

WINCHESTER CITY COUNCIL

COMMUNITY INFRASTRUCTURE LEVY

INFRASTRUCTURE STATEMENT

July 2013



Winchester
City Council



Infrastructure Statement

Introduction

The Community Infrastructure Levy Regulations 2010 (as amended) require the City Council to submit “copies of the relevant evidence” to the examiner. The purpose of this statement is to set out the City Council’s evidence with regard to the demonstration of an infrastructure funding gap, confirmation of the Council’s spending priorities (the draft list), and clarification of its approach in respect of S106 contributions.

The City Council is also seeking to comply with the Government’s Community Infrastructure Levy Guidance (April 2013) which sets out the more detailed requirements in respect of the funding gap at paragraphs 12 -14, and of the prioritisation and funding of infrastructure at paragraphs at 84 - 91. In respect of the latter, the principal aim of this statement is to provide transparency on what the Council, as a charging authority, intends to fund in whole or in part through the levy, and those known matters where S106 contributions may continue to be sought (CIL Guidance, paragraph 15).

Infrastructure Funding Gap

The Government’s CIL Guidance states:

- “A charging authority needs to identify the total cost of infrastructure that it desires to fund in whole or in part from the levy” (paragraph 12);
- “Information on the charging authority area’s infrastructure needs should be directly related to the infrastructure assessment that underpins their relevant plan.” (paragraph. 13);
- “In determining the size of its total or aggregate infrastructure funding gap, the charging authority should consider known and expected infrastructure costs and the other sources of possible funding available to meet those costs.” (paragraph 14).

The City Council has met these requirements through its Infrastructure Delivery Plan 2011 (IDP) and Infrastructure Study 2011. These formed part of the evidence base submitted in support of the Local Plan Part 1 – Joint Core Strategy (adopted March 2013). A summary and updated document – the Infrastructure Delivery Plan: Update - was also submitted as an evidence document to the Joint Core Strategy examination process. The Council notes that the CIL examination should not re-open infrastructure planning that has already been submitted in support of a sound relevant Plan (CIL Guidance, paragraph 18), although all three documents (with the Update refreshed to July 2013) are submitted as evidence for the CIL examination as they provide a comprehensive justification of the estimated infrastructure funding gap.

The evidence demonstrates that the total cost of infrastructure for which the Council believes there is a case for funding in whole or in part from the levy is approximately £184,600,000. The scale or components of this infrastructure funding gap was not subject to challenge during the consultation on the Draft Charging Schedule.

In determining the size of this gap (which will be subject to variation as circumstances change), the Council continues to consider known and expected infrastructure costs and other sources of possible funding. This is an on-going process in both respects, and it is particularly useful to note the Council's partnership with Hampshire County Council in the preparation and updating of the latter's annual Strategic Infrastructure Statement (April 2013). The Statement can be found at:

<http://www3.hants.gov.uk/mineralsandwaste/infrastructure.htm>.

The County Council recognises that the level of housing and other growth proposed for Hampshire as a whole over the next 15 years or so will have significant implications for service delivery and infrastructure requirements, and the Strategic Infrastructure Statement sets out the types of infrastructure that the County Council and its partners are responsible for planning and delivering. The document provides details of the relevant infrastructure projects, including costs, in the short, medium and longer term. This collaborative approach to identifying infrastructure requirements has been formally endorsed by a 2013 agreement between the County Council and all the county's local authorities in a Memorandum of Understanding (MoU) on infrastructure planning, funding and delivery. The MoU (draft version) is attached as Appendix 1.

The Strategic Infrastructure Statement also confirms that in Winchester (as elsewhere in the county) the estimated funding shortfalls demonstrate that not all the infrastructure required to support new development can be funded by the public sector or by developer contributions (whether through obligations or CIL). Moreover, the County Council also advises that the nature of Local Government budget allocations and Government grants mean that it is not always possible to predict what funding might be available in the future. The Statement aims to identify sources of funding that could be used to bridge the gap, ranging from the direct Government funding (such as the Flood Risk Management Funding and National Health Service Funding) to the National Lottery, although uncertainty in pin-pointing other sources is recognised by the Government (CIL Guidance, paragraph 14).

Draft Infrastructure List

The Government's CIL Guidance states that:

- “The charging authority should set out at examination a draft list of the projects or types of infrastructure that are to be funded in whole or in part by the levy.” (paragraph 15).

The City Council proposes to respond to this requirement by setting out for the examiner its broad approach, as summarised below.

The City Council is mindful that on adoption of CIL, Regulation 123 of the CIL Regulations requires charging authorities to set out a list of those projects or types of infrastructure that it intends to fund through the levy. The Government's CIL Guidance advises that the Regulation 123 (R123) list should be based on the *draft list* that the charging authority prepared for the examination (paragraph 86).

The list of schemes included within the City Council's IDP (as updated 2013) represents the comprehensive assessment of what infrastructure is required over the plan period (and demonstrates the funding gap). The Department of Communities and Local Government does not provide guidance on how this full list should be distilled into a draft list to both inform the examiner and provide the basis for the R123 list. Nor has definitive best practise emerged yet from other charging authorities.

The City Council is conscious that spending of CIL funds on infrastructure within the eventual R123 list is likely to be some 18 months in the future (post-CIL adoption, and given the need to accumulate sufficient funds). For this reason, it is cautious in setting out spending plans or suggesting that it has established a firm prioritisation of schemes.

The City Council has a clear sustainable development strategy encapsulated in its approved Local Plan Part 1, but an obvious gap in potential infrastructure funding will require informed decisions to be made by elected Members, year on year, in order that infrastructure investment best matches and supports the planned development-led growth of the District. There are many possible competing pulls on spending that would have to be reconciled by any CIL spending authority. These include, for example:

- The balancing of strategic versus local priorities;
- The need to meet wider corporate objectives;
- The prioritisation against geographical criteria;
- The potential to enable development;
- The potential to match S106 or other funding streams;
- The potential to match the proportion (15% or 25%) returned to the community;
- The potential to pump-priming private investment; and
- The potential for partnership working with other stakeholders

The City Council has undertaken significant work since early 2012 in anticipation of its role as a CIL charging and spending authority, including through a Members workshop (4 June) on spending priorities. Members have approved the principle that the City Council will test all the schemes on the long IDP list against eight delivery criteria, categorising them on the extent to which they:

- Deliver the strategic objectives of the adopted Winchester Local Plan Part 1: Joint Core Strategy;
- Deliver specific policies of the adopted Development Plan (Winchester Local Plan Part 1: Joint Core Strategy and Winchester District Local Plan Review 2006);
- Contribute toward the delivery of sustainable (social, environmental and economic) communities within both existing and new developments;
- Address a specific impact of new development, beyond that which has been secured through a S106 obligation related to particular developments;
- Contribute towards the delivery of approved Council corporate strategies and objectives (relating to, for example, the arts, economic development, and sports and leisure);
- Contribute towards the delivery of infrastructure by an infrastructure provider (including the County Council, Government agencies, and private utility providers) where it can be demonstrated to the Council's satisfaction that infrastructure deemed necessary would not otherwise be delivered;
- Contribute towards meeting the defined infrastructure needs of local communities to make good a defined shortfall or absence of provision that is unlikely to be met by the parish levels funds (15% or 25%) of any CIL receipts; and
- Contribute towards meeting defined infrastructure needs of local communities to make good a defined shortfall or absence of provision, where it is recognised that little or no significant development is considered likely over the Local Plan period.

The aim has been to classify rather than rank, in order to better inform final prioritisation at the appropriate time. Following the adoption of CIL adoption, elected Members will determine (within a transparent and accountable process) the allocation of CIL resources against specific projects. Without prejudice to the future decision-making process, the Council will give priority to schemes that clearly deliver the strategic objectives and/or specific policies of the adopted development plan are likely to form the basis of the Council's draft list. To inform the examination process, Appendix 2 illustrates how the key decision-making criteria (what, where, why and when) will assist in prioritising the schemes within the IDP, subject to a number of important factors to be resolved at a later stage, including:

- Availability of CIL funds;
- Development scenarios (Local Plan Part 2 allocation or windfall site);

- Delivery of projects by infrastructure providers (including developers), through direct investment or S106 obligations (as described below).

S106 Strategy

The Government's CIL Guidance states:

- “The charging authorities should also set out those known site-specific matters where S106 contributions may continue to be sought.” (paragraph 15);
- “For transparency, charging authorities should set out at examination how their S106 policies will be varied, and the extent to which they have met their S106 targets.” (paragraph 87); and
- “The charging authority’s proposed approach to the future use of any pooled S106 contributions should be set out at examination and based on evidence.” (paragraph 89).

The City Council is able to respond to these requirements by setting out its broad approach to the examiner, as summarised below.

The City Council's position on infrastructure and developer's contributions is outlined in Chapter 10: Infrastructure Implementation and Monitoring of the Council's adopted Winchester District Local Plan Part 1 – Joint Core Strategy. Policy CP21: Infrastructure and Community Benefit sets out the approach to deliver the infrastructure and services needed to support development proposals, including:

- Infrastructure provision or improvements should be provided on-site as an integral part of a development, wherever possible and appropriate;
- Where off-site measures are needed, or on-site provision is not possible, planning obligations will be needed to secure the necessary provision or a financial contribution towards provision;
- Where a contribution towards other infrastructure improvements or provision is needed and viable this will be achieved through planning obligations, or the Community Infrastructure Levy when introduced.

Other policies provide more detailed contribution requirements relating to specific areas, for example Policies WT2, SH2 and SH3 in respect of the Strategic Housing Allocations, Policy CP3: Affordable Housing Provision on Market Led Housing Sites, CP7: Open Space, Sport and Recreation, and CP10: Transport.

These policies within the approved Core Strategy provide a firm foundation for the introduction of CIL, and the City Council recognises that:

- Consistent, clear and transparent application of the policies will ensure that there is no actual or perceived ‘double-dipping’ of contributions, in accordance with the Government’s CIL Guidance, paragraph 85);
- Any changes deemed necessary to align development plan policy with the details of the proposed CIL regime, will need to be introduced within Local Plan Part 2 – Development Management and Site Allocations, in accordance with the Government’s CIL Guidance (paragraph 87).

Also in line with the Government’s CIL Guidance, and to clarify the position for the development industry, stakeholders and the wider community, the City Council can confirm that:

- The funding of infrastructure for the three **Strategic Allocations** (North Winchester, West of Waterlooville and North Whiteley) will be provided through comprehensive S106 obligations (as currently agreed or proposed), and as reflected in the City Council’s viability evidence;
- Elsewhere, site-specific S106 contributions will continue to be sought in line with the Core Strategy policies, but only where an obligation meets all of the three statutory tests. Tariff-type contributions to meet wider (non site-related) funding, for **education** and **transport infrastructure** for example, will no longer be sought by the Local Planning Authority (directly, or on behalf Hampshire County Council);
- **Affordable housing** (on market led housing sites) lies outside the Government’s definition of infrastructure (as set out in the Planning Act 2008), and the provision of affordable housing or payment of financial contributions will continue to be required, where necessary, in line with Policy CP3 of the approved Joint Core Strategy.
- With regard to **open space, sport and recreation infrastructure**, site-specific provision secured through S106 obligations to comply with Core Strategy CP7 will only be sought on new housing sites where the proposed development is for 15 dwellings or more (a threshold consistent with the City Council’s Open Space Strategy and its important evidence in respect of shortfalls in provision);
 - On sites of this size, and as described above, obligations will only be sought where the three statutory tests are met, and will be required to meet the Council’s Open Space and Built Facilities Standards as set out in the Local Plan Part 1 – Joint Core Strategy. The City Council expects that in respect of natural green space, informal open space and equipped children’s and young people’s space, provision will be made on site, unless the LPA agrees that specific deliverable off-site provision is acceptable. Provision of allotments on smaller sites (but above the 15 dwelling threshold) will also be acceptable in principle. More substantial infrastructure schemes (parks, sports and recreation grounds, and

built facilities) will normally only be required on very large schemes (in compliance with the CP7 Policy Standards), and the City Council will encourage on-site provision where appropriate. Off-site provision will be acceptable in principle, and the limited pooling of contribution funds will also be acceptable, subject to the caveats below;

- On sites of fifteen dwellings or more, where the LPA is justified in seeking a S106 contribution, the City Council recognises that in some circumstances the developer may seek to complement and/or enable a S106 open space scheme (on or off-site) through an in-kind contribution of land in-lieu of all or part of the required CIL payment. Where the LPA agree that need would be satisfactorily met, such an arrangement would be acceptable in principle to the City Council, subject to the standard caveats with regard to an independent assessment of land value and an acceptable agreement with regard to ownership and maintenance (see below);
- On sites below the 15 dwelling threshold, there will be no requirement for S106 contributions, although on-site provision (and off-site in appropriate circumstances acceptable to the LPA) of open space remains acceptable in principle should the developer wish to enhance a scheme by making provision (for example, in relation to amenity open space) in addition to the CIL charge. The provision of an in-kind CIL payment will also be acceptable in principle, subject to the caveats outlined above; and
- Where open space provision is made in accordance with Policy CP7 (irrespective of the 15 dwelling threshold), the LPA would normally expect any S106 obligation to also provide for an on-going management and maintenance regime through a commuted sum;
- With regards to **other categories of infrastructure**, the Council's preference is for on-site provision where appropriate, in accordance with Local Plan Part 1 Policy CP21. Where off-site provision is acceptable to the Local Planning Authority, the pooling of contributions (to fund a specific infrastructure project or a type of infrastructure) will only be permitted in accordance with the CIL Regulations 2010 (as amended). Whilst pooling of funds remains acceptable in principle, the City Council can confirm that it currently has no intention to approve, sponsor or encourage any pooling, and does not therefore submit any evidence in support of such an approach;
- It should be noted that the impact of development in Winchester and neighbouring districts on the Solent European Marine Sites may lead to shared expenditure in the interests of **habitat protection** of fragile sites and eco-systems. The current proposals for mitigation measures (such as dog wardens) required by Natural England do not constitute

infrastructure (as defined by the Planning Act 2008), and a number of local authorities are currently assessing options that could include the pooling of S106 contributions from developments within a defined zone. Natural England may in due course require mitigation measures that involve the provision of infrastructure, and at that stage, any authority subject to statutory duties to protect the Solent habitat could decide that this is an appropriate area for expenditure from CIL funds. The City Council would aim to cooperate with neighbouring authorities to implement a consistent system.

As required by the Government’s CIL Guidance, the City Council is also able to set out the extent to which S106 targets have been both set and met, with the evidence summarised as follows.

- Table 1 below illustrates the S106 funds that have been collected by the LPA (or are currently due to be paid) over the past two years, and the broad areas of expenditure. It should be noted that other S106 obligations related to the transfer of land or the completion of works, without a direct funding contribution.

Table 1: Section S106 contributions July 2011 – June 2013

Area of Expenditure	Contributions
Affordable housing contributions	£194,400
Ecological contributions	£3,600
Education	£838,425
Nature trail	£35,000
Open Space Officer funding	£42,872
Public Open Space (Play)	£256,724
Public Open Space (Sport)	£274,346
Transport	£1,407,376
Total	£3,052,743

- The pattern of income and expenditure has been determined, in part, by the policy framework set out in the Winchester District Local Plan Review 2006, and also reflects a number of area-specific objectives rather than a series of corporate targets, as set out below:
- **Affordable Housing:** The City Council adopted an *Affordable Housing Supplementary Planning Document* in 2008 (amended 2012), with its Policy 12 that advises that “affordable housing will be secured through a planning obligation”. (It is useful to note also that the more recent Winchester Housing Strategy 2013/14 – 2018/19 includes a Housing Strategy Priority to “maximise the supply of high quality affordable housing in urban and rural areas”).
- **Open Space, Sport and Recreation:** the Council’s *Open Space Strategy* (reviewed and updated annually) sets out a number of standards, for example, that parishes with a population in excess of

500 should support a Neighbourhood Equipped Area for Play (NEAP) to meet assessed deficiencies. There are standards also for Local Areas for Play (LAPS), Local Equipped Areas for Play (LEAPS) and Local Landscaped Areas for Play (LLAPS). The identified deficiencies relate to the criteria set out in the justification for Policy RT.4 of the Local Plan 2006.

- **Transport:** S106 contributions for transport are required by the Local Planning Authority in accordance with Hampshire County Council's *Transport Contributions Policy: A New Approach to Calculating Transport Contributions in Hampshire*. The formula is based on the transport impact of each development in accordance with Circular 05/2005. The basic measurement of transport impact is quantified by the net increase in the number of multi-modal trips that a development is expected to generate. A financial value is then attached to each multi-modal trip.
- **Education:** S106 contributions are sought in accordance with a guidance note published by Hampshire County Council (originally in 2003 and updated regularly), and a site-by site assessment by the County Council (as the Local Education Authority) in conjunction with the Local Planning Authority. Contributions have been sought where justified by evidence, particularly in areas of under provision such as Winchester town.

APPENDIX 1: Hampshire Authorities' Memorandum of Understanding on Infrastructure Planning, Funding and Delivery

MEMORANDUM OF UNDERSTANDING

THIS AGREEMENT is dated

2013

The parties to this memorandum of understanding (MoU) are:

- (1) **BASINGSTOKE AND DEANE BOROUGH COUNCIL** of Civic Offices, London Road, Basingstoke, Hampshire RG21 4AH;
- (2) **EAST HAMPSHIRE DISTRICT COUNCIL** of Penns Place, Petersfield, Hampshire GU31 4EX;
- (3) **EASTLEIGH BOROUGH COUNCIL** of Civic Offices, Leigh Road, Eastleigh, Hampshire SO50 9YN;
- (4) **FAREHAM BOROUGH COUNCIL** of Civic Offices, Civic Way, Fareham, Hampshire PO16 7AZ;¹
- (5) **GOSPORT BOROUGH COUNCIL** of Town Hall, High Street, Gosport, Hampshire PO12 1EB;
- (6) **HAMPSHIRE COUNTY COUNCIL** of The Castle, Winchester, Hampshire, SO23 8UJ;
- (7) **HART DISTRICT COUNCIL** of Civic Offices, Harlington Way, Fleet, Hampshire GU51 4AE;
- (8) **COUNCIL OF THE BOROUGH OF HAVANT** of Public Service Plaza, Civic Centre Road, Havant, Hampshire PO9 2AX;
- (9) **NEW FOREST DISTRICT COUNCIL** of Appletree Court, Lyndhurst Hampshire SO43 7PA;
- (10) **NEW FOREST NATIONAL PARK AUTHORITY** of Avenue Road, Lymington SO41 9ZG: (TBA)
- (11) **RUSHMOOR BOROUGH COUNCIL** of Council Offices, Farnborough Road, Farnborough, Hampshire GU14 7JU;
- (12) **TEST VALLEY BOROUGH COUNCIL** of Beech Hurst, Weyhill Road, Andover, Hampshire, SP10 3AJ;
- (13) **WINCHESTER CITY COUNCIL** of City Offices, Colebrook Street, Winchester, Hampshire SO23 9LJ.

¹ Fareham Borough Council accepts this MoU as a guide for development in all areas of Fareham Borough other than Welborne which, due to its complexities, requires a separate agreement with the County Council.

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1. PURPOSE

- 1.1 This Memorandum of Understanding (MoU) provides a broad framework to assist its signatories, hereafter referred to as “the Partners”, as they come to determine priorities for planning, funding and delivering future infrastructure.
- 1.2 The Planning Act (2008) provides a wide definition of the infrastructure, including transport, flood defences, schools, hospitals, and other health and social care facilities. This definition encompasses a broad range of facilities such as play areas, parks and green spaces, cultural and sports facilities, district heating schemes and police stations and other community safety facilities. This gives local communities flexibility to choose what infrastructure they need to deliver their development plans. The principles set out in this document take account of the varying scale and types of infrastructure needs across Hampshire.
- 1.3 Although this MoU is not legally binding, it is a statement of joint intent which indicates the broad principles that the Partners will seek to apply when making decisions about strategic and community infrastructure, both of which are integral to the economic, social and environmental well-being of Hampshire’s communities.
- 1.4 Due to the diverse range of infrastructure needs across Hampshire Partners fully recognise the need of locally tailored solutions rather than a one-size-fits-all approach. However, they also recognise the need to work in collaboration so that wherever possible priorities can be effectively aligned and to ensure future capital programmes and development plans take account of shared priorities. The principles, outlined in this Memorandum, are designed to help ensure Partners make best use of all potential funding streams in order to maximise investment for Hampshire’s infrastructure.
- 1.5 This MoU aims to provide a framework within which Partners can work to minimise the risk of a growing infrastructure deficit in Hampshire. That risk has been heightened due to recent changes in the planning system, coupled with the on-going reductions in central government grant and the disaggregation of funding streams away from local authorities.
- 1.6 Partners have agreed to develop a good practice guide to follow this document. The purpose is to provide a range of worked examples and case studies provided by Partners to illustrate how funding can be maximised through effective joint working and best use of the range of funding mechanisms. It would also include protocols for ensuring timely responses from the County Council, as the provider of transport, education and other strategic infrastructure, to Partner authorities’ consultations on planning applications. The good practice guide will remain a live document, to which further case studies can be added over time.
- 1.7 This Memorandum of Understanding sets out the basis upon which Partners will seek to collaborate, in terms of:
- (a) Jointly identifying infrastructure needs and providing evidence where funding gaps exist;
 - (b) Early and on-going co-operation to inform plans for future development and infrastructure priorities;

- (c) Agreed principles to guide Partners when determining how funding mechanisms can support key developments and maximise infrastructure delivery;
- (d) Collective approach to engaging other key stakeholders.

The Parties acknowledge the need to keep this document under review and consider, as and when necessary, further flexible arrangements between parties to aid the timely delivery of schemes.

2. SHARED PRINCIPLES

- 2.1 This Memorandum of Understanding includes a range of principles which partners have agreed to apply to their strategic planning, budget setting and policy implementation. These are summarised below:
- (a) to work in collaboration with other partners to enable, wherever possible, the effective alignment of priorities and ensure future capital programmes and development plans take account of shared priorities. (para.1.4)
 - (b) a commitment to developing a comprehensive infrastructure needs assessment for Hampshire that identifies infrastructure needs over the next twenty years, based on existing deficiencies, natural growth and development requirements (para 4.1)
 - (c) a commitment to use their best endeavours to release local capital and other resources to meet Hampshire's infrastructure needs. (para.6.1)
 - (d) to work with a wide range of stakeholders, including those in the private sector and through Government agencies to secure funding. (para.6.2).
 - (e) to position themselves so they are ready to respond to Government initiatives, such as Tax Increment Financing and continue to exploit grant schemes from Government Departments and key agencies such as the Highways Agency and the Homes and Communities Agency. (para.6.2)
 - (f) to engage positively with Enterprise M3 LEP and the Solent LEP and develop closer relationships with the local business sector. In doing so, partners aim to better align Hampshire's infrastructure priorities so that robust proposals for greater devolution of funding can be put forward to Government in order to invest in local growth schemes. (para.6.3).
 - (g) a commitment to maintaining a collaborative approach towards local transport. (para.5.5).
 - (h) to work flexibly with neighbouring authorities, including through bi-lateral arrangements with the two cities of Portsmouth and Southampton and other neighbouring counties. (para.5.5).
 - (i) aim to ensure that any modifications to capital programmes to not take place in isolation but always in the context of the shared principles and the consideration of all the alternative funding mechanisms and potential opportunities available (para.5.9).
 - (j) co-operate both within and beyond Hampshire, particularly in relation to the Community Infrastructure Levy (para.5.6)
 - (k) local planning authority partners to consult with the County Council on their CIL charging schedules and in relation to their CIL Regulation 123 Lists (para.5.7)
- 2.2 In addition Partners have identified and agreed four principles to specifically help maximise developer funding for infrastructure. These are set out in paragraph 6.4 of this Memorandum of Understanding.

3. STATUS

- 3.1 The Partners acknowledge that this Memorandum of Understanding is not a legally binding contract but, as outlined above, a statement of intent which provides the foundation blocks for early and on-going co-operation between Partners, including bi-lateral arrangements between neighbouring authorities and between the different tiers of local government in Hampshire.

4. IDENTIFYING INFRASTRUCTURE NEEDS

- 4.1 Hampshire local authorities have a good track record of working together to identify and deliver infrastructure needed to support development. The Partners are committed to developing a [Strategic Infrastructure Statement](#), identifying a defined set of Hampshire's infrastructure needs over the next fifteen years. The identified infrastructure is based on needs arising from existing deficiencies, natural growth and development pressures. The intention is to update the statement regularly in collaboration with Partners to reflect progress in Local Plan documents and infrastructure project delivery. The latest version is published on www.hants.gov.uk/strategic-planning/infrastructure.

- 4.2 Version 1 of this Statement was prepared by Hampshire County Council (“the County Council”) in consultation with Partners. It was endorsed by the County Council’s Cabinet (subject to amendments) in December 2012 and published in January 2013. It focuses on the County Council’s own service areas, based on an understanding of the development strategies set out in the district and boroughs’ adopted and emerging Local Plan documents. The Statement also includes infrastructure identified by other key public sector partners: the PCT, Hampshire Fire & Rescue and Hampshire Constabulary.
- 4.3 The Statement sets out the infrastructure assets for County Council services and explains the basis for determining where new infrastructure is required. It includes current funding arrangements, the potential funding available in future, and identifies projects for each district (and the New Forest National Park Authority area) for the infrastructure defined. This, combined with evidence contained in the District Transport Statements, illustrates the need for a significant amount of new infrastructure to meet local needs. Therefore robust plans, developed in collaboration with Partners will become increasingly important.
- 4.4 The Statement will provide a useful starting point to inform bi-lateral discussions, whereby Partners will consider local needs and agree joint priorities. Indeed, Version 1 of the Statement has started to highlight funding gaps that may be relevant for Community Infrastructure Levy (CIL) funds or other developer funding. The Partners have agreed to work speedily through a series of bilateral talks and to involve other key stakeholders to build on this Statement and, by providing links to Local Plans, be ready to provide a more comprehensive picture as to where developer contributions will be required. Furthermore, the Statement should help inform capital spending as well as Hampshire’s two Local Enterprise Partnerships (“LEPs”) when prioritising the allocation of funding to infrastructure projects.

5. INFORMING FUTURE DEVELOPMENT PLANS

- 5.1 Historically a significant proportion of the County Council’s Capital Programme, particularly for education and transport infrastructure, was funded through Hampshire’s developer contributions policy. Developer contributions have been equally important for funding District and Borough Council infrastructure priorities, most notably affordable housing, but also a wide range of community infrastructure such as open space, flood defences, and leisure facilities. Due to the changes in the planning system, the use of Section 106 (S106) developer contributions will be significantly restricted, thus prohibiting the use of the current developer contributions policy. Instead, alternative funding mechanisms, including CIL, will need to be utilised to meet the strategic infrastructure needs set out in the Interim Statement (see para 3.2) and community infrastructure needs identified in the development plans.
- 5.2 The Government has announced that affordable housing will continue to be funded from S106 developer contributions for the present time. The ability to plan, fund and deliver Extra Care Housing for Hampshire’s growing elderly population remains crucial and a number of worked examples to address how this might be done are provided in the good practice guide.
- 5.3 In future Hampshire County Council and Hampshire’s district and borough councils will each seek to deploy capital and other resources to help fund infrastructure priorities. The County Council’s Capital Programme will play a fuller part in infrastructure. This follows a shift within the County Council to taking a more strategic overview in terms of prioritising and funding capital investment needs. In future it will apply a similar approach when considering the needs and priorities for infrastructure investment across the county. Working together, the Partners will not only use traditional forms of capital resource such as S106 and capital receipts but will also make use of all other funding sources and new mechanisms, for example through the LEPs and new Transport Bodies.
- 5.4 As indicated above, the Interim Infrastructure Statement will help inform Local Plan documents. In addition, the County Council will continue to provide Partners with population, economic and housing data to further inform their Local Plan documents.
- 5.5 Partners are committed to maintaining a collaborative approach towards local transport. District Transport Statements and Town Access Plans are produced and their priorities are reflected in Local Plan documents. Whilst this MoU endorses county-wide collaboration wherever possible, it recognises that Partners need to work flexibly with different neighbouring authorities. This will include a range of bi-lateral arrangements with the two cities of Portsmouth and Southampton and other neighbouring counties.
- 5.6 All Partners are fully committed to the duty to co-operate as set out in the Planning Section of the Localism Act (2011). There is a strong desire to co-operate both within and beyond Hampshire, particularly in relation to CIL which will be one significant mechanism for funding infrastructure.
- 5.7 Decisions over the allocation of CIL monies rests with the individual Local Planning Authorities ie the CIL Charging Authorities. However, the Partners recognise the need for co-operation beyond the public examination stage of the CIL Charging Schedule, not least because the contents of

their CIL Regulation 123 List will list what will be funded by CIL and, consequently, will determine what can and cannot be funded by S106 monies. Therefore the CIL Charging Authorities who are party to this MoU have agreed to not only consult the County Council on their CIL Charging Schedules but also to engage the County Council as they come to determine which schemes and types of infrastructure will be funded by CIL. Those details will be set out in their CIL Regulation 123 Lists, which will be produced following approval of the Charging Schedules and which will need to be updated as schemes come forward.

- 5.8 Partners recognise that a 'one size fits all' approach is not appropriate given the scale of development and the variety of infrastructure across Hampshire. However there is an understanding that individual priorities will be informed by the shared principles set out in Section 5 of this document. The intention is for Partners to add case studies to the good practice guide.
- 5.9 The Partners recognise that, due to the nature of CIL with its set tariff and viability tests, it is likely that local planning authorities in Hampshire will secure significantly less for off-site infrastructure through CIL than under the old pooling arrangements. Therefore, this collective approach aims to ensure that any modifications to capital programmes and the development of CIL policies do not take place in isolation but always in context of the shared principles and after consideration of all the alternative funding mechanisms and potential opportunities available.

6. MAXIMISING FUNDING FOR INFRASTRUCTURE

- 6.1 Partners are aware that in order to maximise funding for infrastructure all possible funding streams will need to be explored and utilised where appropriate. They are committed to using their best endeavours to release local capital and other resources to meet Hampshire's infrastructure needs.
- 6.2 In addition to developer contributions and CIL, the Partners will need to work with a wide range of stakeholders, including those in the private sector and through Government agencies to secure funding. In addition they will need to position themselves so they are ready to respond to Government initiatives, such as Tax Increment Financing and continue to exploit grant schemes from Government Departments and key agencies such as the Highways Agency and the Homes and Communities Agency.
- 6.3 Partners will also want to consider how Hampshire can maximise its share of locally retained business rates through influencing business and central Government. Partners will want to engage positively with Enterprise M3 LEP and the Solent LEP and develop closer relationships with the local business sector. In doing so, Partners aim to better align Hampshire's infrastructure priorities so that robust proposals for greater devolution of funding can be put forward to Government in order to invest in local growth schemes. Joint working with the LEPs and other sub national Partnerships is vital because, although the Government continues to direct more funding streams to those strategic Partnerships, it is often only with the co-operation and delivery capacity of local government can LEP priorities be met.
- 6.4 In terms of securing developer funding, Partners agree to apply the following principles wherever possible: -
- (i) That S106 developer contributions be sought to fund infrastructure schemes which are dedicated to supporting new large developments, such as a development of 500 or more homes. This would include securing S106 to fund infrastructure that is on site or in the vicinity of the development, for example a new household waste recycling centre or a new school.
 - (ii) That Section 278 of the Highways Act be used by the County Council, as the Highways Authority, to secure funding for transport schemes which are directly related to the impact of the development.
 - (iii) That CIL receipts be used to fund infrastructure schemes where the need for that infrastructure arises from the impact of new development including increasing the capacity of existing infrastructure or to repair failing existing infrastructure, if that is necessary to support development and also schemes which will benefit multiple developments for strategic off-site schemes and those that cross district boundaries, for example the Bus Rapid Transit.
 - (iv) That a combination of CIL and Section 278 be sought to fund major transport schemes which are unlikely to be able to be fully funded through CIL and where there is a clear requirement for the scheme to be delivered in order to support one or more developments.
Appendix 1 contains a number of worked examples which illustrates how these principles can be applied. *(details to be added to the good practice guide)*
- 6.5 This MoU also recognises that Partners may also need consider what CIL contributions are required to meet infrastructure needs beyond those set out in Hampshire Strategic Infrastructure Statement. This includes dedicating a 'meaningful proportion', as defined in the CIL Regulations, to the community and requirements for coastal defence, green infrastructure and mitigation measures under the Habitats Regulations Assessment (HRA).

7. REVIEW AND DISPUTE RESOLUTION

- 7.1 The MoU will be subject to periodic review by all the Partners and amended as appropriate.
- 7.2 Partners agree to monitor the application of the principles set out in this MoU and to develop more detailed arrangements as and when required.
- 7.3 By following the principles set out in the document and pursuing a collaborative approach wherever possible it is expected that disputes on how to address infrastructure needs will be avoided or at least kept to an absolute minimum. Where differences arise parties will take all reasonable steps to reach a mutually acceptable resolution. This will involve escalating issues up through the respective organisations in an attempt to secure a resolution. Where differences cannot be resolved the individual sovereignty of the respective organisations will need to be respected.
- 7.4 Nothing in this document shall serve to limit the discretion of a Partner authority or otherwise bind that Partner to a decision with which that Partner does not agree.

Updated May 2013

APPENDIX 2: Draft Infrastructure List: Selection of Schemes from Infrastructure Delivery Plan

Criteria to assist in prioritisation of funding for potential schemes		Possible specific projects for CIL funding for years 1-5 (Illustrative examples only)		
		Example 1	Example 2	Example 3
➤ What	Infrastructure, including relating to education, transport, open space, recreation & sport, water provision, waste water treatment, waste, health services, green infrastructure, community facilities, cultural facilities, information technology & communications, energy	<i>Provision of new play area to LEAP standard</i>	<i>Improvements to libraries</i>	<i>Access/junction improvement works</i>
➤ Where	Winchester City, market towns, larger villages, and other settlements or parishes with site allocations within Local Plan Part 2 (to be determined) and/or windfall development (size thresholds to be determined)	<i>Kings Worthy, Swanmore, Wickham</i>	<i>Bishops Waltham, Alresford, Winchester</i>	<i>Denmead, Durley, Hursley, Sparsholt, etc</i>
➤ Why	As justified by the City Council's IDP Update 2013 and supporting technical evidence	✓	✓	✓
➤ When	To meet delivery criteria:			
	Delivering the strategic objectives of the adopted Winchester Local Plan Part 1: Joint Core Strategy	✓	✓	✓
	Delivering specific policies of the adopted Development Plan (Winchester Local Plan Part 1: Joint Core Strategy and Winchester District Local Plan Review 2006)	✓	✓	✓
	Contributing toward the delivery of sustainable (social, environmental and economic) communities within both existing and new developments	✓	✓	✓
	Addressing a specific impact of new development, beyond that which has been secured through a S106 obligation related to particular developments	<i>possibly</i>	<i>possibly</i>	<i>possibly</i>
	Contributing towards the delivery of approved Council corporate strategies and objectives (relating to, for example, the arts, economic development, and sports and leisure)	✓	✓	✓
	Contributing towards the delivery of infrastructure by an infrastructure provider (including the County Council, Government agencies, and private utility providers) where it can be demonstrated to the Council's satisfaction that infrastructure deemed necessary would not otherwise be delivered	<i>possibly</i>	<i>possibly</i>	<i>possibly</i>
	Contributing towards meeting the defined infrastructure needs of local communities to make good a defined shortfall or absence of provision that is unlikely to be met by the parish levels funds (15% or 25%) of any CIL receipts	<i>possibly</i>	<i>possibly</i>	<i>possibly</i>
	Contributing towards meeting defined infrastructure needs of local communities to make good a defined shortfall or absence of provision, where it is recognised that little or no significant development is considered likely over the Local Plan period	<i>To be determined</i>	<i>To be determined</i>	<i>To be determined</i>

