

## RESPONSE TO TASK AND FINISH GROUP ON COMMUNITY INFRASTRUCTURE LEVY

|  |  |                |   |                 |
|--|--|----------------|---|-----------------|
| <b>Recommendation R1a</b>                  | Modelling of the cumulative effect of plan policies, to include full costs of all infrastructure mentioned in the Core Strategy policies, be undertaken as a matter of urgency                                       |                |   |                 |
| <b>Recommendation R1b</b>                  | The results from this modelling be used to inform the setting of draft CIL rates throughout Herefordshire and to assess the viability of the Core Strategy/Local Plan ahead of examination in public.                |                |   |                 |
| <b>Cabinet Response</b>                    | Accepted.<br>This will form part of the on-going work to be carried out by the Three Dragons on behalf of the Council.   |                |   |                 |
| <b>Action</b>                              | <b>Owner</b>   | <b>By When</b> | <b>Target/Success Criteria</b>              | <b>Progress</b> |
| On-going CIL modelling work                | Yvonne Coleman/Retained consultants  | Nov 2013       | CIL model in accordance with CLG guidance   |                 |
|  |  |                |   |                 |
| <b>Recommendation R2</b>                   | That 1-2-1 meetings with stakeholders, or stakeholder group meetings within Localities, are held to gather further information about house/benchmark land values to inform revisions to rates, areas and boundaries. |                |   |                 |
| <b>Cabinet Response</b>                    | Accepted.<br>This will form part of the on-going work to be carried out by the Three Dragons on behalf of the Council.   |                |   |                 |
| <b>Action</b>                              | <b>Owner</b>   | <b>By When</b> | <b>Target/Success Criteria</b>              | <b>Progress</b> |
| Second round of meetings with stakeholders | Yvonne Coleman   | Nov 2013       | Industry engagement with CIL work in County |                 |

## RESPONSE TO TASK AND FINISH GROUP ON COMMUNITY INFRASTRUCTURE LEVY

|                             |   |                |   |                 |
|-----------------------------|---|----------------|---|-----------------|
| <b>Recommendation R3</b>    | That the benchmark land values ascribed to strategic sites are checked for correctness and new modelling take place for any strategic housing development which has been inappropriately classified according to its land type.   |                |   |                 |
| <b>Cabinet Response</b>     | <p>Partly accepted.</p> <p>This will form part of the on-going work to be carried out by the Three Dragons on behalf of the Council.</p> <p>The comments of the T&amp;F Group have already been shared with the Three Dragons. On-going refinement of the evidence base is required in any event before examination.</p>  |                |   |                 |
| <b>Action</b>               | <b>Owner</b>  | <b>By When</b> | <b>Target/Success Criteria</b>            | <b>Progress</b> |
| On-going CIL modelling work | Yvonne Coleman/Retained consultants   | Nov 2013       | CIL model in accordance with CLG guidance |                 |
|                             |   |                |   |                 |
| <b>Recommendation R4</b>    | That all modelling assumptions should be discussed collaboratively with stakeholders; cross referenced with documents in the Core Strategy/Local Plan evidence base for consistency; and clearly stated/explained in EVA-2013 with respect to wider benchmarks, guidance, previous studies and best practice.   |                |   |                 |
| <b>Cabinet Response</b>     | <p>Partly accepted.</p> <p>All modelling assumptions were shared and discussed with key stakeholders at two industry workshops and subsequent follow up discussions with industry practitioners. Therefore, much of this work has already been completed by the Three Dragons. Further discussions of this type will take place in the next phases of work.</p> |                |   |                 |

**RESPONSE TO TASK AND FINISH GROUP ON COMMUNITY INFRASTRUCTURE LEVY**

| Action                                     | Owner  | By When  | Target/Success Criteria                     | Progress |
|--|--|----------|---|----------|
| Second round of meetings with stakeholders | Yvonne Coleman   | Nov 2013 | Industry engagement with CIL work in County |          |
|  |  |          |   |          |
| <b>Recommendation R5a and b</b>            | <p>That, ahead of examination in public:</p> <ul style="list-style-type: none"> <li>a. the fully costed infrastructure projects in the IDP are phased to match with the development delivery trajectory in the core strategy; and</li> <li>b. time-based viability modelling of the whole plan be undertaken.</li> </ul>                                     |          |   |          |
| <b>Cabinet Response</b>                    | <p>Partly accepted.<br/>           Consideration will be given to phasing the infrastructure projects in the IDP with the development trajectory in the Core Strategy. The phasing will also however, be potentially influenced by the development of the Core Strategy evidence base in relation to traffic modelling and the Nutrient Management Plan.</p> |          |   |          |
| Action                                     | Owner  | By When  | Target/Success Criteria                     | Progress |
| Refinement of IDP                          | Yvonne Coleman   | Dec 2013 | N/A   |          |
|  |  |          |   |          |

**RESPONSE TO TASK AND FINISH GROUP ON COMMUNITY INFRASTRUCTURE LEVY**

|  |   |                       |  |                        |
|--|---|-----------------------|--|------------------------|
| <p><b>Recommendation R6a and b</b></p> | <p>That:</p> <ul style="list-style-type: none"> <li>a. the reasons for the revised modelling assumptions for net developable area and opening-up costs compared to EVA-2011 are clearly explained, and</li> <li>b. assurance be provided that there is no detrimental impact on the viability and deliverability of all aspects of developments by the recommendation that the phasing of CIL payments is not now necessary.</li> </ul>               |                       |  |                        |
| <p><b>Cabinet Response</b></p>         | <ul style="list-style-type: none"> <li>a. This will form part of the ongoing work to be carried out by the Three Dragons on behalf of the Council.</li> <li>b. The Council currently provides for the phased payment of section 106 contributions to assist the viability and deliverability of development sites. The Council will continue this practice through the CIL and implement a phasing policy as permitted by the regulations.</li> </ul> |                       |  |                        |
| <p><b>Action</b></p>                   | <p><b>Owner</b></p>   | <p><b>By When</b></p> | <p><b>Target/Success Criteria</b></p>            | <p><b>Progress</b></p> |
| <p>On-going CIL modelling work</p>     | <p>Yvonne Coleman/Retained consultants</p>  | <p>Nov 2013</p>       | <p>CIL model in accordance with CLG guidance</p> |                        |
|  |   |                       |  |                        |

## RESPONSE TO TASK AND FINISH GROUP ON COMMUNITY INFRASTRUCTURE LEVY

|  |  |                |   |                 |
|--|--|----------------|---|-----------------|
| <b>Recommendation R7</b>   | That the gradation of the payment phasing criteria should be reviewed to provide flexibility when tested for large, small and staged developments.   |                |   |                 |
| <b>Cabinet Response</b>  | This will form part of the on-going work to be carried out by the Three Dragons on behalf of the Council.  |                |   |                 |
| <b>Action</b>  | <b>Owner</b>   | <b>By When</b> | <b>Target/Success Criteria</b>            | <b>Progress</b> |
| On-going CIL modelling work  | Yvonne Coleman/Retained consultants  | Nov 2013       | CIL model in accordance with CLG guidance |                 |
|  |  |                |   |                 |
| <b>Recommendation R8</b>   | That the Executive consider setting a £Negative CIL rate for developments delivered to PassivHaus standards to recognise their contribution towards reducing the strain on strategic infrastructure.   |                |   |                 |
| <b>Cabinet Response</b>  | <p>Not agreed. There is no legislative basis to pay developers (i.e. a negative CIL) to pursue particular types of development. In any event no budget exists for this purpose.</p> <p>The Council will consider setting a nil CIL rate for Passivhaus standards but this will have to be on an evidence basis rather than a policy approach as required by the legislation.</p> |                |   |                 |
| <b>Action</b>  | <b>Owner</b>   | <b>By When</b> | <b>Target/Success Criteria</b>            | <b>Progress</b> |
| Detailed work on the setting of a nil CIL rate from Passivhaus standards | Yvonne Coleman   | Dec 2013       |   |                 |

## RESPONSE TO TASK AND FINISH GROUP ON COMMUNITY INFRASTRUCTURE LEVY

|                                 |  |                |   |                 |  |
|---------------------------------|--|----------------|---|-----------------|--|
| <b>Recommendation R9a and b</b> | <p>That</p> <p>a. a 'Superstore' rate of CIL be proposed for the next round of consultation; and</p> <p>b. question 9 of the CIL consultation be reviewed for correctness.</p>   |                |   |                 |  |
| <b>Cabinet Response</b>         | <p>Partly accepted.</p> <p>9a. The Three Dragons will be asked to assess this recommendation.</p> <p>9b. This matter is historic. The comments of the T&amp;F Group will be taken into account in formulating further consultation exercises.</p>  |                |   |                 |  |
| <b>Action</b>                   | <b>Owner</b>   | <b>By When</b> | <b>Target/Success Criteria</b>            | <b>Progress</b> |  |
| 9a. On-going CIL modelling work | Yvonne Coleman/Retained consultants  | Nov 2013       | CIL model in accordance with CLG guidance |                 |  |
| 9b. None                        | N/A  | N/A            | N/A                                       |                 |  |
| <b>Recommendation R10</b>       | <p>That following submission of the Core Strategy/Local Plan to full Council in July 2013, priority is given to bringing the CIL and Core Strategy back in alignment (in line with guidance) and that this be achieved ahead of the Core Strategy being submitted to examination in public.</p>  |                |   |                 |  |
| <b>Cabinet Response</b>         | <p>This recommendation is partly agreed. Work continues on setting the CIL in the County. The timetable for both the LDF and the associated CIL work is currently being updated based on the progress of various items of technical work. At this stage however it is planned that the two areas of work would come together early in 2014 and be examined at the same time.</p> |                |   |                 |  |

## RESPONSE TO TASK AND FINISH GROUP ON COMMUNITY INFRASTRUCTURE LEVY

| Action  | Owner  | By When  | Target/Success Criteria | Progress |
|---|--|----------|-------------------------|----------|
| Publication of revised LDF/CIL timetable                        | Andrew<br>Ashcroft/Yvonne<br>Coleman   | Oct 2013 |                         |          |
| <b>Recommendation R11</b>                                       | That officers assess the impact of CIL capping for councils holding a parish plan and provide guidance to all parishes by the end of August 2013.  |          |                         |          |
| <b>Cabinet Response</b>   | Partly agreed. Advice has already been provided to town and parish councils. An updated guidance note will be circulated as part of the next consultation exercise.  |          |                         |          |
| Action  | Owner  | By When  | Target/Success Criteria | Progress |
| Production of updated CIL guidance note to Town/Parish Councils | Andrew<br>Ashcroft/Yvonne<br>Coleman   | Oct 2013 |                         |          |
| <b>Recommendation R12a and b</b>                                | <p>That</p> <ul style="list-style-type: none"> <li>a. a set of transition CIL rates be initially introduced which are significantly lower than those modelled as viable, to assist with immediate market land price adjustment and to encourage development to come forward following the introduction of CIL; and</li> <li>b. consultants provide advice on monitoring indicators and trigger thresholds for future rate review.</li> </ul> |          |                         |          |
| <b>Cabinet Response</b>   | Not agreed. By definition CIL rates will be introduced in a fashion/scale so as not to prevent development coming forward. In any event CIL rates are subject to review.   |          |                         |          |

**RESPONSE TO TASK AND FINISH GROUP ON COMMUNITY INFRASTRUCTURE LEVY**

| <b>Action</b>                    | <b>Owner</b>   | <b>By When</b> | <b>Target/Success Criteria</b> | <b>Progress</b> |
|----------------------------------|--|----------------|--------------------------------|-----------------|
| None                             |  |                |                                |                 |
| <b>Recommendation R13a and b</b> | <p>That</p> <ul style="list-style-type: none"> <li>a. The Executive provides information and assurance to the reconvened Task &amp; Finish Group to demonstrate that the DVO approach comprises detailed and continually updated market and economic information on whole development costs sufficient to ensure the robust defence of local infrastructure and affordable housing targets; and</li> <li>b. this is demonstrated to the Group's satisfaction ahead of the Core Strategy being submitted to examination in public.</li> </ul> |                |                                |                 |
| <b>Cabinet Response</b>          | <ul style="list-style-type: none"> <li>a. Agreed. The DVO operates on a contractual basis and therefore reassurance can be obtained from them that they use up to date market and economic information to ensure the robust defence of local infrastructure and affordable housing targets.</li> <li>b. Not agreed. It will be a matter of Executive judgement when and in what format the Core Strategy is submitted for examination, and based on the recent debate at Council (July 2013).</li> </ul>                                     |                |                                |                 |
| <b>Action</b>                    | <b>Owner</b>   | <b>By When</b> | <b>Target/Success Criteria</b> | <b>Progress</b> |



**RESPONSE TO TASK AND FINISH GROUP ON COMMUNITY INFRASTRUCTURE LEVY**

|                                  |                                     |          |   |  |
|----------------------------------|-------------------------------------|----------|---|--|
| 13a. On-going CIL modelling work | Yvonne Coleman/Retained consultants | Nov 2013 | CIL model in accordance with CLG guidance |  |
| 13b. None                        | N/A                                 | N/A      | N/A                                       |  |