

Tendring *District Council*



Independent Examination of Section 2 of the Tendring District Local Plan '2013-2033 and Beyond'

HEARING STATEMENT FROM THE LOCAL PLANNING AUTHORITY

Matter 10: Delivering Places & Monitoring

January 2021

Matter 10 - Delivering Places & Monitoring

Policy DI1 Infrastructure Delivery and Impact Mitigation

10.1 Is policy DI1 justified and consistent with national policy?

10.1.1 Yes, Policy DI1 is justified and consistent with national policy.

10.1.2 Policy DI1 is a generic infrastructure policy which sits alongside the Infrastructure Delivery Plan (IDP) [EB10.1.1](#) and the individual site specific policies. The policy is necessary to secure the infrastructure investment required in order to facilitate sustainable development within Tendring. The NPPF 2012 (para.156) states:

10.1.3 *Local planning authorities should set out the strategic priorities for the area in the Local Plan. This should include strategic policies to deliver:*

- *the provision of infrastructure for transport, telecommunications, waste management, water supply, wastewater, flood risk and coastal change management, and the provision of minerals and energy (including heat);*
- *the provision of health, security, community and cultural infrastructure and other local facilities.”*

10.1.4 Paragraph 162 continues:

“Local planning authorities should work with other authorities and providers to:

- *assess the quality and capacity of infrastructure for transport, water supply, wastewater and its treatment, energy (including heat), telecommunications, utilities, waste, health, social care, education, flood risk and coastal change management, and its ability to meet forecast demands; and*
- *take account of the need for strategic infrastructure including nationally significant infrastructure within their areas.”*

Are the requirements of the policies clear, and would they be effective?

10.1.5 Yes, the requirements of the Policy is clear and effective. The Policy is supported by the IDP and seeks to facilitate development, outlining the process for the delivery of key infrastructure as part of new development. The policy will ensure that sufficient appropriate infrastructure is delivered within the plan period.

(a) Are there any omissions from the proposed policy and supporting text?

10.1.6 The Council is recommending an amendment to the supporting text in terms of a reference to CIL and a reference to the definition of infrastructure contained in the Glossary. Apart from this, there are no omissions to the Policy or supporting text.

(b) Are the policies' requirements supported by up to date evidence?

- 10.1.7 The Policy requirements are supported by the latest Infrastructure Delivery Plan [EB10.1.1](#) and Economic Viability Study (EVS) [EB9.1.1](#).

(c) Have the implications of the policy in relation to viability been appropriately tested?

- 10.1.8 The emerging Local Plan has been subject to an EVS. The EVS (p87) states in relation to Policy DI1:

'there are no specific viability implications. Testing assumptions take account of typical allowances for planning obligations and also include sensitivity testing for such which make require contributions in excess of recent historic averages. Testing assumptions also allow for opening-up and enabling costs on larger schemes and include adjustments between gross and net developable area that may include the provision of land for infrastructure.'

- 10.1.9 The Council's EVS (2017) [EB9.1.2](#) and Economic Viability Study Addendum (EVSA) (2019) [EB9.1.1](#) made provision for an appropriate level of infrastructure on all sites, dependent upon type and size of development. Case studies were modelled with between £5,000 and £7,500 per unit for site opening up/infrastructure costs which includes bringing the various services to the site. This is in addition to the 15% allowance on build costs for external works and to the £6,000 - £11,000 per unit for s106. For the SAMU sites additional allowance has been made for higher infrastructure and s106 as per the IDP (up to a further £13,500 per unit). Also, sensitivity testing was carried out on 300-unit case studies, in all 3 value areas, adding a further £9,000 per unit to account for potential additional infrastructure and/or remedial works (notwithstanding that PPG 2019 sets out that it is up to developers to mitigate for such additional risk - 018 Reference ID: 10-018-20190509). For a 3 bed semi-detached property on a 300-unit site, this amounts to £35,000 per unit for site infrastructure.

- 10.1.10 Gladman Homes ([LPPuD332](#)) stated that there is no definition of the term minimum developer profit level which makes the Policy unclear.

- 10.1.11 In response, developer profit/ return will be dependent upon development type and risk. PPG 2019 provides helpful guidance (018 Reference ID: 10-018-20190509) and is worth repeating in full here as it will provide guidance in future decision making.

"Potential risk is accounted for in the assumed return for developers at the plan making stage. It is the role of developers, not plan makers or decision makers, to mitigate these risks. The cost of fully complying with policy requirements should be accounted for in benchmark land value. Under no circumstances will the price paid for land be relevant justification for failing to accord with relevant policies in the plan."

10.1.12 Noting that there will be circumstances where a different level of return is appropriate, it goes on to say that “*For the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers*”. This clearly sets out a useful range, with 15% being the minimum, although there will be circumstances where risk is reduced and a lower level will be more relevant. PPG also states that “*a lower figure may be more appropriate in consideration of delivery of affordable housing*” and industry standard is to set this at 6%, as it is a contractor return this would be based on cost rather than GDV.

10.1.13 Given the above, minimum development profit will be considered on a site by site basis with an individual site viability assessment being required where the developer cannot meet the full infrastructure delivery requirements.

(d) Are the policies sufficiently flexible?

10.1.14 The Policy is a generic policy which will facilitate development for the lifetime of the plan. The Policy takes account of the viability of individual schemes and allows in exceptional circumstances, for an alternative approach to be adopted.

10.1.15 A representation by the Education & Skills Funding Agency ([LPPuD98](#)) requested that reference is made to Essex County Council’s Developers’ Guide to Infrastructure Contributions (revised 2016) alongside either Policy DI1 or Policy PP12. The Council does not consider it necessary to refer to the Developers Guide as it might be updated and superseded within the plan period and therefore may result in the policy being less flexible. However, the Council would have no objection in principle to the inclusion of such a reference if the Inspector believes it would be beneficial.

Are the Council’s proposed modifications necessary for soundness?

10.1.16 In light of a representation from Essex County Council, the Council is recommending an amendment to Policy DI1 to include the following sentence:

The Council may consider introducing a Community Infrastructure Levy (CIL) and may implement such for areas and/or development types where a viable charging schedule would best mitigate the impacts of growth. Section 106 will remain the appropriate mechanism for securing land and works along with financial contributions where a sum for the necessary infrastructure is not secured via CIL. For the purposes of this policy the widest reasonable definition of infrastructure and infrastructure providers will be applied. Exemplar types of infrastructure are provided in the glossary appended to this plan.

10.1.17 This amendment provides for greater flexibility in the policy for the potential introduction of CIL by the Council and clarifies the definition of infrastructure.

Monitoring

10.2 Is the plan sufficiently clear as to how its implementation will be monitored?

10.2.1 Chapter 11 sets out how the Plan's implementation will be monitored. The Council has proposed a modification ([SM1](#)) to the chapter, which seeks to provide greater detail and clarity around monitoring. The suggested modification constitutes a table which identifies ten Policy Areas, their respective Local Plan Objectives/Targets, and the Key Indicators which will be used to evaluate the plan's effectiveness in those areas during the Plan period to 2033.

10.2.2 The plan will be continually monitored and reviewed via the Annual Monitoring Report as stated in Section 11 of the emerging Local Plan. This is an important, on-going process to establish whether the plan is being implemented successfully and if a review is required.

10.2.3 Whilst no objections have been received to Chapter 11, it is noted that Braintree and Colchester have presented the key indicators for monitoring in more detail and in tabular form in their respective Section 2 Local Plans and, in anticipation that the Inspector might prefer that format and level of detail, a table is set out in the suggested modifications for possible inclusion in the plan.

10.1.1 This proposed amendment would replace paragraph 11.0.6 and would provide greater clarity and be effective.