

Report to	Planning Committee
Date	8 November 2018
By	Director of Planning
Title of Report	Infrastructure Business Plan 2018
Purpose of Report	To approve the Infrastructure Business Plan and the spending of the 2017/18 Community Infrastructure Levy receipts

Recommendation: The Committee is recommended:

- 1. To approve the Infrastructure Business Plan 2018 (attached at Appendix 1);**
- 2. To delegate authority to the Director of Planning to make minor amendments to the wording and images within the Infrastructure Business Plan prior to publication. Any such amendments shall not alter the meaning of the document;**
- 3. To approve the in-principle allocation of the Community Infrastructure Levy 2017/18 receipts of up to:**
 - **£70,275 to West Sussex County Council;**
 - **£23,425 to East Sussex County Council, and**
 - **£62,472.88 to the projects identified in paragraph 4.8 of this report, and**
- 4. To delegate authority to the Director of Planning to undertake further assessment of the projects prior to allocating funds as detailed within paragraphs 4.8 and 4.11 of this report.**

1. Summary

- 1.1 This report is seeking approval for the South Downs National Park Authority's (SDNPA) Infrastructure Business Plan 2018 (IBP, attached at Appendix 1) and the specific allocation of the Community Infrastructure Levy 2017/18 receipts. The IBP sets out the infrastructure projects required over the lifetime of the South Downs Local Plan and Neighbourhood Development Plans which may be funded partly or wholly by the Community Infrastructure Levy collected by the SDNPA.

2. Background

- 2.1 In 2016, the South Downs National Park Authority (SDNPA) authorised the introduction of the Community Infrastructure Levy (CIL) across the National Park. In the National Park, CIL is charged on residential developments (where new dwellings are created and / or where there is a net additional floorspace of over 100sqm) and on new large format retail floorspace (with a net retail selling floorspace of over 280sqm). CIL is then to be used to deliver infrastructure in the National Park, working in partnership.
- 2.2 The SDNPA is responsible for making the final decision on the allocation of funding raised through CIL. CIL has to be used to support the growth identified within the South Downs Local Plan and Neighbourhood Development Plans.

- 2.3 Under the CIL Regulations 2010 (as amended), the SDNPA as the ‘charging authority’ is able to retain 5% of the money received to cover its administration costs, then 15% or 25% is passed directly onto local Parish / Town Councils as the ‘neighbourhood portion’.
- 2.4 In accordance with the CIL Regulations, the remaining CIL money (that is minus the administration costs and neighbourhood portion) must then be spent on infrastructure projects related to the SDNPA’s Regulation 123 list. The Regulation 123 list is required by the CIL Regulations and sets out the types of infrastructure the SDNPA will spend its proportion of CIL on (see Table 1 below).

Table 1 – The SDNPA’s Regulation 123 list (submitted to the Planning Inspectorate when the CIL Charging Schedule was approved in 2016)

Infrastructure Categories	Project Examples
Green Infrastructure	Landscape-scale mitigation; Access land; informal open space; managed space; village greens; allotments; green roofs; parks; micro-generation energy schemes; South Downs Way improvements; flood management and climate change mitigation; Habitats Regulation Assessment compliance; tree planting; access land.
Social & Leisure	Cultural heritage; enhancement to historic urban fabric; public realm improvements; added-value in hard surfacing; sports facilities and pavilion improvements; green gyms; playing fields; playgrounds; recreation grounds.
Services & Facilities	Community buildings; libraries; support services and care; village halls; expanding emergency services capacity; car parking; insulation and other improvements to public buildings; National Park interpretation boards and exhibits; visitor centres; tourist information and promotion of National Park.
Transport	Public Rights of Way improvements; walking and cycling infrastructure; bus and rail network improvements; traffic calming; improved signage; highway works that add value to the National Park setting.
Education	State-funded primary and secondary schools.
Health & Wellbeing	GP Surgeries / Hospitals Mental health provision / adult social care
Utility Services	Broadband provision; utilities supply (where not a statutory undertaking); added value flood schemes; waste management & disposal.

- 2.5 The SDNPA started collecting CIL on 1 April 2017. CIL is payable upon commencement of development not on the grant of planning permission. In the first financial year of collecting CIL, the SDNPA has collected a total of £197,481.49.
- 2.6 In 2016, the SDNPA prepared an Infrastructure Delivery Plan (this information was presented to the Planning Inspectorate to support the introduction of CIL), which identified the infrastructure requirements associated with the planned growth across the National Park. It was guided by the purposes and duty of the National Park and the SDNPA Partnership Management Plan. That plan identified a significant funding deficit (of millions of pounds) to delivering the required infrastructure.

- 2.7 CIL will only help to bridge the funding gap, but will never completely resolve it. Therefore, there is a need to prioritise the infrastructure projects, alongside exploring other funding opportunities and approaches to financing which will require partnership working arrangements with infrastructure providers.
- 2.8 The Infrastructure Business Plan (IBP) is the document that sets out the infrastructure needs to deliver the growth / development identified in the South Downs Local Plan and Neighbourhood Development Plans and prioritises the infrastructure projects which will be funded (partly or wholly) by CIL.
- 2.9 Planning Committee approved the process for creating the IBP at its meeting on 13 September 2018, the details of which are set out in Appendix B of the IBP document, however the key points are summarised below:
- Splitting the SDNPA's portion of CIL receipts into 2 pots (Pot 1 – 60% and Pot 2 – 40%, to reflect the need for the SDNPA to allocate a higher proportion of its CIL funds on strategic level infrastructure projects such as education and transport);
 - Categorising the infrastructure projects into 4 groups, Critical, Essential, High Policy Priority and Desirable;
 - Scoring the projects using the 'Prioritisation Matrix' (copy attached within the IBP – see Appendix I), and
 - Projects would be put into 5 year periods, Short, Medium and Long term, based on when the project would most likely be required or delivered.
- 2.10 The IBP for approval today (attached at Appendix I), has been produced in accordance with that approved process.

3. Infrastructure Business Plan (IBP)

- 3.1 The IBP (see Appendix I) sets out the current understanding of infrastructure required to support the delivery of the South Downs National Park Development Plan (made up of the Local Plan, Neighbourhood Development Plans and Minerals / Waste Plans); how the Community Infrastructure Levy (CIL) within the SDNPA will be used (including spending this year); and, how it is expected to be used over the coming years (set out in five year time periods from 2017 to 2031).
- 3.2 Within the first few years of CIL being introduced, there will be less money collected, so fewer, or less expensive projects will be funded (however this does not take away the need to identify and prioritise projects). As developments get built out and CIL becomes more established within the National Park, the amount of money collected will increase, which in turn will enable more infrastructure projects to be delivered.
- 3.3 The IBP can never be absolutely precise about the amount of money collected via CIL in the future or the precise costs of some of the infrastructure projects required. The document is a best estimate at a given point in time. It is a 'living' document that will be kept under review and updated annually (and approved at Planning Committee annually). The IBP also puts the projects into a five year rolling programme of delivery, timescales are categorised as Short (2017-2021), Medium (2022-2026) and Long (2027-2031) term.
- 3.4 The IBP has been prepared by the SDNPA with input from the Parish and Town Councils, District and County Councils (including drawing on information in the Statements of Common Ground prepared to support the production of the South Downs Local Plan), Natural England, Historic England, Environment Agency and other interest and amenity groups within and adjacent to the National Park.
- 3.5 All interested parties were also asked to review the SDNPA's 2016 Infrastructure Delivery Plan and provide updates on relevant entries (interested parties were given 4 months to review and submit their bids). In total, over 400 projects were submitted for funding and reviewed.
- 3.6 All infrastructure projects identified have been separated into four categories, critical, essential, high policy priority and desirable (as agreed as part of the process approved by

Planning Committee on 13 September 2018).

- 3.7 Categorising projects is always going to involve an element of judgement and the category that a project falls within may change over time. It is also clear that the level of CIL receipt available to the SDNPA this year, or indeed any year, is not going to cover all of the projects submitted for consideration.
- 3.8 For this year's IBP, no projects were identified as being critical, 7 projects were identified as essential, 45 projects as high policy priority and the remaining as desirable.
- 3.9 Approval of the IBP will constitute an 'in-principle' agreement to contribute SDNPA's CIL money towards the infrastructure projects set out in the document.

4. Spending of 2017/18 CIL receipts

- 4.1 Up to 31 March 2018, the SDNPA had collected £197,481.49 in CIL. £31,425.22 has been distributed to Parish/Town Councils where development has commenced (in accordance with the CIL Regulations). Payments to the Parish/Town Councils are made twice within any financial year (stipulated in the CIL Regulations to be in April and October). However, due to CIL only coming into force within the SDNPA in April 2017, within the first financial year of collecting CIL only a single payment was made to the qualifying Parish / Town Councils, as set out in Table 2 below.

Table 2 – CIL receipts passed onto the Parish / Town Councils

Parish / Town (where CIL liable development has commenced)	Amount paid to Parish / Town Council
Aldingbourne Parish Council	£532.50
East Meon Parish Council	£3,117.00
Greatham Parish Council	£2,250.00
Lewes Town Council	£4,387.50
Liss Parish Council	£4,135.72
Midhurst Town Council	£3,037.50
Petersfield Town Council	£3,975.00
Sheet Parish Council	£2,430.00
Upham Parish Council	£7,560.00
Total	£31,425.22

- 4.2 Once the Parish/Town Council payments have been made (and minus the 5% deducted for administration purposes in accordance with the Regulations) this leaves £156,182.20 of potential spend on the infrastructure projects set out in the IBP.
- 4.3 When assessing the infrastructure needs of the National Park, the SDNPA made the decision to 'split' its CIL receipts into two pots (see the process approved by Planning Committee on 13 September 2018). Pot 1 would be made of 60% of CIL receipts and would be spent on strategic infrastructure projects most likely to be delivered by the County Councils within the National Park, examples include education and large scale transport related projects. The remaining 40% (Pot 2) would be spent on other types of infrastructure projects.
- 4.4 Up to 31 March 2018, the SDNPA had £93,709.32 in Pot 1 and £62,472.88 in Pot 2.
- 4.5 The recommendation is that money from Pot 1 is allocated to the following County Councils, based on the proportion of funds required to be spent on those 7 projects listed as essential in the IBP (see Appendix A within the IBP document, attached at Appendix I of this report):
- West Sussex County Council allocated £70,275, and
 - East Sussex County Council allocated £23,425.
- 4.6 Neither Hampshire County Council nor Brighton & Hove City Council identified any critical or essential strategic infrastructure requirements for 2017 / 18.

- 4.7 It is further recommended that the money in 2017 / 18 Pot 1 be ring-fenced for the next 5 years (to the financial year 2022/23) and the two County Councils will be invited to request the funds only for the purposes of delivering the 7 identified projects. Should funding for these infrastructure projects no longer be required after 2022/23, the money could be made available to other projects.
- 4.8 It is recommended that £62,460 from the money in Pot 2 is allocated to the following 5 projects listed as ‘High Policy Priority’ within the IBP (see Appendix A within the IBP document, attached at Appendix I of this report) as these projects scored the highest in the priority matrix and can be delivered in the short term. The indicative allocations are set out below:
- £20,230 towards Egrets Way – to provide a shared path/‘non-motorised user’ route between Lewes and Newhaven (IBP Reference 83);
 - £20,230 towards South Downs Way, Winchester route improvements (IBP reference 88);
 - £10,000 towards Lewes Raingardens (IBP Reference 28);
 - £6,000 towards Liss Triangle Community Centre (IBP Reference 204), and
 - £6,000 towards Bevern Stream – Restoring Natural Flood Management (IBP Reference 196).
- 4.9 It is further recommended that the money in 2017/18 Pot 2 be ring-fenced for the next 3 years (to the financial year 2020/21). Should funding for these infrastructure projects no longer be required after 2020/21, the money could be made available to other projects.
- 4.10 As previously stated the approval of the IBP by the SDNPA’s Planning Committee will constitute an ‘in-principle’ agreement to contribute CIL money towards those infrastructure projects. However, every project will be subject to further assessment (for example to ensure the project is being carried out by a competent person, checking the project costs / adequate quotations have been received, the project is going to be managed into the future, etc) by SDNPA officers before any actual payment is made (officers of the SDNPA’s Major Projects Team will follow up with each bidder and help them with the process).
- 4.11 Projects seeking CIL monies will need to be supported by clear evidence of the cost and practicality of delivering the scheme or project, including an exploration of alternative or match sources of funding. Therefore, the Committee is asked to delegate authority to the Director of Planning to finalise the bids. This may result in the total amount of funding for individual projects being higher or lower than the amount shown in paragraph 4.8. For the 2017/18 CIL receipts, delegate authority would be given to the Director of Planning to make the actual payments up to the total amount within Pot 2 (£62,472.88) with that money to be spent on the 5 recommended projects.

5. Planning Committee Considerations

- 5.1 The introduction of CIL, the 2016 Infrastructure Delivery Plan and the initial process for prioritising projects have previously been approved by the NPA and the then Policy and Programme Committee. The process for creating the Infrastructure Business Plan was approved by Planning Committee on 13 September 2018 – links to the reports can be found in background papers listed below.

6. Other Implications

Implication	Yes/No
Will further decisions be required by another committee/full authority?	No, not in relation to the 2017/18 CIL receipts. The IBP will be brought back to Planning Committee each year for approval.
Does the proposal raise any Resource implications?	Yes, the proposed allocation of funds will be met from CIL receipts which are currently held in an earmarked reserve. Regulations allow charging authorities to use

Implication	Yes/No
	up to 5% of receipts for admin purposes, which enables the Planning Service to fund a Planning Officer role to support the work associated with CIL and the IBP.
Has due regard been taken of the South Downs National Park Authority's equality duty as contained within the Equality Act 2010?	Yes, the projects that CIL will help to deliver have due regard to this duty.
Are there any Human Rights implications arising from the proposal?	No
Are there any Crime & Disorder implications arising from the proposal?	The development of CIL and the IBP has been in consultation with bodies with specific responsibility for crime and disorder.
Are there any Health & Safety implications arising from the proposal?	No
Are there any Sustainability implications based on the 5 principles set out in the SDNPA Sustainability Strategy.	The projects that CIL will help to deliver will take proper account of all relevant sustainability matters.

7. Risks Associated with the Proposed Decision

7.1 Risks associated with CIL have been incorporated into the Corporate Risk Register, however some risks have been identified in the table below.

7.2 In addition, the proposals set out above are intended to help the Authority manage risk through ensuring a robust and fit for purpose process and governance structure in which to allocate CIL funding.

Risk	Likelihood	Impact	Mitigation
Failure to approve allocating CIL funding – poor management of funds would lead to challenge over decision making	Unlikely	Moderate	Approve the IBP
Change to CIL Regulations – Central Government has stated their intention to review CIL and how money is collected and distributed.	Likely	Moderate	Having an approved IBP will help with any transitional arrangements.
Insufficient information to fully assess the requests for CIL funding (i.e. the projects put forward)	Likely	Minor	Officers have been working on a CIL module for 'Projects for the South Downs' to ensure consistency of information provided and will be updating information available on the website.

Risk	Likelihood	Impact	Mitigation
Insufficient resources to assess the projects	Possible	Minor	Major Projects Team within the Planning Service are resourced and the Team have a specific focus on the administration, collection and distribution of CIL.

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Appendices I. Infrastructure Business Plan 2018
SDNPA Consultees Legal Services; Chief Finance Officer; Monitoring Officer; Director of Planning
External Consultees None
Background Documents Further information on the Community Infrastructure Levy (including the SDNPA's charging schedule and 2016 Infrastructure Delivery Plan) can be viewed at <https://www.southdowns.gov.uk/planning/community-infrastructure-levy/>
The introduction of the Community Infrastructure Levy and agreement to the process of prioritising projects has been previously agreed by the then Policy and Programme Committee and NPA and the IBP process was agreed by Planning Committee on 13th September 2018.

- <https://www.southdowns.gov.uk/meeting/29-january-2015/>
- <https://www.southdowns.gov.uk/meeting/authority-meeting-2-february-2016/>
- <https://www.southdowns.gov.uk/meeting/authority-meeting-22-september-2016/>
- <https://www.southdowns.gov.uk/meeting/planning-committee-13-september-2018/>

