

**Agenda Item 10**  
**Report PC19/20-26**

Report to	<b>Planning Committee</b>
Date	<b>14 November 2019</b>
By	<b>Director of Planning</b>
Title of Report	<b>Infrastructure Business Plan 2019</b>
Purpose of Report	<b>To approve the Infrastructure Business Plan and the spending of the 2018 / 19 Community Infrastructure Levy receipts</b>

**Recommendation:**

- (1) To approve the Infrastructure Business Plan 2019 (attached at Appendix 2 and 3);**
- (2) To delegate authority to the Director of Planning to make minor amendments to the wording and formatting within the Infrastructure Business Plan prior to publication. Any such amendments shall not alter the meaning of the document;**
- (3) To approve the allocation of the Community Infrastructure Levy 2018 / 19 receipts of:**
  - **£258,969.60 to West Sussex County Council;**
  - **£110,986.97 to East Sussex County Council, and**
  - **£554,965.00 to the projects identified in paragraph 4.7 of this report, and**
- (4) To delegate authority to the Director of Planning to undertake any further assessment of the projects prior to the final allocation of funds as detailed within paragraphs 4.9 and 4.10 of this report.**

**1. Summary**

- 1.1 This report is seeking approval for the South Downs National Park Authority's (SDNPA) Infrastructure Business Plan 2019 (IBP, attached at **Appendix 2 and 3**) and the specific allocation of the Community Infrastructure Levy 2018 / 19 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. The SDNPA produced a CIL Charging Schedule and associated Infrastructure Delivery Plan (including a process for how CIL spending would be prioritised within the National Park) which was supported by the Planning Inspectorate following an examination. The SDNPA became a CIL Charging Authority on the 1 April 2017.
- 2.2 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.

- 2.3 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.
- 2.4 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’.
- 2.5 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 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
<b>Green Infrastructure</b>	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, and tree planting.
<b>Social &amp; Leisure</b>	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.
<b>Services &amp; Facilities</b>	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.
<b>Transport</b>	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.
<b>Education</b>	State-funded primary and secondary schools.
<b>Health &amp; Wellbeing</b>	GP Surgeries / Hospitals Mental health provision / adult social care
<b>Utility Services</b>	Broadband provision; utilities supply (where not a statutory undertaking); added value flood schemes; waste management & disposal.

- 2.6 The SDNPA started collecting CIL on 1 April 2017. CIL is payable upon commencement of development, not on the grant of planning permission.
- 2.7 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.

- 2.8 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.
- 2.9 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.
- 2.10 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 C of the IBP document (see **Appendix 3** of this report), however the key points are summarised below:
- Splitting the SDNPA's portion of CIL receipts into 2 pots. Pot 1 – 60% split between the County Councils to deliver any Critical or Essential Projects and Pot 2 – 40% for all other projects;
  - Categorising the infrastructure projects into 4 groups, Critical, Essential, High Policy Priority and Desirable – as shown in the Table 2 below:

**Table 2 – Category Definitions**

Type	Definition
Critical	Infrastructure that must happen to enable growth, i.e. is a pre-requisite to unlock any future works, without which the development can't proceed. These generally fall within S106 agreements.
Essential	Necessary in order to mitigate impacts arising from the operation of the development i.e. off-site provision of school places, highway improvements.
High Policy Priority	To support wider strategic or site specific objectives, which are set out in policy or subject to Statutory Duty. The SDNPA will prioritised projects within or with clear links to: <ul style="list-style-type: none"> <li>• Our 5 large Settlements areas</li> <li>• Neighbourhood Plans with development allocations</li> <li>• Development allocations in the Local Plan</li> <li>• Partnership Management Plan Priorities – with clear evidence of partnership working</li> </ul>
Desirable	Required but unlikely to prevent development in short-medium term. This will also include projects linked to Neighbourhood Plans with no development allocations and projects which fall within or are close to Large Settlements, or Neighbourhood Plans with allocations but the projects have no defined timescales / clear commitments (i.e. more aspirational).

- Scoring the projects using the 'Prioritisation Matrix' (copy attached within the IBP Appendices – see **Appendix 3**), 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.
- 2.11 Having approved the process in September 2018, Planning Committee approved the SDNPA's first IBP in November 2018, this set out the spending of the 2017 / 18 CIL

receipts. The IBP for approval today (attached at **Appendix 2 and 3**), has been produced in accordance with that approved process and sets out the proposed spending of the 2018 / 19 CIL receipts.

- 2.12 Following a review of the 2018 IBP and a Members workshop, for the 2019 IBP it was suggested:
- To continue to split the SDNPA's portion of CIL receipts into 2 pots. However, to reverse the allocations compared to the 2017 / 18 spending. Therefore, Pot 1 will be allocated 40% and Pot 2 60% to help deliver as many of the 'High Policy Priority Projects' as possible, and
  - To ensure a broad geographical spread of projects across the National Park.

2.13 This has been incorporated into the 2019 IBP (**Appendix 2**), which is presented to Members for approval here.

2.14 In the financial year 2018 / 19, the SDNPA collected a total of £1,094,367.65 from CIL.

### **3. Infrastructure Business Plan (IBP)**

3.1 The IBP (see **Appendix 2 and 3**) 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 2018 to 2032).

3.2 The IBP can never be absolutely precise about the 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 (2018-2022), Medium (2023-2027) and Long (2028-2032) term.

3.3 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.

3.4 All interested parties were also asked to review the SDNPA's 2018 Infrastructure Business 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.

3.5 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).

3.6 Categorising projects is always going to involve an element of judgement and the category that a project falls within may change over time, as demonstrated with the additional 'Essential' project this year. 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.

3.7 For this year's IBP, no projects were identified as being critical, 8 projects were identified as essential, 111 projects as high policy priority and the remaining as desirable.

3.8 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.

3.9 The format of the 2019 IBP follows the changes to the CIL Regulations (September 2019), which introduces the requirement for 'Annual Infrastructure Funding Statement' to be published annually from December 2020. That statement has to include specific information relating to the collection and spending of CIL and obligations secured through Section 106 Legal Agreements.

#### 4. Spending of 2018 / 19 CIL receipts

- 4.1 Up to 31st March 2019, the SDNPA had collected £1,094,367.65 in CIL. £114,757.08 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). The total amounts passed onto the qualifying Parish / Town Councils, is set out in Table 3 below.

**Table 3 – 2018 / 19 CIL receipts passed onto the Parish / Town Councils**

Parish / Town (where CIL liable development has commenced)	Amount paid to Parish / Town Council
Bepton Parish Council	£1,521.00
Bramdean and Hinton Ampner Parish Council	£21,572.15
Clapham Parish Council	£1,104.00
Coldwaltham Parish Council	£300.60
Ditchling Parish Council	£6,714.00
Droxford Parish Council	£7,906.20
East Chiltington Parish Council	£771.90
East Dean and Friston Parish Council	£3,125.23
Froxfield & Privett Parish Council	£1,140.60
Funtington Parish Council	£23,794.08
Greatham Parish Council	£4,390.50
Hassocks Parish Council	£2,954.33
Hawkley Parish Council	£958.09
Heyshott Parish Council	£1,440.00
Lavant Parish Council	£1,157.49
Liss Parish Council	£2,145.47
Petersfield Town Council	£6,857.86
Plumpton Parish Council	£2,525.44
Pyecombe Parish Council	£3,390.00
Stedham with Iping Parish Council	£1,745.10
Storrington and Sullington Parish Council	£2,178.19
Stoughton Parish Council	£975.92
Stroud Parish Council	£14,942.66
Twyford Parish Council	£1,020.00
Upham Parish Council	£126.27
<b>Total</b>	<b>£114,757.08</b>

- 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 £924,891.43 of 2018 / 19 CIL receipts to spend on the infrastructure projects set out in the IBP.
- 4.3 As of 31 March 2019, the SDNPA had £369,956.67 in Pot 1 and £555,007.06 in Pot 2 (Pot 2 includes £72.20 of 2017 / 18 unallocated CIL receipts and underspend of projects delivered) to allocate.

- 4.4 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 any of those 8 projects listed as essential in the IBP (see Appendix B within the IBP document, attached at **Appendix 3** of this report):
- West Sussex County Council allocated £258,969.60, and
  - East Sussex County Council allocated £110,986.97.
- 4.5 Neither Hampshire County Council nor Brighton & Hove City Council identified any critical or essential strategic infrastructure requirements for 2018 / 19.
- 4.6 It is further recommended that the money in 2018 / 19 Pot 1 be ring-fenced for the next 5 years and the two County Councils will be invited to request the funds only for the purposes of delivering the 8 identified projects. Should funding for these infrastructure projects no longer be required after 2023 / 24, the money could be made available to other projects.
- 4.7 It is recommended that £554,965.00 from the money in Pot 2 is allocated to the following 20 projects listed as ‘High Policy Priority’ within the IBP as these projects scored the highest in the priority matrix, can be delivered in the short term and represent a broad geographical spread of projects across the National Park. The indicative allocations are set out in Table 4 below and the broad locations of those projects are shown on the Map attached as **Appendix I**:

**Table 4: Pot 2 Recommendations**

Project Number on Map (see Appendix I)	Project Name	Type of Infrastructure	Recommendation
1	<b>Egrets Way Phase 5</b> – a new shared-use path between Lewes and Newhaven	Transport	£113,000.00
2	<b>Easebourne Park - Phase 2</b> – new play equipment, multi-use shelter, enhanced perimeter path and composting toilet	Social and Leisure	£80,270.00
3	<b>Ponds, bugs and kids</b> – improvements to an area of Queen Elizabeth Country Park to provide outdoor shelter and improvements to ponds – allowing children to explore and learn about the natural environment	Social and Leisure	£50,000.00
4	<b>South Downs Way – Winchester</b> – improvements to South Downs Way and creation of cycle route to improve links to and from Winchester to the National Park	Transport	£41,370.00
5	<b>Goodwood Education Centre</b> – to construct a new study centre and toilet facilities at Home Farm to support Goodwood Trust’s educational programme	Services and Facilities	£40,000.00

Project Number on Map (see Appendix I)	Project Name	Type of Infrastructure	Recommendation
6	<b>Meon Valley Trail - Wickham Springs</b> - to upgrade and improve drainage system to help alleviate the problems of flooding / surface water on the existing trail	Transport	£35,000.00
7	<b>Petworth – Sylvia Beaufoy Pedestrian Crossing</b> – provide a new pedestrian crossing on A272 close to Sylvia Beaufoy car park	Transport	£33,000.00
8	<b>Findon Play Facilities</b> – installation of new play and exercise equipment at Homewood, Horsham Road	Health and Well Being	£31,500.00
9	<b>Upstream of Liss – Natural Flood Management Project by Arun and Rother River Trust</b> - project will use Natural Flood Management approaches to plant trees and hedgerows in strategic low risk locations to slow surface water and river flooding	Green Infrastructure	£25,000.00
10	<b>Liss Triangle Centre</b> – construction of rain cover to entrance and improve damp proofing to building	Services and Facilities	£18,275.00
11	<b>Lewes Railway Land Local Nature Reserve</b> - Improvement to habitat water meadows and hedgerows and Signal Box hide	Green Infrastructure	£15,500.00
12	<b>Lewes Railway Land Local Nature Reserve</b> – footpath improvements	Transport	£10,000.00
13	<b>Lewes Railway Land Local Nature Reserve</b> – Installation of interpretation boards	Services and Facilities	£1,000.00
14	<b>Liss Village Hall</b> – new toilets	Services and Facilities	£15,000.00
15	<b>Twyford - refurbishment of basketball court at Hunter Park</b>	Social and Leisure	£12,700.00
16	<b>Twyford - Pavilion at Hunter Park</b> – repair and renovate pavilion building at Hunter Park	Social and Leisure	£5,000.00

Project Number on Map (see Appendix I)	Project Name	Type of Infrastructure	Recommendation
17	<b>Hangers Way</b> – improvements and upgrading of rights of way between Petersfield and Alton	Transport	£11,000.00
18	<b>Lavant River Walk</b> – Marsh Lane to north of Playground. To improve connections from mid-Lavant to Village Green (East Lavant)	Transport	£10,000.00
19	<b>Stedham with Iping - Recreation Ground</b> – installation of climbing dome on Village Green	Social and Leisure	£4,850.00
20	<b>Stedham with Iping - Fitness Trail</b> – installation of fitness equipment to create a fitness trail	Health and Well Being	£2,500.00
<b>Total</b>			<b>£554,965.00</b>

- 4.8 It is further recommended that the money in 2018 / 19 Pot 2 be ring-fenced for the next 3 years (to the financial year 2022 / 23). Should funding for these infrastructure projects no longer be required after 2022 / 23, the money could be made available to other projects.
- 4.9 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.
- 4.10 Projects seeking CIL monies will need to be supported by clear evidence of the cost and practicality of delivering the scheme or project, including acceptable project governance / management arrangements. Therefore, the Committee is asked to delegate authority to the Director of Planning to finalise the bids. For the 2018 / 19 CIL receipts, delegated authority would be given to the Director of Planning to make the actual payments up to the total amount within Pot 2 (£555,007.06) with that money to be spent on the 20 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 2018 / 19 CIL receipts. The IBP will be brought back to Planning Committee each year for approval.
Does the proposal raise any	Yes, the proposed allocation of funds will be met from CIL



<b>Implication</b>	<b>Yes/No</b>
Resource implications?	receipts which are currently held in an earmarked reserve. Regulations allow charging authorities to use up to 5% of receipts for admin purposes, which enables the Planning Service to fund a post 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 prioritisation / scoring process of projects and the projects themselves that CIL will help to deliver, all take proper account of relevant sustainability matters. Indeed the projects are designed to meet Purposes and Duty which in themselves are about the sustainability of the National Park and wider area

## **7. Risks Associated with the Proposed Decision**

- 7.1 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.

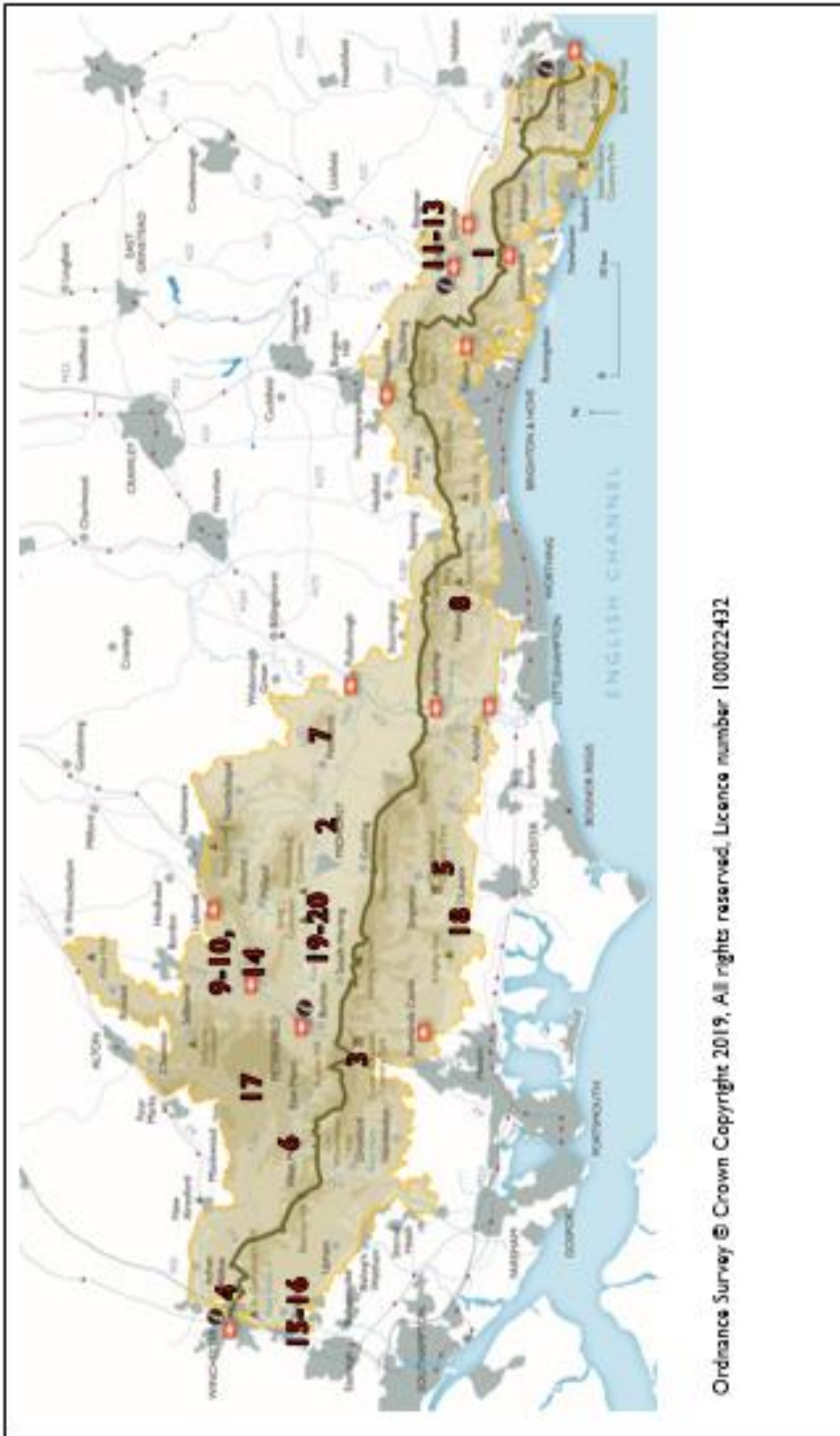
<b>Risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigation</b>
Failure to approve allocating CIL funding – poor management of funds would lead to challenge over decision making	Unlikely	Moderate	Approve the IBP
Insufficient information to fully assess the requests for CIL funding (i.e. the projects put 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.  Members of the Major Projects Team are also available to help bidders and to following up with any queries.

## TIM SLANEY

### Director of Planning

#### South Downs National Park Authority

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Appendices	<ol style="list-style-type: none"><li>1. Map showing the broad locations of Pot 2 Projects recommended to receiving money from 2018 / 19 CIL Receipts</li><li>2. Infrastructure Business Plan 2019</li><li>3. Infrastructure Business Plan 2019 - Appendices</li></ol>
SDNPA Consultees	Legal Services; Chief Finance Officer; Monitoring Officer; Director of Planning
External Consultees	None
Background Documents	<p>Further information on the Community Infrastructure Levy (including the SDNPA's charging schedule and 2018 Infrastructure Business Plan (IBP)) can be viewed at <a href="https://www.southdowns.gov.uk/planning/community-infrastructure-levy/">https://www.southdowns.gov.uk/planning/community-infrastructure-levy/</a></p> <p>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, the IBP process was agreed by Planning Committee on 13 September 2018 and the 2018 IBP was approved by Planning Committee on 8 November 2018.</p> <ul style="list-style-type: none"><li>• <a href="https://www.southdowns.gov.uk/meeting/29-january-2015/">https://www.southdowns.gov.uk/meeting/29-january-2015/</a></li><li>• <a href="https://www.southdowns.gov.uk/meeting/authority-meeting-2-february-2016/">https://www.southdowns.gov.uk/meeting/authority-meeting-2-february-2016/</a></li><li>• <a href="https://www.southdowns.gov.uk/meeting/authority-meeting-22-september-2016/">https://www.southdowns.gov.uk/meeting/authority-meeting-22-september-2016/</a></li><li>• <a href="https://www.southdowns.gov.uk/meeting/planning-committee-13-september-2018/">https://www.southdowns.gov.uk/meeting/planning-committee-13-september-2018/</a></li><li>• <a href="https://www.southdowns.gov.uk/meeting/planning-committee-8-november-2018/">https://www.southdowns.gov.uk/meeting/planning-committee-8-november-2018/</a></li></ul>



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