

REPORT TO	DATE OF MEETING
Cabinet	6 th April 2016

Report template revised June 2008



SUBJECT	PORTFOLIO	AUTHOR	ITEM
Provision of Infrastructure in Lieu of Community Infrastructure Levy: National Grid / Morris Homes, The Cawsey	Strategic Planning	Jonathan Noad	9

SUMMARY AND LINK TO CORPORATE PRIORITIES

The Community Infrastructure Levy (CIL) normally applies to all development on the charging schedule. There are, however, certain exemptions allowable one of which is where a developer is required to provide a specific item of infrastructure as part of their scheme. In such circumstances (known as “provision in lieu”) the cost of the infrastructure item will be deducted from the CIL chargeable amount.

The Council has an adopted policy to allow for this to happen where the Council consider it appropriate to do so. In some instances this cost will be the same as or above the CIL chargeable amount, therefore no CIL will be received. If the cost of the infrastructure is less than the CIL chargeable amount then the difference must still be paid. It is important to note that the policy and approach is only used in exceptional circumstances where there is a clear additional burden on the developer.

RECOMMENDATIONS

It is recommended that Cabinet:

- a) agree to the principle for the signing of a legal agreement for the provision of infrastructure in lieu of payment of Community Infrastructure Levy in relation to Planning Permission 07/2013/0008/ORM, and;
- b) that the final detail and approval of the legal agreement be delegated to the Planning Manager in consultation with the Portfolio Holder for Strategic Planning

DETAILS AND REASONING

Site K in the adopted South Ribble Local Plan (Lostock Hall Gasworks) received outline planning permission for residential development in 1st April 2014 (Planning Ref: 07/2013/0008/ORM). It subsequently received reserved matters consent on 13th August 2015 (Planning Ref: 07/2015/0315/REM).

The site crosses the alignment of the Cross Borough Link Road (CBLR) and is adjacent to the location of a bridge which would enable the CBLR to cross the Old Tram Road. A separate planning consent is also extant for the bridge which was granted on 30th May 2013 (Planning Ref: 07/2013/0007/FUL).

A further development at Vernon Carus was also approved, subject to a Section 106 agreement, on 13th August 2015 (Planning Ref: 07/2014/0190/ORM) which relies on the provision of this element of the CBLR and the new bridge to access the highway network.

The delivery of the extension to The Cawsey was included as condition 14 of the outline planning consent of 1st April 2014. This also required the provision of two bus stops and two pedestrian refuge

islands at the site access point. As part of that outline approval, a Section 106 Agreement was also entered into, that identified a number of criteria for the link road development, including that the developer enters into agreements under sections 38 and 278 of the Highways Act 1980 and that the link road construction be commenced at Carrwood Road with the construction of the road bridge. The agreement also required that the link road should not be constructed in phases and once commenced, it should be ongoing until it connects to The Cawsey. The agreement also requires that no more than 75 dwellings be occupied until completion of the link road. The provision and construction of this link road is something the Council has aspired too for a long time and is considered to be an important route to provide improved accessibility in an east-west direction through the borough and also help traffic flow on existing roads.

CIL charging was introduced by the Council on 1st September 2013 and a charge of £65 per square metre of floor space is required for the market dwellings. For this site, the chargeable CIL amount would be £1,998,774.96. However, the S106 agreed at outline stage requires the developer to construct the link road and the road bridge. Discussions are underway with the developers in respect of reaching agreement on the payment (in full or in part) of CIL 'in kind', i.e., to providing infrastructure works in the form of the road bridge and link road extension instead of a monetary payment. This would require a separate approval by the Council in line with CIL regulations.

Current Position

A draft legal agreement for the provision of the infrastructure in kind, in lieu of CIL has been received. This is currently being assessed by Planning and Legal Officers. The final costs will be subject to clauses in the legal agreement as it would be unfair to all parties if this just related to estimates at this early stage. That legal agreement will also include clauses so that if the final cost is less than the CIL charged then the difference will come to the Council in the form of CIL. The risk that costs exceed the chargeable CIL amount is entirely with the developer and land owner. The Council is being advised by Keppie Massie and WYG, who are qualified chartered surveyors and quantity surveyors. Keppie Massie will review costs at both the draft costs stage and throughout to completion to ensure that the costs are being reasonably incurred.

At the time of writing this report, the draft cost of providing the road and bridge has not been verified by the Council's advisors. It is understood, however, that the cost of the infrastructure would be likely to be more than the CIL chargeable amount.

There have been numerous update meetings with the developers and land owners with regard to progress being made towards the delivery of the bridge. The detailed bridge designs have been completed and are currently out to tender with a view to contractors being appointed immediately and starting the major works in the early summer. Separately pre commencement planning conditions have been submitted to the Council for discharge. These are currently being assessed by Planning Officers.

WIDER IMPLICATIONS

In the preparation of this report, consideration has been given to the impact of its proposals in all the areas listed below, and the table shows any implications in respect of each of these. The risk assessment which has been carried out forms part of the background papers to the report.

<p>FINANCIAL</p>	<p>The cost of providing the bridge and remaining element of The Cawsey is high and would affect the viability of the development. There is therefore an exceptional circumstance to forego the payment of CIL in lieu of the provision of this infrastructure.</p>
-------------------------	---

LEGAL	<p>The CIL Regulations allow for provision of infrastructure in lieu of CIL where the Council has an adopted policy.</p> <p>The Council's Legal services team will ensure that the legal agreement fully protects the Council's position and is fit for purpose.</p>
--------------	--

RISK	<p>Without this approval there is a risk that the Cross Borough Link Road would not be completed. This is a high corporate priority and is identified as such in the South Ribble Local Plan</p>
-------------	--

THE IMPACT ON EQUALITY	<p>There is no impact on equality as a result of the contents of this report.</p>
-------------------------------	---

OTHER (see below)	
--------------------------	--

<i>Asset Management</i>	<i>Corporate Plans and Policies</i>	<i>Crime and Disorder</i>	<i>Efficiency Savings/Value for Money</i>
<i>Equality, Diversity and Community Cohesion</i>	<i>Freedom of Information/ Data Protection</i>	<i>Health and Safety</i>	<i>Health Inequalities</i>
<i>Human Rights Act 1998</i>	<i>Implementing Electronic Government</i>	<i>Staffing, Training and Development</i>	<i>Sustainability</i>

BACKGROUND DOCUMENTS

Appendix A – Plan of Cross Borough Link Road and National Grid / Morris Homes, The Cawsey