority of developer contributions will therefore be used to deliver local benefit.
- 5.5 In coming to a decision on local needs, communities, with the agreement of their Shropshire Council Member, will need to decide whether monies will be used in that year, or banked for spend in future years, spent in their area or pooled to spend on a joint project elsewhere.
- 5.6 In making decisions, local communities should have regard to the following guidelines:

Spend in year ahead

Schemes should be:

- i) ***realistically deliverable*** (eg delivery partners are in place)
- ii) able to be funded, with ***sufficient projected developer contributions*** shown within the Place Plan as being available
- iii) in line with the community aspirations for the area, ***reflecting the vision for the area***, where one exists, as set out in the Place Plan.

Banking for future spend

Local communities have identified and agreed:

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

Spend Area

- 5.7 The majority of CIL will be for local infrastructure requirements and will have a specific geographical focus:

- i) in the first instance CIL for local infrastructure will be spent in the settlement or networked group of settlements (cluster) in which the development has taken place; however
- ii) communities may nominate that their annual developer contributions are directed to meet a particular infrastructure need in the wider Place Plan area i.e. a Community Hub may decide to direct its proportion of developer contributions for that year, to meet an infrastructure need in the Market Town to which is naturally relates.

5.8 This flexibility is important as infrastructure is often used by and benefits a number of communities within an area. This is particularly true for the Market Towns which act as service centres for the surrounding hinterland.

6.0 ANNUAL REVIEW PROCESS

- 6.1 Shropshire Councils approach is one of closely aligning both development and spending with community aspirations. This reflects our emphasis on supporting market towns as service hubs and villages as more self reliant sustainable places. Whilst some elements of infrastructure are 'critical' to the delivery of development due to their impact and the need to make development acceptable in planning terms, there are other 'priority' and 'key' infrastructure needs which are required to provide community benefit.
- 6.2 Using the 18 Place Plans, infrastructure requirements are identified for different localities throughout Shropshire and categorised according to whether they are 'critical', 'priority' or 'key'.
- 6.3 Critical infrastructure is defined as the essentials without which development can not take place. This includes essential utilities such as water and electricity and highway improvements to provide safe access for developments. Whilst some of these needs will be addressed through the investment planning cycles of utility providers, other critical needs will have to be met through developer contributions. The presumption is that such critical infrastructure will be the first call for developer contributions.
- 6.4 Priority infrastructure is that, which for a given point in time, has been identified by the local community as a particular priority in order to meet a specific need or requirement. The infrastructure requirements which are categorised as a priority are therefore based on annual consultation with local communities and agreement with the relevant Shropshire Council Local Member. The presumption is that priority infrastructure requirements will form the focus of developer contributions, once critical infrastructure needs have been met.
- 6.5 Key infrastructure reflects the full range of local requirements which are needed in order to create and maintain Shropshire's communities as

sustainable. As matters of local concern, any remaining developer contributions will be used to address key infrastructure requirements.

- 6.6 As outlined in figure 1, the Place Plans will be reviewed and updated annually, through consultation with local communities (via town and parish councils). This will inform the annual update of the LDF Implementation Plan, which will identify:
- i) strategic infrastructure priorities for the use of CIL in the year ahead; and
 - ii) the local 'critical' 'priority' and 'key' infrastructure requirements, from the Place Plans, that will form the basis for negotiating Section 106 Planning Obligations and spending priorities for CIL, within a particular locality, for the year ahead.
- 6.7 The LDF Implementation Plan will be agreed by Cabinet as the annual delivery framework for developer contributions and will come into effect each April. In future years, the review will assess planned delivery in that year.
- 6.8 On an annual basis, each town and parish council will therefore need to schedule sufficient time in their cycle of meetings to review their Place Plan and agree with their Shropshire Council local Member which of the infrastructure requirements will be taken forward, within the LDF Implementation Plan, as 'priority' and 'key' for the forthcoming year.

7.0 OTHER LOCAL REQUIREMENTS

- 7.1 Whilst the LDF Implementation Plan provides the annual delivery framework for developer contributions, the 18 Place Plans provide detailed guidance on the community vision and aspirations for an area. The Place Plans should therefore be used alongside the LDF Implementation Plan to inform developers how developments should be designed and the Section 106 Planning Obligations to incorporate features and services which provide community benefits and meet the local vision for the area.
- 7.2 Both the LDF Implementation Plan and the Place Plans will therefore form a basis for pre-application discussions.

Figure 1

Preparation of Annual Delivery Framework for Developer Contributions

Local Communities

Shropshire Council

