

MINUTES of the meeting of General Overview & Scrutiny Committee held at Committee Room 1, The Shire Hall, St Peter's Square, Hereford, HR1 2HX on Wednesday 4 May 2016 at 9.00 am

Present: Councillor WLS Bowen (Chairman)
Councillor CA Gandy (Vice Chairman)

Councillors: BA Baker, JM Bartlett, MJK Cooper, J Hardwick, DG Harlow, EPJ Harvey, JF Johnson, AJW Powers, NE Shaw, A Warmington and SD Williams

In attendance: Councillors GJ Powell, PD Price and P Rone

Officers: G Hughes (Director of economy, communities and corporate), C Ward (Deputy solicitor to the council), P Clasby (Planning obligations manager) and D Penrose (Democratic services officer)

76. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor CA Gandy.

77. NAMED SUBSTITUTES

Councillor B Baker substituted for Councillor Gandy.

78. DECLARATIONS OF INTEREST

None.

79. MINUTES

The Minutes were signed and approved, subject to the following alterations on page 16 of the agenda: 'that the first annual report was published in 2015' be replaced by 'was due to be published in 2016

RESOLVED: That, subject to the above change, the minutes of the meeting held on 8 March 2016 be approved as a correct record.

80. SUGGESTIONS FROM THE PUBLIC

It was noted that a concern had been raised by Mr. Peter McKay regarding the way that the council was raising its evidence base for unadopted roads and footpaths.

The chairman welcomed Mr McKay to the meeting, and noted his concerns that the council had a statutory duty to record all the highways in the County. Mr McKay said that, in his opinion, there was a more cost effective way of achieving this than had been promulgated by the council. The Chairman suggested that a working party be set up with officers, representatives of parish councils, and interested parties such as Mr McKay, to further discuss the issue.

Resolved: That a working party be set up by officers to discuss the detail of the issues surrounding the definitive Map

81. QUESTIONS FROM THE PUBLIC

The Chairman noted that a large number of questions had been received in relation to item 7, the Task and Finish Group Report: Community Infrastructure Levy, and that an answer had been supplied by the council.

The chairman allowed for the following supplementary question from Mr R Stow, on behalf of the Herefordshire Campaign to Protect Rural England:

'Would Herefordshire Council commission economic research into the viability of charging CIL on intensive livestock units?'

The planning obligations manager replied that available evidence would be considered as to whether farm buildings were being built on a speculative basis which would mean that they would be liable for a CIL charge.

82. TASK AND FINISH GROUP REPORT: COMMUNITY INFRASTRUCTURE LEVY

The Committee noted the task and finish group report: Community Infrastructure Levy (CIL)

The planning obligations manager introduced the report and thanked all officers and members who had been involved. He said that this was the third report on CIL, and that the group had recommended that the charging schedule should go forward in its present form as they had found it to be sound and there were a number of pressing external factors which meant that CIL should be implemented as soon as possible, notably the limitation on pooling of Section 106 agreements. There had been a great deal of consultation over the charging schedule and the proposed rates were more flexible than those proposed in 2013. It was important to note that the charging rate was not permanently fixed for the life of the Local Plan, but should be kept under regular review, and that there should be a willingness and acceptance to revisit the schedule at the appropriate time.

The Chairman of the review group said that there were weaknesses in how the legislation allowed authorities to charge CIL. Specifically it did not recognise revenue growth through new businesses and didn't have specific provision to cover intensive agriculture where the development values were low but community impact could be high.

- Disappointment had been expressed that a recommendation from the second report that a CIL rate for energy efficient housing stock had not been possible again due to the way CIL legislation is drafted. More should be done in planning policy terms in order to encourage the development of this housing stock wherever possible.

The planning obligations manager pointed out that, as of April 2015, the council was limited in their ability to collect Section 106 (s106) contributions. The legislative changes were in place in effect to force planning authorities to adopt CIL as s106 post April 2015 were no longer a viable way to mitigate the impact of development .

- Overall the groups review had been beneficial, as it had refined the evidence to produce a better product and he believed that the charging schedule was sound.
- The different charging rates above and below a threshold of 11 units was explained, notably that the smaller schemes were not required to provide any affordable housing and were therefore more profitable, hence the differential rate in the charges.

During the ensuing discussion, the following points were made:

The planning obligations manager replied to the comment that the present scheme penalised small hamlets where no CIL would be chargeable on single developments by pointing out that CIL was charged but at a zero rate on these schemes. CIL rates would be regularly adjusted to reflect market rates during the lifetime of the core strategy.

In reply to a question he went on to say that CIL was a tax on a development and if viability evidence showed that development could bear a certain CIL rate in a specific area, then it would not be possible to offer a negative CIL rate without being accused of offering state aid to developers. The solicitor to the council concurred and said that as CIL was a charge and not a grant, this was the case. Rates would need to be based on the appropriate evidence.

- That the CIL viability rates were a result of values in the locality. Bromyard and Kington were micro markets and development values were lower in these towns this was reflected by the lower CIL rates.
- The planning obligations manager undertook to provide a written answer to a member's question regarding the CIL liability of caravan parks, the development of which could provide an uplift in the value of the site.
- That it was important that CIL should remain open to review.
- That, as indicated by questions to this committee, there would be public frustration that because there was no CIL charge on intensive livestock units, especially as these large units were not subject to business rates, despite the levels of pollution they produced and the damage to minor roads in the county. The planning obligations manager pointed out that there was no evidence that such units were being built on a speculative basis in order to be either sold or rented but they were integral to the larger farm enterprise. The evidence base indicated that industrial building were not sold for a profit so for that reason had a zero CIL rating.
- That as CIL was payable within 60 days of the start of any construction, care should be taken to ensure that it did not act as a disincentive to developers who were active in the county, and therefore the council would introduce a phased payment schedule at the time of adopting CIL.

Resolved that:

- (a) the report of the task and finish group: community infrastructure levy be approved and the findings be submitted to the executive**
- (b) the recommendations of the task and finish group: community infrastructure levy be approved as follows:**
 - Recommendation 1: The 'Preliminary Draft Charging Schedule' be carried forward unchanged as the 'Draft Charging Schedule';**
 - Recommendation 2: Urgent consideration be given to the need for a robust governance structure to be developed for the administration of CIL in advance of CIL being adopted;**
 - Recommendation 3: That Parish Councils be supported by clear advice to assist with the implementation of the CIL charging process prior to any collected CIL monies being spent;**
 - Recommendation 4: That the CIL charging schedule and its implementation be kept under review.**
- (c) subject to the review being approved, the executive's response to the review**

be reported to the first available meeting of the committee after the executive has approved its response.

83. WORK PROGRAMME

The chairman reported that a work programming and training session for members had been arranged for the 25 May and he welcomed the opportunity for members, partner agencies and the public to have a greater role in the work programming of the committee.

Resolved: That the work programme be approved.

84. DATE OF NEXT MEETING

It was noted that there would be a work programming meeting for both General and Health and Social Care Overview and Scrutiny Committee on the 25th May.

The next meeting of the committee would be on Tuesday 26 July 2016 at 10am.

The meeting ended at 11.30 am

CHAIRMAN