



WNDC Interim Planning Obligations Strategy:
Supporting Consultation Report
June 2011

Contents:

A.	Consultation Statement	2
B.	Summary of Main Responses	6
C.	Comments, Response & Options Appraisal table	26
D.	Supplementary Report on Robustness of Standard Charge Approach	38
E.	Supplementary Report on Review of Infrastructure Costs and Geographic Variations	42

A. CONSULTATION STATEMENT

EVENT	Timing
<p>Introduction</p> <p>This consultation statement provides an outline of the consultation that has taken place in producing the West Northamptonshire Interim Planning Obligations Strategy (IPOS) Review, together with timing implications.</p> <p>The current POS (2008) is a development control tool prepared in the context of current policy and circular advice. It sets out a tariff approach to secure developer contributions towards necessary infrastructure. It has been adopted as guidance and will be given weight as a material consideration in the determination of planning applications.</p> <p>In response to a number of issues raised at the recent Daventry appeals, and having regard to the current economic downturn and the likely introduction of the Community Infrastructure Levy (CIL) it was decided that it would be timely to review the document.</p> <p>WNDC are keen to ensure that not only is the document up to date but also that it is as robust as possible given that it is not a plan-making authority and therefore the document cannot have the weight of development plan policy or SPD. It is intended however that the document review adheres as closely as possible to the requirements for the production of SPD (LDD's) as set out in the T&CP (Local Development)(England) Regulations 2004 (as amended) (the Regulations). Thus in accordance with paragraph 6.3 of PPS12 it can be afforded weight commensurate to that of SPD's in decision making.</p>	
<p>Pre-Consultation / Focussed Consultation with Key Stakeholders and Consultees</p> <p>A comprehensive pre-consultation (via e mail) took place from 23 October with a deadline for comments to be received by 18 November 2009 with key stakeholders and consultees. This was to advise of the review and seek initial views on the need for and extent of the review.</p> <p>This was accompanied by a press release on the Corporation's website.</p>	w/c 19/10/09
<p>Follow up to Pre-Consultation</p> <p>WNDC identified key consultees who did not respond to the above and either engaged via telephone or through meetings to encourage a response. Workshops were then held, initially with Key Public Sector Stakeholders and thereafter a joint workshop with developers and public sector bodies.</p>	w/c 23/11 & 30/11 05/03/10
<p>Full Public Consultation</p> <p>Full consultation on the suggested amendments to the IPOS took place from 15/10/10 – 26/11/10</p>	From 15/10/10 – 26/11/10
<p>Press</p>	

<p>A press release was prepared for the start of the consultation. This was distributed to the local press (circulation list with WNDC Communications Team).</p>	w/c 11/10/10
<p>Notice A notice was also prepared to advertise the consultation on the IPOS. This was distributed to the local press (circulation list with WNDC Planning Support team)</p>	w/c 11/10/10
<p>Web-Site Full details of the consultation documents were made available to download from the WNDC Web-Site</p>	w/c 11/10/10
<p>Consultees</p> <p>Consultees included those specific and general consultation bodies as defined in the Regulations and:</p> <ul style="list-style-type: none"> - Local Authorities: South Northamptonshire Council (SNC), Northampton Borough Council (NBC), Daventry District Council (DDC), Northampton County Council, West Northants Joint Planning Unit (JPU) and North Northamptonshire Development Corporation (NNDC). - Town/Parish Council's within West Northamptonshire. - All developers who have either submitted a planning application to WNDC or been involved in pre-application discussions with WNDC. Also, if not included in the above, others who were consulted at the pre-consultation stage. <p>The Consultees received an electronic letter outlining where the consultation information can be viewed, the dates of the consultation and how to make comments. Consultees without ready means of electronic access were sent a consultation letter in hard copy.</p> <p>All of the consultation information and copies of the comments, responses and option appraisal table and relevant background documents will be made available at the libraries at Northampton, Daventry and Towcester (during normal office hours), on the WNDC website at www.wndc.org.uk and during normal office hours within the Corporation's offices at:</p> <p>WNDC Offices, First Floor, Franklin's Gardens, Weedon Road, Northampton, NN5 5BG</p>	
<p>Consultation Documents</p>	

<p>Documents produced:</p> <ul style="list-style-type: none"> - - revised main POS document - supporting technical document comprising the following: <ul style="list-style-type: none"> (a) Policy and statute context (b) Viability Topic Paper (c) Deferred Contributions Topic Paper (d) Guidelines for Viability Assessments (e) Construction Futures Topic Paper (f) Cohesive Communities Topic Paper (g) Triggers for Infrastructure Provision (h) Community Centres Specification & Local Development Trusts (i) Police Contributions Topic Paper (j) Monitoring Costs Topic Paper - list of background documents as appropriate to include additional evidence base to justify the need and cost of individual items of infrastructure as appropriate and necessary (and links to those documents) - statement setting out persons consulted in preparation of the documents, how they were consulted, summary of main issues arising and how addressed in the document. - consultation questionnaire, statement of period for consultation, where documents can be inspected and where representations must be sent. <p>NB WNDC have sought legal advice and have been advised that as the POS is not a 'Plan or Programme' it is not subject to any requirement for a Sustainability Appraisal. (SA no longer required for SPD's - 2009 amendment to regulations)</p>	
<p>Comments</p> <p>WNDC is committed to effective engagement with communities and partners in the review of the POS so that it can continue to support the timely provision of identified infrastructure needs and to provide a clear, robust and transparent process of developer contributions.</p> <p>All comments were marked West Northamptonshire Development Corporation Planning Obligations strategy (POS) Review and were submitted as follows:</p> <p>By post to – WNDC, PO BOX 622, Franklins Gardens, Northampton, NN5 5WR;</p> <p>By fax to – 01604 586648;</p> <p>By email to – planning@wnc.org.uk</p> <p>All enquiries to Philippa Jarvis (01604 586615) or Eric Owens (01604 586627)</p> <p>In addition and where considered appropriate and necessary, WNDC</p>	

<p>arranged meetings and / or workshops with key consultees / stakeholders in order that they may be fully informed prior to submitting their response.</p> <p>All comments and views on the document were carefully considered and made available to the public.</p>	
<p>Consultation Responses:</p> <p>The consultation responses were summarised and tabulated by respondent, with each respondent given a unique reference number. The table is accompanied by a summary of the main issues raised and how these have been addressed in the documents (response statement) and is available to the public. Following an initial assessment of the responses received, further engagement will be undertaken with respondents (where appropriate) to clarify areas of agreement and seek to resolve areas of disagreement.</p>	<p>From Early/mid November</p>
<p>Consultation Feedback:</p> <p>The consultation responses were reviewed and amendments/alterations made to the document(s) as appropriate.</p> <p>Details of how the comments were taken forward are included in the summary table noted above and made available to the public.</p>	<p>w/c 15/11/10 w/c 22/11/10</p>
<p>Board Approval</p> <p>A finalised version of the revised POS (the IPOS) and accompanying background documents were presented to the Board for approval on 17 May 2011</p>	<p>Final report deadline 10/05/11</p>
<p>Final Document / Adoption:</p> <p>The final documents were produced and consultees notified accordingly by email/letter.</p> <p>A copy of the final documents together with the response statement and adoption statement (setting out date adopted) were placed on the WNDC web-site and cross-referred to as such in the email/letter and made available during normal office hours at WNDC offices. The adoption statement was also sent to any other person asked to be notified and not included above.</p>	<p>July 2011</p> <p>July 2011</p>

B. SUMMARY TABLE OF CONSULTEE RESPONSES

(NB. This table provides a summary of the consultation responses only – the full responses can be viewed at WNDC offices)

Ref.	Organisation	Date	Summary Comments	WNDC interim response
1	Rapleys (on behalf Northants Development Ld)	21 October 2010	<p>Role of viability assessments welcomed</p> <p>Need to reduce standard charge supported</p> <p>Scope of Annex B (Infrastructure Schedule) not entirely clear – is it a list of what SC might be spent on or is it a list of necessary infrastructure to support that development</p> <p>Grange Park – no intention to provide specific employment training on site nor should on-site open space be viewed as a District Park.</p> <p>POS intended to be managed by Residents Management Company rather than Local Development Trust</p> <p>Reference to upgrade of sewer should be removed as unlikely to be required following discussions</p>	<p>Annex B likely to be deleted</p> <p>Not matter directly relevant to POS review</p> <p>RMC / LDT intended to be the same</p>
2	Home Builders Federation (HBF)	27 October 2010	<p>Concerned that attempt to levy a standard charge through S106 is contrary to CIL regulations</p> <p>Charge likely to fail to meet CIL Reg. 122 tests as unlikely to be necessary and directly related</p> <p>Going forward contributions will need to be pursued through CIL – through the LPA's – this work should provide useful preparation for that</p> <p>Support CIL as the fairest and most effective way to collect a standard charge</p>	<p>WNDC to consider issue further</p> <p>Component parts that make up the DSC are drawn from the Annex A list which will in most circumstances be relevant. However, need for assessment in each case</p> <p>Intended that POS should pave the way for CIL as far as possible, accepting that different regimes</p> <p>Yes - but need for up to date POS in interim</p>
3	Northants Police	27 October 2010	<p>Little or no consideration of future legacy of charge / monies once WNDC ceases to exist – further consideration should be given to enabling other authorities to be co-signatories</p> <p>Agree with retention of DSC in principle, reduced level</p>	<p>WNDC to review relevant section and clarify as necessary</p>

			<p>and unit</p> <p>Appropriate to seek appropriate contributions from commercial development</p> <p>Consistency across the geographic areas essential for this service</p> <p>Welcomes Annex B list but need for further discussion on site by site basis</p> <p>Discussions / negotiated approach to larger sites welcomed</p> <p>Police contributions in Annex A list welcomed</p> <p>Positive that need for maintenance of POS recognized</p> <p>ACPO document is adopted not draft</p> <p>Pleasing that standard spec. for community centre refers to Community Safety office – though 115sq.m. should be regarded as the maximum needed – a smaller area may well be sufficient in many cases and in some, very little or no space will be required</p> <p>Early payment requirement of 25% welcomed</p> <p>Retention of long stop date welcomed.</p>	<p>Agreed</p> <p>Agreed</p> <p>Noted</p> <p>As this is intended to be a shared space it is likely to be necessary but in any event, to be negotiated on a site by site basis</p>
4	NFU	27 October 2010	<p>Hope that this charge will not apply to affordable housing schemes, farm and rural diversifications, farm buildings and other development which contributes to the rural economy and social needs</p>	<p>Is intended to apply to all - particular circs. of any case will be taken into account (NB WNDC tends not to receive rural / agricultural related proposals)</p>
5	Sport England	11 Nov	<p>Support in principle</p> <p>Query regarding current review and possible trust status</p>	<p>WNDC to give further consideration as to how trust / management company referred to</p>
6	Daventry Villages Together	11 November	<p>Main concern is with the rural areas therefore seek clarity in respect of these areas.</p> <p>Need more detail on the negotiated approach (on-site and off-site provisions) to be reassured that adequate to protect quality of life in rural area.</p> <p>Would wish to see contributions to off-site flooding infrastructure as well as those items identified;</p> <p>Endorse the Affordable housing comments but interested in what alternative funding might be available</p> <p>Stress the principle of 'infrastructure first' and provision</p>	<p>Rural issues not directly related to WNDC applications</p> <p>WNDC to consider if any links</p> <p>WNDC to consider - if specific projects identified and relevant to case</p> <p>AH funding to be reconsidered as appropriate</p> <p>Link to JCS IDP</p>

			of clear guidelines as to phasing	
7	Hallam Land Management	12 November	<p>Question the relevance of WN tariff given that the area will be effectively 'breaking up' as evidenced by SNDC's decision re: their intention to leave the joint planning process next year.</p> <p>There is no clear policy framework for amount / direction of growth</p> <p>Should wait until Localism and Decentralisation Bill sets out more clearly the new planning regime and implications for CIL</p> <p>Any tariff based approach must meet CIL requirements – consultation document fails to meet a number of these</p> <p>No support for an SPD approach</p> <p>Do not agree with appraisal of policy / statute context – fails to meet Reg 122.</p> <p>Reference made to recent SoS decision in Ipswich where contributions to specific items of infrastructure found to not meet CIL tests</p> <p>POS is not based on an up to date development plan</p> <p>WNDC cannot be a CIL charging authority</p> <p>Consider POS to be unlawful</p>	<p>WNDC to engage further with LPA's to clarify</p> <p>JCS about to be published</p> <p>Now published - relevant areas to be taken into account</p> <p>WNDC consider that 'SPD type approach' is legitimate</p> <p>WNDC to clarify section to make clear that in individual cases these tests will still need to be met - approach</p> <p>RS policies of relevance (again) - JCS about to be published</p> <p>Accepted - but this is not a CIL</p> <p>Further advice to be sought re: legality of standard charge approach</p>
8	English Heritage	12 November	<p>Identifies key areas where historic environment might benefit – open space, in kind benefits / land transfers could include transfer of 'at risk' buildings</p> <p>Repairs and improvements to infrastructure assets where they are an infrastructure item as defined in the 2008 Act such as cultural facilities</p> <p>Links to GI, public realm / town centre enhancements (eg. Through Townscape Heritage Initiative – links to the management of the historic environment should be recognized and cross referenced</p> <p>Reference to mitigation of impacts under cultural investment needs clarification – related to archaeological</p>	<p>Noted - this will need to be translated into a clearer evidence base of 'projects'</p> <p>Documents to be updated as appropriate</p> <p>Documents to be updated as appropriate</p>

			investigation, archiving, Welcome listing of PPS5 – policy HE6 reference – important to recognize the definition of heritage assets which can include undesignated assets (eg. Locally listed buildings, archaeological remains)	
9	Daventry Town Council	19 November	Note that commercial development contributions to be negotiated on site by site basis – this will mean that such negotiations are less transparent and would wish for details to be available to all stakeholders to view and monitor. As Daventry has been earmarked for expansion and JCS yet to be adopted, hope that POS can be taken into account as a material consideration.	WNDC to consider how and if appropriate to provide details
10	British Waterways		Wish for inland waterways to be specifically referred to in Annex A as part of GI – supported by references in PPS9 and PPG17 and emerging WNJCS. Canals and their towpaths are part of the sustainable transport infrastructure and development impacts on them through increased use. Waterways are multi-functional assets having a wide ranging role – leisure, recreation, tourism, sport, heritage, environment, regeneration, transport and freight. Support principle of updating POS but wish for waterways to be included (supported by TCPA document).	Agreed - documents to be updated as appropriate Note that need for specific projects to be identified to enable relevance of any contributions to be clarified
11	Anglian Water	24 November	Any funding requirements for infrastructure dealt with in consultation with Ofwat	Noted
12	Turley Assoc (ProLogis)	25 November	<ul style="list-style-type: none"> - Reservations regarding robustness of POS - Due to range of infrastructure requirements sought does not comply with Reg. 122 - Is not based on Development Plan Policy – would be more appropriate to be based on JCS - Will it apply to extensions or variations to extant consents? - Not clear how benchmark of £30 - £50 for B1/B8 has been derived – this needs more explanation - Need for similar threshold for commercial 	<p>Noted as above Annex A to be applied on case by case basis</p> <p>Will be updated</p> <p>Yes</p> <p>Document to be amended to clarify</p> <p>To consider</p>

			<p>development as set out for 500 dwells</p> <ul style="list-style-type: none"> - Consider that its application will adversely affect prospects for development and hence economic recovery - Insufficient / incomplete assessment of capacity of existing infrastructure - Need for more clarity on how on-site infrastructure to be offset; - Payment should be linked to completion of development as this is when impact arises - Seek assurance that monies will be ring fenced for related infrastructure 	<p>Linked to viability issues</p> <p>Anticipated that will be updated with publication of JCS IDP</p> <p>Disagree as infrastructure likely to be required to be in place at the time when impact arises WNDC to reconsider how this will work in practice</p>
13	Croudace		<p>Doubt that standardized / straightforward charge can be applied given that infrastructure requirements vary between settlements, as do sales values which also impact on the ability of development to meet DSC</p> <p>No evidence regarding necessary infrastructure or costs – no real justification for DSC at £18,000 which is merely arbitrary, aspirational and unachievable.</p> <p>Will therefore serve as a vehicle for developers to challenge on site by site basis</p> <p>Thus far from setting out a clear, simple process will ensure that the majority of sites will become embroiled in lengthy negotiations on viability.</p> <p>Given WNDC short life, essential that has support of LPA's – unclear whether the necessary level of collaboration exists</p> <p>In light of Daventry appeals, remains doubt as to validity of approach.</p> <p>Document not supported by credible evidence base and heavily influenced by assumptions and assertions.</p> <p>Becoming evident that a standard charge cannot be effectively applied across WN.</p> <p>Viability report relies on unrealistic assumptions</p> <p>In absence of robust evidence base in relation to infrastructure FSC has no provenance thus DSC is merely arbitrary</p>	<p>WNDC to reconsider if geographic variations justified / appropriate</p> <p>See above Is justified as medium term level</p> <p>WNDC to consider - is there any evidence to suggest that setting a lower DSC will have desired effect? In majority of cases where viability assessments have been submitted, the overall level of contributions is not dissimilar to applying the suggested DSC</p> <p>WNDC to review available evidence</p> <p>JCS IDP to be used to update</p>

			<p>Lack of detail and too many unknowns render a per unit cost unjustified – may be appropriate if specific identified items of infrastructure identified and reasonably apportioned to qualifying dwellings.</p> <p>Commercial development which relies on infrastructure should make proportionate contribution.</p> <p>Annex A provides a useful list of infrastructure that development may require – application of the necessary tests required.</p> <p>Consider that there should be geographic variations</p> <p>ERM's review shows a variation of sales values vary and this can have significant impact on land value and viability issues and cannot be ignored.</p> <p>POS has no substance without reference to identified infrastructure associated with particular localities.</p> <p>POS sets unrealistically high tariff which will have effect of necessitating increased number viability appraisals</p> <p>If reduced contributions are agreed the outstanding / deferred amounts and parameters for payments should be fixed at outset</p> <p>On major sites, totally unrealistic to expect 25% payment up front; should be related to triggers in the development process.</p> <p>WNDC must assume greater responsibility for infrastructure provision than reasonable endeavours</p> <p>Setting rigid long stop dates not acceptable in principle</p> <p>Biannual monitoring reports would seem sensible</p>	<p>Agreed - this is the approach - needs to be explained more clearly</p> <p>Reconsider?</p> <p>To review</p> <p>Deferred contribution mechanisms secure this</p> <p>Matter for negotiation - but need to ensure infrastructure in place once development occupied</p> <p>WNDC to attempt to resolve this via agreement with service providers</p>
14	Hampton Brook Estates	25 November	<p>Unclear as to status in relation to CIL</p> <p>Does not seem to follow JCS IDP programme</p> <p>Legality of status questioned – to apply from 4 Jan 2011 – insufficient time</p> <p>Commercial development important to regeneration and economic growth – should not be burdened with excessive infrastructure requirements. Needs must be identified not a wish list – approach must be reasonable and viable.</p> <p>Assumptions of rental values, yields, development costs</p>	<p>Document to clarify</p> <p>To be corrected</p> <p>Agreed - approach to be taken to be more clearly set out in document (benchmark)</p> <p>Refer to ERM</p>

			<p>not reflective of current difficulties. Changes to grant funding for AH and CSH costs also impact. Currently incentives have to be offered to achieve sales – the value/cost of these are not reflected in sales values Not appropriate to apply blanket land value. DSC too high Subject to meeting Reg. 122 and good practice guidelines, principle of a unit approach helpful, but if too high in practice will result in each case having to be considered individually with viability assessment, resorting to uncertainty and further costs. Thus unrealistic level at outset is counter-productive On site works should be discounted. Commercial development conditions extremely difficult at present, market needs to be very flexible. Schemes are very bespoke therefore standard approach has difficulties. Not all Annex A items will apply to commercial. Towns and areas within them will have differing levels of infrastructure and rent – this should be reflected in level of obligation / ability to pay. Viability report should be based on up to date information Further consideration needs to be given to the timely provision of infrastructure – reasonable endeavours may not be sufficient. Viability process would be protracted and cause delay. Developer should not be faced with total costs. Process needs to be clean and quick. Payment timescales should relate to development programming and cash flow. Monies should never be sought prior to commencement, but reasonable triggers applied. Uplift or other future capture arrangements not appropriate. Monitoring welcomed – should include identification of any issues arising as may affect delivery. Notification of monies spent should be notified to developer. Needs further careful consideration.</p>	<p>Refer to ERM Refer to ERM Case by case approach agreed in principle Agreed To be reconsidered Agreed, but in having a clean & quick approach, assumptions have to be made and relevant costs / values averaged out Not proposed WNDC to consider</p>
--	--	--	---	---

15	Pegasus Planning Group (Persimmon, Barratt, Bloor Homes, Miller Homes, Redrow)	25 November	See separate note	
16	Environment Agency		Further studies being undertaken in relation to water cycle – may require developer funding. Need for strategic solutions for flood risk. SUDS and maintenance should be added to the list of infrastructure requirements Costs associated with strategic surface water scheme Support reference to climate change and carbon neutral development	More detail needed Specific projects need to be identified
17	Drivers Jonas Deloitte behalf L&G)	26 November	L&G welcomes WNDC’s recognition to adopt a more flexible approach but express some concerns: <ul style="list-style-type: none"> - Standard charge approach reflects premise that contributions sought towards general infrastructure which may or may not be directly related to the specific scheme - Potential for confusion and double charge when CIL in place - Seems to be same as CIL approach? - Standard benchmarks should be set for offices, hotels and leisure as they will also have impact on infrastructure; implies that such development may not be subject to such rigorous consideration as others - Not clear why B1/B8 and retail have been singled out – viability report that suggests because costs / values mores consistent is not our experience so would value further explanation. - The value put forward is related to what the development might withstand and not to the actual costs of direct impacts - Town centre development is more difficult to achieve than non-centre, more costly, complex and risky – this should be recognized in Central Northampton and request that should not apply but negotiated on case by case basis. 	WNDC to clarify approach WNDC to clarify - interim approach only in advance of any CIL becoming effective WNDC to consider further) ERM to comment But in context of a discounted cost which is related to an average cost of relevant infrastructure items WNDC to reconsider whether appropriate

18	Daventry District Council		See separate note	
19	Highways Agency	26 November	<ul style="list-style-type: none"> - Support in principle and emphasise that vital that continuing public / private partnership working - Support POS as interim measure before adoption of a CIL - Whilst recognizing development viability, also important to acknowledge difficulties in public sector funding – need to review how infrastructure is provided and to ensure compliance with Reg. 122 - Access Management Strategy (AMS) developed to ensure growth can be supported – should be funded via Dev. Contrib. – to be included in emerging JPU IDP. Principally applies to development in Northampton area. - Support pre-application discussions and use of Grampian conditions to ensure that inappropriate development does not take place ahead of necessary infrastructure improvements - Welcomes Partnership Working approach - Also welcomes monitoring and review and involvement in this process 	<p>WNDC to revisit what other public funding might be available and whether reasonable to reconsider apportionments</p> <p>Reference to this to be included in POS</p> <p>WNDC to reconsider tension between use of Grampian conditions and need to deliver growth</p>
20	Northampton Borough Council	20 January 2011	<ul style="list-style-type: none"> - Consider the general approach to be valid and provide clarity / certainty in negotiations. Timing - consider it should take into account any issues arising from the Localism Bill and other current emerging proposed legislation changes in order to remain relevant and provide good foundation for future statutory guidance - In view of forthcoming transfer of powers back to the LA's wish to see regular co-working arrangements established to deal with governance, prioritising of infrastructure provision, etc and full support of all LA's - Concerns regarding status of document / relationship with WN Dev Contributions SPD - On site infrastructure and other local infrastructure can continue to be secured via traditional S106 agreements - more strategic infrastructure 	<p>Noted</p> <p>Noted and agreed</p> <p>To clarify in document</p> <p>WNDC consider role for IPOS remains until CIL in place to deal</p>

			<p>contributions may be more difficult to achieve given current economy</p> <ul style="list-style-type: none"> - NBC unlikely to support DSC in interim before CIL though recognise that the standard charge approach could be useful for migration to CIL - Consider SC approach does not meet CIL tests (particularly a and b) - Appear to agree with commercial charges in principle - Consider the difference in average values between Towcester and Northampton to be nearer 20% - There is a case to be made for excluding AH from the charge; also wish to be consulted on viability cases where requirements in respect of both AH and DSC are at risk - Suggestions for further inclusion in infrastructure items - allotments, social care, utilities, flood defence, public art, youth provision - Welcome bi annual monitoring reports - would welcome being involved in development of any systems - Number of detailed comments on AH - including that reference should be made to Three Dragons Toolkit as this is used by the 3 LPA's - Support recognition of ongoing maintenance and idea of Local Trusts 	<p>Noted but nevertheless wish to see IPOS 'adopted' by LPA's and will assist in understanding justification & approach as necessary Points addressed in document Noted</p> <p>Noted – point to be revisited</p> <p>To be reconsidered</p> <p>To be reconsidered</p> <p>Noted</p> <p>Noted but WNDC do not wish to see any tie in to one particular model</p> <p>Noted</p>
--	--	--	---	--

SUMMARY OF PEGASUS COMMENTS ON POS REVIEW -

Paragraph number	Summary comment	Response	Further Action
5.1.1	AS WNDC not plan or policy making authority, document should not have any material weight	Accepted that cannot have full weight of SPD however, PPS12 clearly allows for other non-plan making authorities to provide guidance which can have material weight - and in certain circumstances, if produced in full accordance with SPD procedures, can have weight 'commensurate' with SPD - accept that greater weight would be achieved if the constituent LPA's adopt	No further action
5.1.2	One size fits all approach and use of standard charge / formula no longer satisfies Reg. 122 or Circ. 05/05	Disagree - Circular 05/05 remains in place and guidance in paras. B21 - B24 regarding pooling and paras. B31 - B35 regarding the streamlining of practices and making the process predictable and transparent and using formulae and standard charges still apply - notwithstanding that any individual PO's will have to meet the Reg. 122 tests - in effect these always applied in any event as have always been in Circ. 05/05 Recent government docs. On CIL Overview also seem to support the continuing ability of PO's to apply as a tariff given that once CIL in place will no longer be appropriate to do so except in specific Reg. 123 circs.	Further legal advice
5.1.4	Will be counter productive to the economic recovery of the area - LPA's all have policies and guidance relating to developer contributions - no need for POS	POS takes into account viability so fail to see how would be counter -productive. Further flexibility possible if considered that nevertheless there remains a viability case - to be considered on a case by case basis. Not all LPA's have guidance and much of what is in place is not up to date or only consultation document. POS attempts to fit in with latest guidance as far as possible. In particular provides an updated evidence base.	No further action
5.1.5	POS should be withdrawn or delayed until after full and further stakeholder engagement	WNDC keen and willing to meet with any stakeholders to fully understand and to resolve concerns	WNDC to arrange further meetings
5.1.6	POS and evidence base does not take into account local DPD's	It is not clear exactly which policies or local DPD's are not taken into account	Seek clarification from Pegasus
5.1.7	Due to CIL reforms and introduction of New Homes Bonus (NHB), Business Incentive Bonus (BIB) and TIF – POS is out of date before even adopted	CIL will not be in place in any of the LA's for at least 12 - 18 months as depends on JCS / IDP and will need to go through formal process of examination and adoption. NHB, BIB and TIF may provide part funding for some	WNDC to give further consideration to the role of these additional / separate areas of funding but believes these do not overlap with POS / developer contributions – once

		<p>infrastructure though are not exclusively for this – in any event S106 developer contributions are another separate means of funding which together with the above may still not provide enough to fully fund – S106 is also entirely different as necessary to make a development acceptable (in the absence of CIL)</p>	<p>CIL in place that will be appropriate time to reconsider & revise any relevant SPD or other guidance</p>
<p>5.1.8</p>	<p>To meet 05/05 and CIL tests must:</p> <ul style="list-style-type: none"> - All PO's and quantum must be assessed against actual impacts of development (paras. 3.4, 3.9, 3.28-3.36)and 4.5 / Annex A fail to reflect this approach - Should go through similar robust viability assessments as for CIL and individual circs. - POS should not try to apply a one size fits all standard charge towards pooled infrastructure where any reduction also based on standard format. Fundamental flaw in this respect. 	<ul style="list-style-type: none"> - Do not disagree with this approach; paras. Referred to will need some amendment, and will need to make clear that individual circs. May result in certain unit costs not being applied – however, does not necessarily mean that the DSC level will be inappropriate. The Annex A infrastructure list will generally apply to all residential development and unit costs are expressed as PD so are reasonable / proportionate if found to be applicable. - Considered that viability issues have been dealt with as far as is possible given the information available; if developer considers that in particular circs. Of their sites there are further viability issues of relevance the POS sets out clearly the process for a full viability assessment to be provided and taken into account (which may have the effect of reducing the overall level of DSC) - The 'one size fits all' approach is by its very nature only providing a general level of standard charge (in interests of providing a clear and easily applied process); it is agreed that in any individual case, it will still be necessary to ensure that all items of infrastructure as set out in Annex A are applicable to the specific scheme under consideration. If necessary, a more detailed assessment may need to be undertaken to confirm whether the overall charge is justified 	<ul style="list-style-type: none"> - Document needs to be revised to reflect fact that application of elements of the DSC will be assessed for relevance in each individual case and where found to not meet tests will not be applied – this may result in contribution lower than DSC but highly unlikely given that level well below the actual costs – may reveal geographic variation justified if sufficient capacity exists taking into account all anticipated growth though unlikely to be the case - ERM to review the viability assessments to ensure that assumptions robust - Further explanation needed to POS document to reflect that it is setting a framework within which individual applications will need to be assessed under the Reg. 122 tests.

5.1.9	Models relied upon are fundamentally unsound	<ul style="list-style-type: none"> - See 5.1.11 below 	-
5.1.10	<p>POS inappropriate in current financial climate</p> <ul style="list-style-type: none"> - Direct experience of developers / house builders is that schemes which were viable in 2007 are no longer viable - Needs engagement between public and private sectors to see how new housing incl. AH can be delivered - POS in current form will have direct impact on ability of housing delivery and hence delivery of economic development which depends on it – will kill off major new investment 	<ul style="list-style-type: none"> - Given that policy looks to medium term (2016) not appropriate to consider only short term difficulties - WNDC happy to engage further with developers to fully understand concerns and attempt to seek agreement - POS makes clear that notwithstanding the benchmark of DSC welcomes viability assessments in circumstances where considered that the DSC cannot be afforded 	<p>Consider on case by case basis</p> <p>WNDC to ensure that further meetings arranged as necessary</p> <p>WNDC's role in delivering housing and growth is clear – does not agree that this will be the effect – not evidenced by current workloads and agreements made</p>
5.1.11	<p>ERM evidential basis deeply flawed</p> <ul style="list-style-type: none"> - Does not support DSC (£18,000 level will be difficult to negotiate para. 1.8(vi) of Viability report) - Rationale flawed as only to be applied to >200 dwells - Models used flawed - assumption that 100% land is income generating is incorrect - Takes no account of provision of essential on-site infrastructure - Construction costs assumptions 	<p>ERM will need to comment on following:</p> <ul style="list-style-type: none"> - Is set as benchmark - Hoped that will be adopted by all LA's – in any event, it has taken into account the information on unit costs of infrastructure (as far as available) for individual council areas - Value of land – net/gross assumptions – should the values be revised accordingly? [surely in assessing values ERM would have taken into account % land that would not accrue a value eg. Open space, community facilities, etc?] - Thought that such costs were factored in and only have any impact if considered to be abnormal? [we may need to clarify with Pegasus what they are referring to in their examples cited in para. 10.20] - Below BICS equivalents; need to factor in Code Level 4 	<p>WNDC to pursue through further stakeholder meetings</p> <p>ERM to comment</p> <p>ERM to comment</p> <p>Need to clarify requirements</p>

	<p>deficient</p> <ul style="list-style-type: none"> - AH grant level assumptions out of date and invalid - Confuses gross margin with net profit - Relies upon substantial house price inflation to justify DSC levels - Makes no allowance for costs of communal areas or commuted sums for their adoption - New Homes Bonus is material and POS premature pending its consideration 	<p>for private dwells from 2013; no allowance made for Code Level 6 from 2016 (refer to para. 10.23.3) and construction costs inflation.</p> <ul style="list-style-type: none"> - Recent changes to grant indicate a 74% reduction in national AH programme and major reform of whole system being undertaken – thus assumptions of little value. Agree that in light of recent government announcements (and more to come) may need to revisit this section and others in main document to refer to the new systems which are likely to be put in place – a more flexible approach may need to be adopted? - Pegasus say that incorrect to equate these – central office overheads and marketing costs also need to be factored in (ie. subtracted from net profit) - DSC level predicated on house price inflation and AH grant – should be predicated on zero levels in both - We have suggested that these should be met by RMC and there is no evidence to suggest that they should not work – otherwise appropriate commuted sums will need to be paid to the Council to which the land is to be transferred - Consider removing DSC requirement on AH? (New Homes Bonus will provide additional bonus) 	<p>ERM to comment</p> <p>AH sections in both viability and main reports may need revisiting. However, it is noteworthy that recent appeal decisions have indicated that key consideration is to maintain AH levels as set by policy as far as possible – viability should not be based on short term but take into account longer term assessments</p> <p>ERM to comment</p> <p>ERM to comment – though noted as above that recent appeal decisions suggest that such short term assumptions should not be used</p> <p>WNDC to consider further</p>
--	--	--	---

SUMMARY OF DAVENTRY DISTRICT COUNCIL COMMENTS ON POS REVIEW - STATEMENT DATED 25 NOVEMBER 2010

Summary comments:

- concerned that undifferentiated single tariff is contrary to Circ. 05/05 and CIL tests
- lack of evidence in respect of specific items of infrastructure and associated costs
- practical difficulties of applying the suggested tariff of £18,000 when the viability report indicates that currently not generally attainable
- DDC attach considerable importance to POS given that need to have smooth and seamless transition once WNDC role assumed by DDC

RE: Questionnaire	Summary comment	WNDC Response	Further Action
1.	Broadly satisfied with process but concern over evidence and how used to justify the details	Accepted that need to update unit costs of infrastructure as far as possible to provide more robust evidence base - JCS IDP should assist in this respect	WNDC to revise document
2.	Given transition of power back to LPA's by 2014/15 latest, must be regarded as an interim document to facilitate smooth transfer of powers back to LPA's - as such they should be full parties to the process. Latest position re: RSS needs to be reflected in doc.	WNDC committed to full engagement with partner LPA's and to assist as far as possible to provide assistance in transition arrangements. RSS position will need updating	WNDC to arrange further (joint) meetings with LPA's to inform further review. Document to be updated (WNDC)
3.	Considers WNDC's interpretation of Reg. 122 (particularly a and b) to be untested and risky. Will favour the major developers who will feel confident they can appeal the process. Welcomes movement by WNDC to be clear that monies can only be applied in relation to the town in which raised - insufficient but in right direction Need to take into account 'shortcomings'	WNDC considers that its interpretation of Reg.122 is correct - still read with Circ.05/05 which allows for the pooling of contributions and use of standard charges and formula. Whilst WNDC accepts that there should be a clear geographical or functional link this does not mean that all monies should be spent 'locally' - it must depend on the impacts of the development on the infrastructure in question which can be beyond any one town (transport infrastructure being an example) WNDC aware of issues - need for evidence to be updated	WNDC to reconsider and revise wording in POS if necessary

	<p>of NCC draft guidance</p> <p>In order to be given "weight commensurate with SPD" must more broadly align with approaches of LPA's - in case of DDC will require significant changes</p>	<p>/ provided as appropriate - however, where capacity issues involved, this may need to be assessed on site by site basis (as would be the case in any event) - and need to be considered in terms of wider / cumulative impacts of growth</p> <p>WNDC keen to align approach as far as possible with LPA's in order for document to be given weight</p>	<p>WNDC to update document as appropriate</p>
4.	<p>Single tariff approach highly questionable in light of Daventry Inquiry findings and CIL</p>	<p>WNDC single tariff approach is arguably a precursor to CIL as it is (simply) based on the concept of establishing what development 'can afford' taking into account viability and the overall cost of infrastructure needed - the unit costs of relevant infrastructure (which may or may not be applicable to any particular development proposal) provides the cost evidence of the specific infrastructure in a standardised form as suggested. The single tariff is 'discounted' and thus if the actual costs are to be taken into account, which would be the case in many circs. the overall costs may be higher or lower - WNDC is not seeking to remove the need to properly consider such impacts, but through the tariff is seeking to set a clear and practical 'charge' which in the medium term is considered to be set at the right level so as to enable development to go ahead.</p>	<p>WNDC to investigate these points further</p>
5.	<p>Concern that £18,000 level requires improved conditions as suggested in the viability report</p>	<p>WNDC's approach is clearly that where viability remains an issue there are clear procedures which enable further testing to take place and appropriate decisions made as to how sustainable communities will still be achieved - either through negotiation on elements of the development proposal, infrastructure provision or through deferred contributions</p>	<p>WNDC to consider further whether in context of POS being an interim document, it would be appropriate to reduce further the DSC but on basis that it will be reviewed in light of improved economic circumstances?</p>
6.	<p>Full and discounted charge does not have validity - not fully evidenced, lack of public funding needs to be taken into account, set DSC of £18,000 not validated by viability report</p>	<p>See above</p>	<p>See above</p>

7.	Per dwelling approach favours building of larger fewer dwellings	WNDC takes the view that policy basis (both local and national) is sufficiently robust so as to provide the mix of dwellings necessary to achieve sustainable mixed communities	No change
8.	DDC firmly of view that commercial development is itself a form of infrastructure - except where it is a lead form of development it should only be required to mitigate its direct impacts - thus a standard charge inappropriate. Would be unreasonable to require non residential development to provide viability schemes except where actual costs would make scheme unviable	The POS does not seek to impose a standard charge on commercial development but merely suggests a benchmark to be used on case by case basis	-
9.	Geographic variations: - POS should set out clearly the infrastructure costs and any variation of those within each town to be applied as relevant necessary to the development in question - thus follows that variation not only between towns but within them	WNDC accept that there may be infrastructure impacts which do not go beyond the towns (noted in Annex A in principle) but the actual costs of many items are unlikely to vary (eg. POS, health, community provision) as these are based on population increases. Any variation within towns is likely to be limited - DDC may need to provide further information on this	WNDC to give further consideration as to whether a more detailed consideration of geographic variations is justified DDC to clarify
10	Strong argument for excluding AH Specialist housing should not be subject to tariff but dealt with on case by case basis Distinction between developments over / above 500 units unclear and unnecessary Relevance of in-kind benefits should be made clearer (include in section 3) Misunderstanding of NHB - can be used in a number of ways AH points need updating / clarification	WNDC to consider further As above Based on experience that smaller developments happy to accept DSC but larger more likely to need negotiated approach WNDC to consider Document needs updating in this respect WNDC to update	WNDC to update / revise document as necessary

	<p>Not clear what role of POS in Carbon Trading will be</p> <p>Reference to DV should only be in cases where need for arbitration</p>	<p>WNDC to clarify</p> <p>Agree</p>	
11.	<p>Annex A:</p> <ul style="list-style-type: none"> - should refer to geographic variations taking into account capacity eg. schools, libraries - POS documents need updating / correcting - need for more robust linkage in respect of Public Realm - DDC keen to work with WNDC to achieve this - concern as to validity of Police contributions - transport will need to be linked to impacts and should support healthy physical activity - land should be included within relevant headings - POSR not correct place for carbon offsetting - not convinced by evidence relating to social care should be removed - ICT development supported but not clear who achieved as planning obligation - purpose of Annex B list unclear and in some cases inconsistent and not complete and should be deleted 	<p>WNDC will need to consider in light of any further evidence that comes forward</p> <p>WNDC to check and amend as necessary</p> <p>Agreed</p> <p>WNDC are satisfied that linkages / contributions can be justified</p> <p>Agreed - to be updated as evidence available</p> <p>Not sure why - land is dealt with as specific issue to be applied where appropriate</p> <p>WNDC to consider</p> <p>To be considered further</p> <p>WNDC to clarify in document or remove?</p> <p>Likely to be replaced by JCS IDP</p>	<p>WNDC to update / amend documents as appropriate</p>
12.	<p>DDC happy to share work currently undertaking in relation to infrastructure provision</p>	<p>WNDC welcome DDC comments</p>	
13.	<p>Annex A needs further detail and costings.</p> <p>Should refer to collective provision of sustainable energy systems</p>	<p>Agreed - see above</p> <p>WNDC to consider further</p>	<p>Documents to be updated as appropriate</p>

<p>14.</p>	<p>Viability / negotiations: - Deferred contributions is confusing - believes this should be termed reduced contributions - unreasonable to expect developers to fund checking of viability assessments - joint commissions preferred</p>	<p>Section may need clarifying - is intended that monies will be paid on basis of increased values WNDC to consider</p>	<p>Main document to be revised to clarify</p>
<p>15.</p>	<p>Other Matters: - important that issue of viability testing does not become impediment to process</p>	<p>See above</p>	
<p>16.</p>	<p>Collection / Spending / Monitoring - WNDC will need to make explicit commitments to expend monies on specific impacts - may be need for Grampian conditions to ensure that infrastructure is in place when needed - part payment up front may threaten viability - should be more clearly linked to provision eg. at certain completion levels - partnership groups need to relate to areas and utilise existing groups where possible eg. Dav. Regeneration Partnership Board -</p>	<p>WNDC to reconsider WNDC to reconsider</p>	<p>Document to be amended as appropriate</p>
<p>17.</p>	<p>Bi monthly reporting supported, progress of developments could also be included</p>	<p>Noted</p>	
<p>18.</p>	<p>WNDC's statutory function incorrectly described (2.1) PPS1 Climate Change should be referred to in 2.19 Tech Docs - policy omissions; ref. to s216 of Planning Act incorrect?</p>	<p>WNDC to consider these points</p>	<p>Documents to be reviewed and amended as appropriate</p>

	<p>Query date of ERM paper - though do not generally disagree with findings</p> <p>Deferred contributions - points need clarification</p> <p>Viability Assessments - sales values, reference to RSL offers, need for alternative to SHG to be considered</p> <p>Construction Futures - only supported by very general local policies</p> <p>Community cohesion - approach generally supported</p> <p>Triggers - some checking needed</p> <p>LDT's generally supported - prefers management company- where not to be used should refer to DDC Adoption of Assets Policy</p> <p>Police needs more justification</p> <p>Supports monitoring costs related to costs of officer time</p>		
--	---	--	--

C. COMMENTS, RESPONSES & OPTION APPRAISAL TABLE

POS REVIEW - PUBLIC CONSULTATION OCT/NOV 2010 - SUMMARY COMMENTS AND RESPONSES

	High Priority Issue
	Priority Issue
	General Issue
	Document Revision

	ISSUE	STAKE HOLDER REF. NO.	RESPONSE / COMMENT	POTENTIAL OPTIONS	OPTION IMPACT ASSESSMENT ON STAKEHOLDERS	OPTION IMPACT ASSESSMENT ON WNDC	RECOMMENDED APPROACH	OPTION APPROACH	
PRINCIPLE ISSUES									
1	WNDC not policy or plan making authority therefore document cannot have any weight	15	Legal advice that WNDC can legitimately set out how existing policy is to be interpreted - weight as material consideration can apply	(i)	Continue with review	Will provide updated guidance which can have material weight	Will provide document which can have material weight in decisions	Continue with review	Accept
				(ii)	Discontinue	Will not provide updated guidance	Will leave out of date policy liable to criticism; not good basis for negotiations		
1a	Document does not fully take into account emerging government policy / funding; no firm policy base; should be delayed	17	Document will be reviewed to take into account emerging policy as appropriate; not acceptable to delay in circs.	(i)	Delay until firmer policy guidance	Will lead to lack of updated strategy; no guidance for negotiations	Will lead to lack of updated strategy; no guidance for negotiations	Continue with review but ensure emerging policy and guidance is reviewed and incorporated as necessary and appropriate	Accept
				(ii)	Continue with review and update as necessary and able	Will ensure that up to date guidance in place to guide negotiations	Will ensure that up to date guidance in place to guide negotiations		
2	CIL Reg 122 - a standard charge approach not compliant / lawful	2, 7, 12, 14, 17,15	WNDC has sought legal advice and is confident that a standard charge can still be compliant with Reg 122, albeit it may be necessary for each application / obligation to be individually assessed against the 3 tests	(i)	Retain standard charge approach with flexibility to negotiate and assess in individual application proposals against the identified infrastructure unit costs / formulae	Will provide clear and flexible framework / guidance in negotiations so aiding certainty for all - ability to minimise negotiations	Similar impacts as for stakeholders - more certainty and minimise time spent on negotiations	Retain DSC / standard charge as most flexible and clear / transparent approach - subject to legal advice on CIL Reg 122	Accept

				(ii)	Abandon discounted standard charge per dwelling approach - this would necessarily involve negotiations being conducted on a case by case basis against adopted (where they exist) existing formulae	Contributions would be based on full costs of infrastructure provision and no 'discount' would automatically be available; albeit would remain fairly and reasonably related as based on the 'adopted' standard charges for each item of infrastructure	Necessarily increased negotiations and complexity of agreements		Reject
				(iii)	Move away from any standard charge approach and formulae - negotiate and calculate individual contributions on case by case basis	Would introduce more complexity, a level of uncertainty and less clarity; there would be no clear and transparent method for calculating contributions	Effectively this would mean a vacuum of guidance and significantly increase time spent on negotiation; consistency may be an issue;		Reject
3	Pooling and spending of monies must meet the 'directly related' test in respect of each element of infrastructure	12, 13,15,17	Related to points made above. WNDC consider that the pooling of contributions remains lawful albeit that larger items of infrastructure may rely on wider funding and longer lead in times	(i)	Amend document to clarify	Greater legitimacy, clarify and consistency	Greater legitimacy, clarify and consistency	Amend document	Accept
				(ii)	Do not amend	May criticise is approach not clear	May criticise is approach not clear		Reject
4	Should lay foundations for CIL - document needs revising to clearly reflect this and that it is an interim document and may need further review once a CIL is in place	2, 17	The revised document does state this but could be clearer; WNDC consider that this is the preferred approach as known that LPA's likely to adopt CIL. Also given that CIL will operate outside the S106 regime important that is seen as interim only.	(i)	Ensure that paves way for CIL as far as possible and reflects approach;	Will assist in moving forward to CIL but continue to provide interim guidance	Will provide grounding and assistance for future work	Make clearer in document and in process	Accept
				(ii)	Have no regard for CIL, or do not adopt CIL style approach	Unhelpful and may lead to future confusion / misunderstanding	Unhelpful and may lead to future confusion / misunderstanding		Reject

5	Need for continuing collaboration with all LA's and key stakeholders - public / private sector working important	13, 15, 17, 18, 20,	WDC fully agree with this	(i)	Continue with collaboration and partnership working	Majority of stakeholders have expressed need and willingness to cooperate, favoured by them	WDC's role sits squarely within the collaborative approach	Take forward fully collaborative approach	Accept
				(ii)	Adopt non-collaborative approach	Non-collaborative approach would be harmful to existing and future working relationships	Would be untenable / unacceptable to WDC to take this approach particularly given current government thinking		Reject
6	Role of viability assessments welcomed	1, 12, 13	Noted	(i)	Retain reference to viability assessments and what they should include and how they will be dealt with	Vital tool for developers where appropriate thus recognition important	Vital to recognise role and set out guidance to assist negotiations where appropriate; provide consistency of approach	Retain reference	Accept
				(ii)	Delete reference	Would be unhelpful to stakeholders and lead to lack of consistency in approach	Would lead to need for protracted discussions / negotiations and lack of consistency		Reject
7	Viability Review - Number of detailed points and assumptions questioned - land values (assumed too high and no account taken of variation across towns), not all land will be income generating, rental values, yields, development costs not reflective of current difficulties. Changes to grant funding for AH and CSH costs also impact.	13, 14,15	Detailed issues to be considered / addressed - agreed that need to ensure that viability assumptions not flawed	(i)	Address points raised and amend report as necessary	Should provide greater confidence in use and application of document	Viability issues key so must be based on justified assumptions to maintain legitimacy	Carry out further work to test robustness of document assumptions	Accept
				(ii)	Do not address points	May result in lack of confidence and legitimacy of document	Inability to apply strategy with any confidence or legitimacy		Reject
8	Need for a review of Standard Charge supported	13	Noted						

9	Discounted Standard charge level still too high - will result in majority of proposals being supported by viability assessments and longer rather than shorter negotiation	13,14, 17, 15,	To be reviewed	(i)	Retain at £18,000	Mixed impact depending on stakeholder - public sector likely to have preference for higher level to maintain level of certainty in funding	Provides greater level of certainty for funding though may result in higher number of cases supported by viability assessments thus impacting on resources	Review levels and retain if supported	Accept
				(ii)	Reduce to lower level (if necessity demonstrated by overall viability considerations)	Likely to be widely accepted by developers but not by public sector providers	Reduce time spent on dealing with viability assessments; concern that insufficient funding provided	Not supported by further evidence	Reject
10	Should set out what will happen once WNDC no longer in place - legacy	3	Noted and agreed	(i)	Add / clarify legacy issues	Would provide greater certainty for all stakeholders	Likely to involve relatively minor revision to document though can only be expressed in relatively general terms	Revise documents	Accept
				(ii)	Do no amend to include reference	Lack of clarity / certainty in future	WNDC may be criticised for failure to address the issue even in only general way		Reject
11	Pros / cons of standard charge for commercial development - clarification on benchmark needed - why no benchmark for hotel, leisure & offices - commercial dev is in itself a form of infrastructure so should be exempt	9, 12, 13, 14	The reference to office / retail is only a benchmark - not a defined standard charge. These types of development will still be negotiated on case by case basis. There is clear justification for commercial contributions albeit not all those elements in annex A will be relevant	(i)	Retain reference to commercial 'benchmark' as set out in document (B2, B8 and retail)	Provides some clarity and certainty for stakeholders;	Retains some clarity and provides guidance in negotiations to assist time spent and consistency	Clarify benchmark further and amend document as necessary	Accept
				(ii)	Expand to include other forms of commercial development	Would provide greater level of certainty and clarity to assist discussions / negotiations	Resource implications due to further viability work that would need to be undertaken	Resource implications mean that cannot be realistically carried out at this stage (NB to be considered in any CIL)	Reject
				(iii)	Delete reference / do not apply	Would lead to lack of clarity and consistency in dealing with such development; would lead to lack of proper supporting infrastructure	Could lead to lack to proper funding and may undermine delivery of growth; as follows CIL approach WNDC may be criticised for failing to address	Need to provide benchmark guidance in interests of clarity	Reject
12	Geographic variation - support for this at local level - justified by differing local values and range of necessary infrastructure - should be set out within Annex A	13, 14, 17	Given CIL tests seems that this would be logical approach - and different charges to be applied in the towns could be set out as per current SPD or other evidence base as is available. NCC guidance would also provide some evidence though may need further clarification regarding existing capacities	(i)	Retain WN wide charge	More straightforward approach though given viability issues may continue to question standard level set across all three areas	WNDC may be criticised for failure to address the issue given CIL tests	Await legal advice	Accept
				(ii)	Introduce separate town charges based on infrastructure costs (local and strategic)	May increase confidence as clearer link to CIL tests (directly related / proportionate) thus increased level of acceptance due to reduced need to negotiate outside the SC	Will have resource implications as need to consider viability issues relevant to each area; infrastructure costs are reasonably available	Further consideration of this issue demonstrates that no justification in terms of the standard approach though may be relevant in exceptional cases	Reject

13	Should not apply to certain development types eg. Affordable housing, elderly or student housing	4		(i)	Continue to apply to all housing types	Clear increased costs for developers though conversely reduction in contributions for public sector where current uncertainty as to how any additional funding might make up the shortfall given that there are infrastructure impacts	Greater level of certainty for funding and hence delivery in interim	Continue to apply to all types of housing in principle (given that only interim pending CIL);ability for individual developments to seek reductions through viability assessments enables flexible approach	Accept
				(ii)	Remove liability of AH, elderly and student housing	Reduced costs for developer; increased costs for public sector providers	May result in infrastructure funding gaps and thus delay in provision / deliverability of schemes in absence of certainty of other funding	Important to retain level of funding at this interim stage when full implications of other bonus payments and financing deals unknown	Reject
14	Support for negotiated approach and application of Annex A infrastructure on case by case basis	3	WNDC's revised approach is to enable clearer dialogue and discussion on Annex A infrastructure where appropriate (i.e. where simple DSC approach not followed)	(i)	Retain reference to framework for negotiations to enable application of Annex A on case by case basis	Provides flexible framework approach where DSC approach not followed; assists in providing clarity and consistency for developers and level of certainty for public sector	Vital to provide consistency and clarity of approach in non-DSC approaches; provides clear framework in policy context	WNDC consider use of Annex A vital to justify both straightforward standard charge approach and in negotiated schemes	Accept
				(ii)	Delete reference and to approach to be adopted	Lack of reference as to how Annex A to be applied unhelpful and could lead to inconsistency and uncertainty	Lack of ability to apply Annex A figures would lead to inconsistency and lack of policy justification; enables clear application of costs		Reject
15	Should await publication of Core Strategy and IDP - no clear policy framework currently	7, 12, 14	The Pre-submission JCS will be available at end of Jan / considered at WN JPC on 31 Jan - its contexts and that of the WN Infrastructure Schedule (WNIS) can therefore be taken into account	(i)	Continue within current programme for adoption	Likely to be preferred by stakeholders as providing clarity of approach	Essential in dealing with current workload to provide updated guidance; in any event can be updated to take into account pre-submission draft and EMRP policies	Continue with current programme to adoption and update policy basis	Accept
				(ii)	Delay	Any delay could lead to confusion and lack of clarity in approach	Given current workloads and need to have interim strategy in place, would be retrograde step to delay at this stage		Reject
16	Its application will adversely affect prospects for economic recovery	12	WNDC consider that case not properly made - development must be supported by appropriate levels of infrastructure to provide sustainable communities	(i)	Continue with adoption as recommended	Subject to any further revisions following viability review, ability to negotiate viable level of contributions on case by case basis remains; thus should not unduly affect or prevent development coming forward	Due to crucial role that strategy will play and bearing in mind that not agreed that will stifle development, clear need to progress to ensure development supported by appropriate levels of infrastructure	Given no clear evidence that will stifle development, and prospects for economic recovery, would not be appropriate or justified to abandon review at this stage - and to be subject to further viability review	Accept
				(ii)	Abandon process and continue with existing POS	Existing POS does not take into account recent developments (CIL, ongoing policy and government change)	Not tenable to continue with existing POS due to changes not least in government policy ; WNDC would be criticised and could lead to further lack of clarify and consistency		Reject

17	Timing of Payment - should be linked to (phased) completion / occupation of development. Opposing view that early payment & long stop date welcomed.	12, 13, 14 / 3	WNDC favour early part payment to ensure timely provision of infrastructure / facilities and to provide some financial security to service providers	(i)	Retain ability to seek early 'up-front' payment (25%) with remainder to be paid on phased basis	This point open to negotiation so not fixed; where appropriate developer will be able to negotiate alternative if justified. Public sector generally favour approach	Preference to retain to enable funding to be in place for infrastructure to be provided in line with development or early work done where necessary	Retain reference to 'up-front' payments as starting base for negotiations; where necessary and appropriate based on case circumstances, approach may be varied but should always ensure timely delivery of infrastructure	Accept
				(ii)	Link all payments to identified phased completions / occupations	Developers may generally prefer to put off payments in this way due to economic considerations but needs to be weighed against potential downside of non provision of infrastructure to support the development as it progresses.	May lead to funding gap / implementation delay; could stifle development		Reject
18	Conflict of a standard charge approach seeking contributions towards 'general' infrastructure with requirement for any obligations to be "directly related". Monies paid should be ring fenced to related infrastructure	12, 13	This point relates to the CIL points raised in 1 above. The further consideration of geographic variations may address these concerns to some extent. Development impacts must be considered in context of cumulative impacts.		SEE ABOVE				
19	Level / amount of any deferred or reduced contributions should be fixed at outset	13, 14	Amount of deferred contributions will depend on future viability / sales so cannot be fixed in advance. If a reduced contribution is agreed this will be fixed at the outset.	(i)	Retain suggested method which sets out parameters to enable future payments negotiated in relation to sales values etc	Introduces some uncertainty for developers / providers though should be possible to estimate payments reasonably accurately	Enables up front payments to provide certainty in infrastructure delivery; retain flexibility to negotiate in particular circumstances.	Will enable further negotiations at the appropriate time	Accept
				(ii)	Fix deferred payments at outset	Certainty of approach, clear and less resource intensive	May result in infrastructure delay in provision; development would not be complying with the principle of the POS in that contributions are related to what the development can afford		Reject
20	WNDC must assume greater responsibility for infrastructure delivery - use of Grampian conditions?	6, 13, 14	WNDC will undertake to use best endeavours to ensure timely delivery of infrastructure - however this ultimately depends on the programmes of the service providers and the availability of full funding to enable individual projects to go ahead. It may be possible to identify priorities to be determined in collaboration with developers as far as possible. Major items of infrastructure will be identified in the WNIDP?	(i)	Retain reference to 'reasonable endeavour's	Should provide reasonable level of assurance for developers	Indications given in this respect must be realistic and achievable – given that WNDC only one of number of potential service providers need to maintain – in interests of WNDC to liaise and apply pressure as appropriate to ensure timely delivery of infrastructure	Retain reference	Accept

				(ii)	WNDC assume greater responsibility through 'best endeavours' and use of Grampian conditions and other means	May result in some problems for developers where for whatever reason there is some delay in provision of element on which progress on development depends	WNDC will also be concerned if 'reasonable endeavours' do not secure timely provision – resource implications of additional involvement		Reject
21	Monitoring generally supported - should include updates to developers as to monies spent / infrastructure delivered	13, 14	WNDC has yet to agree how detailed any monitoring reports will be - however the ability of the database to provide a specific report for each site will be considered so as to enable this information to be shared with appropriate persons / bodies	(i)	WNDC to investigate further what level of general & detailed information appropriate - summary to be included in final document	Will assist clarify and transparency	This could be undertaken as revision to document without being overly resource intensive	Reference to be added to report	Accept
				(ii)	WNDC to investigate further level and extent of information to be made available to individual developers	Will add further clarity and assist developers and public sector in being informed of progress - will enable prioritisation of work as appropriate	Resource implications which may delay adoption		Reject
22	Special difficulties of town centre development should be recognised - case by case approach more appropriate		WNDC to reconsider this point	(i)	Set out clearly in document that sites in town centre to be considered on case by case basis	View favoured by (some) developers though may lead to some inconsistent if no clear approach	Resource implications as such an approach may need to be justified in the context of the whole approach	Retain flexible but clear approach provided by the commercial benchmark with clear indication that further negotiation based on viability would be acceptable	Reject
				(ii)	Retain reference to use of benchmark for town centre development but that flexible approach to be taken in respect of possible viability issues	Provides reasonable level of certainty and flexibility for developers and public sector	Would enable WNDC to progress without need for major additional work or revision to document		Accept
23	Difficulties and lack of public sector funding should also be recognised; new funding streams should be taken into account (New Homes Bonus, Business Incentive Bonus, TIF)	15,18,	WNDC to engage further with LPA's and service providers what other funding streams likely to be available - difficulty in that matters are continually changing / evolving	(i)	Include reference to such difficulties and provide more information on the possible other funding streams	Clearer indication and some comfort that full account taken of all other potential funding	Document can be revised to refer to these alternative funding streams	Amend / revise document to refer	Accept
				(ii)	Consider further and in more detail what other funding might be available at later date & document to be revised as appropriate	Should not cause difficulties as can be taken on board as and when scheme details are known	Will be a need for further ongoing work and resource use to identify and secure funds as they become available – should be possible through existing work	Accept as complimentary to above (as part of any update to document)	Accept

24	More clarity on how the strategy will be applied in practice - need for each development / obligations to be assessed in context of Annex A	13, 14	Agreed that the docs need to be amended to make this point clearer	(i)	Amend POS to set out more clearly how individual application proposals will be dealt with	On basis of consultation responses such revision would be welcomed and provide greater clarification on whole approach	Reasonably minor revisions can be accommodated before adoption	Amend / revise document as appropriate to set out approach more clearly	Accept
				(ii)	Leave as set out	Would lead to continuing confusion as to how approach is to be followed in individual cases	WNDC likely to be criticised for lack of clarity in document		Reject
25	Evidence base needs to be more robust - reflect shortcomings of existing documents (eg. NCC)	13, 15, 17	Evidence base to be reconsidered as part of further work. JCS input relevant	(i)	Review evidence base including more reference to weight being given to other LA's documents	Would provide greater support for levels of infrastructure and associated costs and reduce uncertainty	Resource implications depending on level of review undertaken - but could assist in more speedy determinations and delivery	WNDC to undertake review as part of pre-adoption process and afterwards to continue to review as appropriate. Reference to WN Infrastructure Schedule (as in pre-submission JCS) will add robustness in this respect	Accept
				(ii)	Retain existing level of information	May lead to lack of support for approach and increased possibility of challenge	May allow for greater opportunity for challenge and criticism - could lead to lengthy negotiations and ultimately delay in delivery		Reject
26	Per dwelling approach favours larger dwellings	13	WNDC consider this does not have a significant impact given that policies generally require a variation and mix of housing to be provided	(i)	Retain per dwelling approach	Impact not considered to be significant given that basis of current POS	Not significant as although not CIL approach, would still be proportionate	Per dwelling approach to be retained due to resource implications of alternative; also considered to make insignificant difference due to policy need for mix of dwelling size	Accept
				(ii)	Amend to reflect unit costs related to dwelling size	A more detailed but complex approach - could add to time taken to calculate contributions	Resource intensive - whilst some existing documents (SPD etc.) are based on dwelling size, information not readily available for all areas / infrastructure elements		Reject
27	Policies need updating - particularly in respect of AH		Agreed and noted	(i)	Update policies	Up to date policy base likely to result in increased acceptance of approach generally	Up to date policy base key to acceptance of approach	Policy base to be updated prior to finalisation of documents	Accept
				(ii)	Retain policy base and refs. As existing	Lack of confidence in documents / strategy and likelihood of challenge	Lack of clarity and reference to up to date policy base could lead to challenge and lengthen negotiations and thus delay in delivery		Reject

28	Cost of viability assessments should be met jointly	14, 18	WNDC is of the view that the DSC is set at a reasonable level (subject to any review of viability as part of this process) therefore the submission of the viability assessment will be a matter for the developer; thus there should be no obligation on WNDC in this regard. However, agreed that costs will be shared where need to involve independent valuer in event of dispute.	(i)	Retain as existing - ie. costs to be met by developer	Unlikely that this will be challenged by majority on basis of comments received and given that this is current practice	No real impact	No change to be made	Accept
				(ii)	Revise to indicate that costs will be met jointly	Although not an issue for majority of respondents, likely to be welcomed	Considerable cost / resource implications		Reject
29	Partnership groups - refer to existing groups where appropriate	18	Agreed	(i)	Add reference to use of existing groups as appropriate	Should improve developer confidence in taking forward approach	Would benefit overall approach and assist in moving matters forward quickly	Revise documents to refer	Accept
				(ii)	Retain as existing	As not an issue for majority unlikely to have significant effect	Minimal impact as could be undertaken in any event		Reject
30	Monitoring costs based on costs of officer time supported	18	Noted - this is also WNDC's preferred approach	(i)	Take forward option to base monitoring costs on officer time	Not 'big issue' for majority so unlikely to have significant impact.	Minimal impact as preferred approach	Confirm preferred approach in revised documents	Accept
31				(ii)	Take forward based on simple % of obligation value	Although provides a simpler approach is less proportionate so may lead to challenge	Minimal		Reject
DETAILED / SPECIFIC POINTS									
A	Scope of Interim Infrastructure Schedule (IIS) unclear	1	There is an explanation of the Schedule but its role could probably be clarified; this section is likely to be omitted from final version in any event (replace with JCS IS)	(i)	Clarify section on purpose and detail of IIS	Likely to be welcomed but some confusion may arise due to publication of JCS WN IS	Minimal resource impact	Given that the IIS is only interim and now effectively superseded by the WNIS preference to replace with this more up to date / robust IS. Will need to be reviewed after adoption and once results of public consultation available	Reject
				(ii)	Remove IIS (replace with JCS IDP)	Clearer and more up to date - likely to be generally accepted (subject to public consultation process)	Removes some confusion though may need to be reviewed following public consultation process		Accept

B	Annex A should refer to strategic flood mitigation schemes and SUDS maintenance	16	WINDC to reconsider whether appropriate to include any flood alleviation schemes - SUDS maintenance is out with the standard charge and will need to be negotiated on case by case basis	(i)	Add general reference to such schemes - clarify details as appropriate	No significant impact as unlikely to be any major schemes identified	General reference would assist to enable specific schemes to be introduced at a later date if appropriate	WINDC to add general reference to Annex A though noted that no information available at present in respect of any strategic requirements (not are these identified in the WNIS)	Accept
				(ii)	Do not add reference in Annex A	Could lead to challenge if not referred to	May fetter ability to include any schemes that come forward at later date		Reject
C	Roles of Local Community Trusts supported but needs clarifying (re-naming?)	1, 5	Further consideration to be given - name more in line with current government thinking may be appropriate eg. Neighbourhood Management Company	(i)	Add / amend relevant topic paper to clarify	Likely to receive increased support if amended to reflect current government thinking	May assist acceptance if reconsidered in line with current government thinking in respect of communities / localism issues	Minor revisions to document to refer to alternatives / clarify role	Accept
				(ii)	Retain description as existing	Not considered to be of significant impact overall	Limited impact as not considered to be significant issue		Reject
D	Reference to the historic environment should be included / clarified	8	Noted and agreed - though need to clarify whether any specific schemes	(i)	Add further information / clarification as appropriate within Cultural Heritage section	None significant envisaged	Some benefit by reference	General reference to be added	Accept
				(ii)	Do not refer	May challenge if introduced at later date	May fetter ability to include any schemes that come forward at later date		Reject
E	Reference to waterways should be made (in GI and as part of cycling / walking links - transport)	10	Agreed as part of GI / sustainable transport network	(i)	Add reference to waterways within appropriate infrastructure elements	None significant envisaged	Adds legitimacy to contributions sought	Annex A to be revised as necessary	Accept
				(ii)	Do not make specific reference	May challenge if introduced at later date	Important to include to enable appropriate contributions to be sought - legitimate role		Reject
F	More clarity needed on how on-site infrastructure to be off-set	12, 14	WINDC to review and revise this section; possible need to provide topic paper?	(i)	Add further information and clarification to appropriate section	Positive benefit in providing guidance and to aid consistency	Positive benefit - to set guidelines and provide consistency	Document to be amended	Accept
				(ii)	Do not add further information and leave to be decided on basis of case characteristics	May lead to confusion and challenge	WINDC may have to accept arguments put forward in each individual case leading to possible inconsistencies and variation to approach		Reject
G	Annex A & evidence base should refer to HA Access Management Strategy	19	Noted and agreed	(i)	Include reference	Will assist evidence base and demonstrate need - clearer for all	Will ensure that appropriate contributions can be secured	Add reference	Accept
				(ii)	Do not refer	Likely to be challenged if not included but contributions sought	Inability to secure appropriate contributions		Reject

H	Need for more robust evidence / linkage in respect of public realm	18	Noted - WNDC will liaise with individual LPA's to obtain further evidence	(i)	Undertake further work / meetings with relevant stakeholders to update and clarify evidence	Will assist evidence base and demonstrate need - clearer for all	Will ensure that appropriate contributions can be properly evidenced	Undertake further discussion with LA's to obtain further evidence	Accept
				(ii)	Do not update or add to existing evidence - leave to be investigated / added at later date	Likely to be challenged if not included but contributions sought	Lead to inability to demonstrate evidential / proportionate link		Reject
I	Concern over validity of Police contributions	18	WNDC satisfied that contributions meet tests and can be justified	(i)	Retain in Annex A with justification as set out in Topic Paper	Developers unlikely to challenge if evidence base robust; public sector positive impact	Will ensure that appropriate contributions can be secured	Retain (add to explanation in topic paper if necessary)	Accept
				(ii)	Revisit and amend topic paper as appropriate	Developers may challenge if thought to not be sufficiently well evidenced	Resource implications and may be difficult to secure funds as acceptance that not robust		Reject
				(iii)	Delete from Annex A	Minimal	Inability to secure appropriate contributions		Reject
J	Specific links to transport schemes and inclusion of healthy forms (walking & cycling)	18	Noted - to be referenced	(i)	Update Annex A as appropriate	Will assist evidence base and demonstrate need - clearer for all	Will ensure that appropriate contributions can be properly evidenced	These are contained within the LTP but will be referenced	Accept
				(ii)	Do not reference	Likely to be challenged if not included but contributions sought	Lead to inability to demonstrate evidential / proportionate link		Reject
K	Land should be included within relevant headings	18	Land value dealt with as constant and relevant to consider separately	(i)	Retain as separate item	Clear identifiable item within list	Can be clearly identified – ability to consider in more detail when necessary	Retain as existing	Accept
				(ii)	Add land value to each item in Annex	Could arguably provide more detailed information to support each item	Resource implication at this stage would slow down process and delay adoption		Reject
L	Carbon off-setting and social care not appropriate	18	Noted - to be reconsidered for inclusion	(i)	Retain reference to these items	Need for clarity in approach or may be challenged	Will assist in securing appropriate contributions	Retain but clarify role / relationship with standard charge	Accept
				(ii)	Delete reference / exclude from documents	Developers may seek to exclude any justified contributions	Inability to secure appropriate contributions		Reject
M	ICT development supported but not clear how will be achieved through PO's	18	Noted - need to revise doc to set out approach more clearly	(i)	Revise document to set out more clearly how intended to operate	Need for clarity in approach or may be challenged	Will assist in securing appropriate contributions	Document to be revised	Accept
				(ii)	Do not revise	May lead to some confusion in approach to be followed	WNDC may have difficulty in explaining / negotiating situations where relevant / appropriate		Reject
N	Annex A needs costings	18	Agreed - to be added following further clarification with service providers and consideration of geographic variations	(i)	Add costings before revised POS published	Essential addition otherwise open to challenge	Fundamental to standard charge approach	Costs should be fully robust and as up to date as possible - may be that these can be taken from WNJCS IS without need for further meetings	Accept (based on JCS IS)
				(ii)	Add costings following further meetings & negotiations with service providers	As above but likely delay during which time may be challenged	May add further robustness as costings likely to be more accurate		Reject

				(iii)	Leave out	As fundamental element of approach stakeholders likely to question the principle	Would undermine approach - not tenable		Reject
P	Community cohesion approach generally supported	18	Noted						
Q	Policy ACPO toolkit now adopted	3	Noted		Update report	Reduces likelihood of challenge	Increases robustness	Amend document	Accept
R	Proposed size for community safety office max. needed	3	Noted		Update report	None significant	Increases flexibility	Amend document	Accept
S	Alternative funding for infrastructure available	11	Noted		No need to amend				

STAKEHOLDER REFERENCE

STAKEHOLDER REFERENCES

1	Rapleys (on behalf of Northants Development Ld)
2	Home Builders Federation (HBF)
3	Northants Police
4	NFU
5	Sport England
6	Daventry Villages Together
7	Hallam Land Management
8	English Heritage
9	Daventry Town Council
10	British Waterways
11	Anglian Water
12	Turley Assoc (ProLogis)
13	Croudace
14	Hampton Brook Estates
15	Pegasus Planning Group (Persimmon, Barratt,Bloor Homes, Miller Homes, Redrow)
16	Environment Agency
17	Drivers Jonas Deloitte (on behalf L&G)
18	Daventry District Council
19	Highways Agency
20	Northampton Borough Council

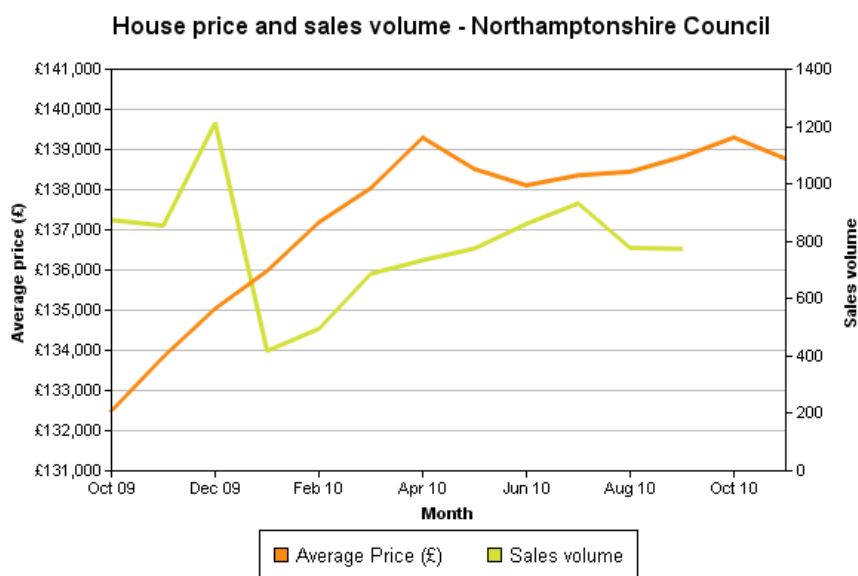
D. SUPPLEMENTARY REPORT ON ROBUSTNESS OF STANDARD CHARGE APPROACH

ERM Responses to Comments on WNDC POS Review Consultation (6 April 2011)

- a) *Assumptions of rental values, yields, development costs not reflective of current difficulties. (HBE 5 & 6).*

ERM. There is no question that market conditions have been very difficult since our earlier assessments. We would make three points:

- 1) Numerous appeal cases and Core Strategy Inspectors reviews of LDF Policies have stressed the need to base policies (for affordable housing and planning obligations) on **normal market conditions**; this is a medium term view of the likely market, not just the *current difficulties*. This is clearly logical. There is no point in basing/reviewing a policy for infrastructure requirements on a particular low point in the market, from which it is likely to recover. ERM have not done so.
- 2) The Strategy as presented, and stated on many occasions, was that where individual site/financial circumstances amounted to exceptional circumstances, WNDC would take account of those circumstances. ERM continue to support that view.
- 3) Despite the current market perception, since our last review quoting market characteristics in October 2009, conditions have improved, as the following Land Registry illustrations demonstrate regarding the residential market.



- b) *Models used flawed - assumption that 100% land is income generating is incorrect (Pegasus 10.11-15)*

ERM. The assessment exercise underpinning the WNDC approach to POS (for residential purposes) has always been based on a **per dwelling** and density standard. As such, charges have always related to dwellings and thus net developable area. Obviously, if a significant proportion of a site is, for example, required for open space or cannot be used for development, then this part of the site does not incur directly incur a DSC, but will to the extent that it forms part of the gross developable area.

- c) *Takes no account of provision of essential on-site infrastructure (Peg 10.16-21)*

ERM. Standard on-site infrastructure costs were included but where exceptional costs arise on-site or 'strategic' infrastructure costs may facilitate the development of other sites, then WNDC will take account of those costs, if site specific appraisals are submitted by the applicant.

d) *Construction costs assumptions deficient (Peg 10.22-23)*

ERM. The original modelling exercise used a range of base construction costs reflecting density considerations. While these costs were average BCIS, and included 10% for contingencies and ancillaries, they also reflected conditions then in which tender prices were beginning to fall. Since then tender prices have continued to fall; indeed, they are approximately 15% lower than two years ago. The costs used in the assessment thus allow for an element of normal site development costs although exceptional costs are impossible to predict and will need to be considered on a site by site basis.

Three further points are worth noting:

- Falls in costs were in part a result of contractors cutting margins in order to remain operational;
- BCIS (Nov.2010) is now stating that build cost deflation has ended and that inflation will begin to occur in 2011 and increasingly in 2012; and importantly,
- Code for Sustainable Homes costs remain an issue, but have been eased by recent changes of policy. While the Cyril Sweett work for CLG continues to suggest a marked uplift in costs included in the original assessment for Code3/4 uplift, technology improvements have narrowed any differential that may have existed. Government has now recognised that developers can only be expected to take account of building related energy use, hence the effective removal of Code Level 6. Achieving Code Level 5 has also been made significantly easier, with the proposed changes that will allow investment in carbon offset arrangements as well as on-site requirements.

e) *Confuses gross margin with net profit (Peg 10.27-28)*

ERM. This is a long standing debate in which some but not all house builders include a central office overhead as a cost. There is no standard to this practice and we cannot model on a blanket basis. What we have done is to accept that currently, profit margins in terms of bank lending are for many developers (but not all) at least 20% on gross development value.

f) *Relies upon substantial house price inflation to justify DSC levels (Peg 10.29-31)*

ERM. See response (a) above.

g) *Currently incentives have to be offered to achieve sales – the value/cost of these are not reflected in sales values. (HBE 5)*

ERM. See note (a) above. We would add that where incentives arise then the net sale price should be registered with the Land Registry to maintain transparency.

h) *The affordable housing assumptions in respect of grant levels are out of date and invalid. (Peg 10.24-26 & HBE 5))*

ERM. Clearly, assumptions regarding grant levels for affordable housing continue to change eg in the policy announced in February 2011. It is unclear at present how the move towards greater provision of near market rent housing will play out in practice and the grant assumptions that should be made. WNDC will take account of those changing circumstances in considering individual applications and the affordable housing proposed. Equally, WNDC will expect applicants to demonstrate that they have explored the alternative forms of affordable housing funding available.

i) *Does not take account of changes to CSH costs. (HBE 5)*

ERM. See note (d) above.

j) *Not appropriate to apply blanket land value. (HBE 5)*

ERM. Land value assumptions are simply for modelling purposes. Where a genuine Existing Use Value plus a reasonable premium and/or the value of a deliverable extant Planning permission can be proven, then WNDC will take account of those valuations in individual site appraisals.

k) *Unclear why B2/B8 and retail have been singled out – viability report suggests because costs / values more consistent is not our experience so would value further explanation. (DJD) AND not clear how benchmark of £30 - £50 for B2/B8 has been derived – this needs more explanation; (TA)*

ERM. Justifiable infrastructure costs arising from individual schemes of any commercial content will determine financial contributions to be made. The reference in the POS to business space simply illustrates the capacity of such space in value terms to deliver a level of contribution which may or may not be amount to the full infrastructure costs.

m) *Standard benchmarks should be set for offices, hotels and leisure as they will also have impact on infrastructure; implies that such development may not be subject to such rigorous consideration as others. (DJD)*

It would be impractical to derive standard benchmarks for these types of development, which are less numerous in WNDC area than B2/B8 and more variable in their content.

n) *Should go through similar robust viability assessments as for CIL and individual circs. (Peg 5.1.8 & 8.1.2)*

ERM. Consider that viability issues have been dealt with as far as is possible given the information available; if the developer considers that in the particular circumstances of their sites, there are further viability issues of relevance, the POS sets out clearly the process for a full viability assessment to be provided and taken into account (which may have the effect of reducing the overall level of DSC). The need for flexibility in application of the policy is stressed throughout the POS.

Geographical variation

o) *Towns (and indeed locations within them) will command differing levels of infrastructure and revenues/rents. This therefore needs to be considered as it will affect the level of obligation as well as the ability to pay. (HBE 9)*

ERM. This combines a number of separate issues: (i) differences in residential values and development costs, between or within towns (ii) variations away from the average infrastructure costs per dwelling that may arise within or between towns. At the individual development site level the latter could arise from one or a combination of three main causes: (i) a higher than average proportion of 1 and 2 bed dwellings in the development (ii) variation in the justifiable contribution to transport costs among the three towns and (iii) the existence of enduring spare capacity in services already provided.

The DSC has always been assessed on the basis of standardised development costs, which exclude for example exceptional costs which might arise on a particular site as a result of site remediation or on-site basic infrastructure. Otherwise, there is no evidence that build costs vary significantly across the three WNDC towns, which is to be expected since most building will be done by national and regional developers, who have consistent input costs. As far as the sales values of new houses are concerned, there is a strong overlap of values among the three towns. The averages for the three towns vary by no more than 10%, with Towcester being the highest. There is a similar level of variation within towns, in particular Northampton, but this does not really apply to the major development zones, where the average is likely to prevail. There are no consistent differences in development costs or values sufficient to justify setting a different DSC in any of the three towns. The POS allows developers to submit site specific development appraisals where they believe there is evidence that the scheme they propose is insufficiently viable to support payment of the standard level of DSC.

The FSC is calculated on the basis that all development generates a requirement for infrastructure provision and that the costs of meeting these infrastructure needs assessed on a per dwelling basis do not vary significantly between locations or types of residential development. Following consultation, ERM has undertaken further analysis of the robustness and potential variability of infrastructure costs, set out in the technical note 'Testing the Robustness of the WNDC Standard Charge'. The conclusions from that analysis are:

- a) Most of the average FSC arises from services whose costs are assessed on a per person basis. Where development proposals have much higher than average proportions of one or two bedroom dwellings or specialised housing the costs attributable to that development, mainly education costs, are overestimated. In the real world examples we have considered that overestimation could be up to £3 to £4,000 per dwelling, but this leaves the FSC well above the proposed level of DSC and does not justify any change to the FSC.
- b) The method of allocating transport costs among the three towns has been subject to critical review. This suggests that, if anything, the transport costs attributable to development in Daventry and Towcester are up to £800 per dwelling higher than in Northampton, which is close to the WNDC average of £8,400 per dwelling. This difference is insufficient to justify setting a different level of DSC or FSC in any of the three towns.
- c) There are good reasons to ignore any localised or short term spare capacity when devising a standard charge or CIL. ERM has reviewed all of the main types of infrastructure included in the POS to check that there is no significant long term or structural spare capacity that should be taken into account. A particular concern was raised about spare capacity in education provision, with particular reference to secondary schools in Daventry. This analysis has confirmed that there is no significant long term spare capacity that would reduce the need for infrastructure investment and hence the unit costs used in compiling the FSC are robust.

Nothing in this analysis supports the case for assessing different levels of FSC or setting different levels of DSC in the three towns.

Exemptions from Standard Charge

- p) *CIL will grant a 100% discount to affordable housing and certain forms of development for charity. Whatever views may be of the appropriateness of this approach, for consistency it is probably logical to take the same approach in strategies for planning obligations such as POS, at least where the types of infrastructure are likely to be covered by CIL in due course.*

ERM. The legislation and precise application of CIL remains uncertain. This will be the case until a significant number of authorities have developed and adopted CILs following independent examination. Certain aspects of the Regulations are ambiguous and may well need further guidance from Government or amendment. While the exemption under CIL for certain types of affordable housing appear straightforward this is closely bound up with the application of discretionary relief for exceptional circumstances, essentially the arrangements by which planning authorities can take account of development viability. A more fundamental weakness of the CIL approach is that the residents of affordable housing consume services and the logic of only collecting CIL from private housing is weak and if applied to the POS, which has been devised taking into account all of the guidance in Circular 05/2005, would be open to legal challenge.

Ian Gilder
Michael Ling
(ERM)
6 April 2011

E. SUPPLEMENTARY REPORT ON REVIEW OF INFRASTRUCTURE COSTS AND GEOGRAPHIC VARIATIONS

Testing Robustness of WNDC Standard Charge

1 Introduction

One of the criticisms made of the WNDC POS is that it does not include a demonstration that in paying the Discounted Standard Charge developers would never be paying a sum greater than the actual costs of infrastructure required to support their development. The POS makes the claim that the difference between the Full Standard Charge (FSC) (£31,300) and the DSC (£20,000, but currently proposed to be reduced to £18,000) is a sufficient “cushion” to cover circumstances in which actual costs may be less than the average represented by the FSC. The purpose of the present note is to establish whether this is likely to be the case in practice.

Four potential ways in which actual costs may be found to be lower than area-wide average costs have been examined:

- (i) The costs of providing transport infrastructure may be expected to vary between the three towns of Northampton, Daventry and Towcester;
- (ii) The amount of infrastructure required to support a development will vary according to the dwelling size mix and hence average population per household and pupil generation rates;
- (iii) There may be variations in the amount of spare capacity available between the three towns, reducing the amount of infrastructure needing to be provided; and
- (iv) The costs for individual infrastructure items may not reflect the likely costs of the actual infrastructure schemes required, especially those for requirements estimated on a unit basis.

2 Allocation of transport costs between the three WNDC towns

The principle adopted in the POS for allocating transport infrastructure costs to units of new development is that when the planned new development is in place the additional transport infrastructure required to allow the whole transport system to function acceptably must also be in place and it is therefore legitimate to charge a substantial proportion of the costs of this infrastructure to the new development, having allowed for those demands which are mainly generated at the national and regional levels (e.g. demands met by motorways and most trunk roads).

The per dwelling costs for transport infrastructure in the original POS were derived from the estimated costs of transport projects included in Northamptonshire County Council's Transport Strategy for Growth (Sept 2007). Of schemes which would need to be paid for at sub-regional and local levels, those which would benefit areas within the jurisdiction of WNDC mainly or wholly (simplified as 100% and 50%) and for which developer contributions were likely to be sought (also differentiated as 100% or 50% from this source) were identified, in collaboration with NCC officers. The total cost of these schemes allocated for potential developer contributions was £486.35m. It was assumed that 80% of this total could be ascribed to residential as opposed to employment development.

The residential element of the cost was then expressed as a per dwelling cost, by dividing it by the total number of planned additional new dwellings in the West Northamptonshire area. The latter comprises the three local authority areas of Northampton BC, Daventry DC and South Northamptonshire DC so the result is a conservative estimate for the costs for the three towns combined, especially given that South Northamptonshire is proposed for significant housing growth at Brackley which is outside the WNDC portion of the district.

The aim of the present exercise is to reassess the data that were used to calculate the total transport cost per dwelling for the whole WNDC area and to derive equivalent per dwelling costs for each of the three towns within that area: Northampton, Daventry and Towcester. It can then be concluded whether any difference in per dwelling costs between the three towns would be sufficiently great to draw into question the validity of using the average cost per dwelling in building up the FSC for developments in each town.

The approach adopted is to consider for each transport project the town or towns most likely to benefit. The costs of schemes which are likely to deliver most of their benefits to a single town are allocated 100% to that town, while the costs of those substantially benefiting two or all of the towns are split between the respective towns according to the relative number of projected additional dwellings in the districts in question. Thus, for example, the costs of schemes substantially benefitting all three towns are divided 70%, 21%, and 8% between Northampton, Daventry and Towcester respectively. Variations from the total average cost per dwelling between the towns will thus arise according to the extent to which the benefits of individual projects may be concentrated in particular towns.

The results in Table 2.1 show that while the total cost per dwelling across the whole WNDC area is around £8,400, at the level of individual towns the cost per dwelling varies, with the lowest cost of around £6,200 for Towcester, the highest for Daventry with around £9,200, with Northampton close to the average of £8,400. As pointed out above, however, in the case of South Northamptonshire Towcester is one of two towns to benefit. At the very least some allowance should therefore be made for the planned additional dwellings at Brackley. If the South Northants housing numbers are reduced by the Submission Core Strategy proposed 2,040 dwellings at Brackley, the WNDC average increases to around £8,800, with the three individual town costs per dwelling all relatively close to this figure at £8,400 for Northampton, and both Daventry and Towcester at around £9,200. None of these cost levels is lower than the cost per dwelling for the whole WNDC area in the POS' FSC cost schedule.

Conclusion

It can therefore reasonably be concluded that the per dwelling costs of transport infrastructure do not vary sufficiently to reduce significantly the gap between the FSC and DSC. In other words, there is minimal chance that a developer in any of the three towns paying the current DSC will be paying more than the reasonable costs of providing additional transport infrastructure for that town.

Table 2.1 Transport costs per dwelling by town

Mode	Scheme	Total cost	Cost to WNDC dev	North'n	Dav'try	To'ster	North'n	Dav'try	To'ster
		£m	£m	%			£m		
Road	M1 Junction 16 Improvements	20	20	77%	23%		15.4	4.6	0.0
	A5 Towcester Bypass	18	18			100%	0.0	0.0	18.0
	A43 Junctions Towcester	26	2.6			100%	0.0	0.0	2.6
	A43 Northampton to Kettering	60	15	100%			15.0	0.0	0.0
	A45 Weedon, Flore and Upper Heyford Bypass	30	30		100%		0.0	30.0	0.0
	A45 Grade Separated Junctions	40	4	77%	23%		3.1	0.9	0.0
	A361 Daventry-M40 traffic management	5	5		100%		0.0	5.0	0.0
Bus	Quality Inter-Urban Bus Network	30	15	70%	21%	8%	10.5	3.2	1.2
	Development of rural service routes	30	15	70%	21%	8%	10.5	3.2	1.2
	Rail station interchange/parking improvements	14	7	70%	21%	8%	4.9	1.5	0.6
TDM	TDM at journey origins	8	4	70%	21%	8%	2.8	0.8	0.3
	Joint strategy for all Northampton parking	5	5	100%			5.0	0.0	0.0
	Buzz smartcard - Integrated ticketing	4	2	70%	21%	8%	1.4	0.4	0.2
	HOV priority on A45	10	5	77%	23%		3.9	1.2	0.0
Town Strategies	Road improvements around town Strategy	215	215	70%	21%	8%	150.5	45.2	17.2
	new road links	50	25	70%	21%	8%	17.5	5.3	2.0
	Enhanced urban bus network	40	20	70%	21%	8%	14.0	4.2	1.6
	Extend bus services to new developments	10	5	70%	21%	8%	3.5	1.1	0.4
	enhanced walking network	12	6	70%	21%	8%	4.2	1.3	0.5
	Improved facilities for cyclists	13	6.5	70%	21%	8%	4.6	1.4	0.5
	Improved streetscape in town centre's	50	25	70%	21%	8%	17.5	5.3	2.0
	Travel choices centre in new developments	5	5	70%	21%	8%	3.5	1.1	0.4
Prov items (i)	A508 Road Bypass	40	20	1			20.0	0.0	0.0
	A508 Upgrade Northampton NW Bypass to A14	10	5	1			5.0	0.0	0.0
	A361 Imp North of Daventry	8	4		1		0.0	4.0	0.0
	Extend Cycle Network to Rural Areas	4.5	2.25	0.7	0.21	0.08	1.6	0.5	0.2
Total		757.5	486.4				314.3	119.7	48.8
Residential portion (80%)			389.1				251.4	95.8	39.1
Additional dwellings in area			46,422				29782	10377	6263
<i>Cost per dwelling</i>			<i>£8,381</i>				<i>£8,441</i>	<i>£9,232</i>	<i>£6,236</i>
Additional dwellings in area (with allowance for Brackley)			44,382				29782	10377	4223
<i>Cost per dwelling</i>			<i>£8,767</i>				<i>£8,441</i>	<i>£9,232</i>	<i>£9,248</i>

3 Potential variation in household size on individual sites.

Requirements for many of the infrastructure items in the POS cost schedule are derived from population-based standards, in the form of units of a facility per head of population. Table 3.1 identifies those facilities for which demand is estimated in this way. (Other facilities for which demand has been estimated directly from household numbers rather than population, so household size is not a direct factor, are also indicated.) The table further identifies from among the population-based facilities those for which demand depends on the ratio of children to dwellings, which is also affected by size of dwelling.

Table 3.1 Contribution of population-related and children-related facilities to FSC (unrevised costs)

Facility	FSC per dw	pop related	children related
Primary School	£4,429	yes	yes
Secondary School	£3,051	yes	yes
Libraries	£221	yes	
Archives	£43	yes	
Community facilities	£439	yes	
Equipped play space	£1,097	yes	yes
Non-equipped play space	£148	yes	yes
Playing pitches	£757	yes	
District park	£571	yes	
Green infrastructure	£250		
Public realm	£480		
Cultural investment	£360		
Burial grounds	£12	yes	
Sports hall	£481	yes	
Swimming pool	£254	yes	
Police station	£432	(hhld)	
Fire station	£86	(hhld)	
GP health centre	£775	yes	
Dentist	£267	yes	
Acute hospital	£661	(hhld)	
Intermediate health care provision	£861	(hhld)	
Waste disposal	£409	(hhld)	
Transport	£8,381		
Land	£6,500		
Training	£97		
Voluntary sector support	£260		

The number of persons per household will clearly tend to vary according to the mix of dwelling sizes in a development. Concerns have been expressed that in individual cases where the dwelling size mix may differ significantly from the assumed average, requirements for some of the facilities in the infrastructure cost schedule may be reduced or absent. The justifiable FSC for these sites would then be lower than stated in the POS and, if the reduction were sufficiently great, could theoretically be lower than the DSC.

In the POS, requirements and costs per population have been converted into facilities per dwelling by applying a ratio of 2.4 persons per dwelling, taken from the DCLG 2004-based estimates. Data on population per new dwelling by dwelling type, derived by surveys of recently completed developments, are presented in

Table 2.3 of Northamptonshire County Council's "Creating Sustainable Communities: Planning Obligations Framework and Guidance, Consultation Draft" (Jan 2010). These data are set out in Table 3.2, which also shows the dwelling size mix for West Northamptonshire in percentage terms as assumed for the POS. This is taken from the Strategic Housing Market Assessment for West Northamptonshire (2007) and is also quoted in Figure 8 of the 2009 SHMA (May 2010).

Table 3.2 Population and children per dwelling by dwelling size

	Dwelling size					
	1 bed	2 bed	3 bed	4 bed	5 bed	Total
Percentage of dwellings from SHMA	10%	28%	47%	12%	3%	100%
Population per dwelling in size category from NCC	1.32	1.76	2.6	3.3	3.7	2.4 (i)
Children per dwelling in size category from NCC	0.02	0.16	0.71	1.25	1.57	0.59 (i)

Note: (i) obtained by applying percentages in row 1 to children per dw in row 3 and summing the result

The total cost per dwelling of population-related items in the schedule, excluding those specifically to serve the needs of children, is £3820. The total cost per dwelling of children's play space is £1,245. These are the costs applicable to a development which exhibits the standard dwelling mix and therefore an average household size of 2.4 persons per dwelling (assuming one dwelling per household) and an average of 0.59 children per dwelling. Table 3.2 shows that average household size and children per dwelling will tend to be reduced from these levels if the proportion of dwellings in the one and two-bedroom categories is higher than the assumed levels of 10% and 28% respectively. For example, if 100% of dwellings in a development were to be one-bedroom flats, the average population per dwelling would be reduced to 1.32 and there would be almost no children.

Table 3.3 examines the implications of four different dwelling mixes, all comprising mainly one and two-bedroom dwellings, for total cost per dwelling of the population-related (excluding children-related) infrastructure items and children's playspace, alongside the standard mix. In the extreme case of 100% of dwellings being one-bed units, the contribution to the population-related items in the FSC would be reduced from £3,820 to £2,101 per dwelling, a reduction of £1,700. The contribution to children's playspace in the FSC would be concomitantly reduced from £1,245 to £37 per dwelling, a reduction of £1,200.

Table 3.3 Implications of dwelling mix variations on population-related components of FSC

		Dwelling mix				
		100% 1-bed	50% 1-bed, 50% 2-bed	100% 2-bed	50% 2-bed, 50% 3-bed	standard
Total population	Average pop/dw	1.32	1.54	1.76	2.18	2.4
	Pop/dw as % of standard mix	55%	64%	73%	91%	100%
	Total cost per dw of pop-related items (exc. children's)	£2,101	£2,451	£2,801	£3,470	£3,820

	facilities)					
Children	Average children/dw	0.02	0.09	0.16	0.435	0.59
	Children/dw as % of standard mix	3%	5%	9%	74%	100%
	Total cost per dw of children's facilities	£37	£62	£112	£918	£1,245

A similar analysis can be made of the impact of variations in dwelling size on demand for schools. Table 3.4 sets out pupils per dwelling ratios derived from the pupil generation rates by dwelling size in Northamptonshire County Council's "Creating Sustainable Communities" document.

Table 3.4 Pupils per dwelling by dwelling size

		Pupils per dwelling by dwelling size					
		1 bed	2 bed	3 bed	4 bed	5 bed	Total (i)
School level	early years	0.0	0.01	0.08	0.18	0.18	0.07
	primary	0.0	0.04	0.28	0.63	0.65	0.24
	secondary	0.0	0.02	0.13	0.24	0.43	0.11
	post-16	0.0	0.01	0.02	0.02	0.09	0.02
Percentage of dwellings from SHMA		10%	28%	47%	12%	3%	100%

Note: (i) obtained by applying percentages in final row 1 to pupils per dw in each row and summing the result

Table 3.5 examines the implications of the same four dwelling mixes as were considered above for total cost per dwelling of schools provision, alongside the standard mix. In the extreme case of 100% of dwellings being one-bed units, the contribution to primary/early years and secondary/post-16 schools in the FSC would be reduced from £4,429 and £3,051 per dwelling respectively, to zero.

Table 3.5 Implications of dwelling mix variations on school components of FSC

School level		Dwelling mix				
		100% 1-bed	50% 1-bed, 50% 2-bed	100% 2-bed	50% 2-bed, 50% 3-bed	standard
Primary & early years	Average pupils/dw	0	0.027	0.053	0.209	0.31
	Pupils/dw as % of standard mix	0%	9%	17%	68%	100%
	Total cost per dw of primary & early years facilities	£0	£382	£763	£2,995	£4,429
Secondary & Post 16	Average children/dw	0	0.016	0.031	0.089	0.13
	Pupils/dw as % of standard mix	0%	12%	25%	71%	100%

Total cost per dw of secondary & post-16 facilities	£0	£377	£754	£2,163	£3,051
---	----	------	------	--------	--------

As well as the reduction in the cost of providing facilities there would also be a reduction in the requirement for land to accommodate these facilities. In the POS the land fund contributes £6,500 per dwelling to the FSC to pay for an average of 10.83 ha per 1000 dwellings. In the case of 100% 1-bed flats, the requirement for school sites and play space would be effectively eliminated, reducing the total requirement to 6.73 ha per 1000 dwellings. The requirement for the remaining population-related facilities would be reduced to 55% of this level, as shown in Table 3.3, or 3.7 ha, which would result in a land fund of about £2,200 per dwelling, a reduction of £4,300 from the POS level.

Conclusions

Table 3.6 sets out how cost per dwelling for population and pupil/child related facilities and their land requirements vary with dwelling size mix. The final row shows the reduction in FSC resulting from the lower occupation levels. As the current difference between the FSC and DSC in the POS is £11,300, it can be seen that the two dwelling mixes which comprise no more than 50% 2-bed dwellings, with the remainder 1-bed only, would be overcharged at a DSC of £20,000 per dwelling. However, these development mixes, focussed entirely on one- and two-bed units, would be a very exceptional type of development in the WNDC area, particularly for a development above the 200 unit threshold for applications to WNDC. Table 3.6 sets out the dwelling mix of several of the main development proposals for which planning applications have been made to WNDC in recent years. It can be seen that in no case is the proportion of one- or two-bed units significantly higher than the levels of 10% and 28% respectively assumed in the standard mix.

The DSC is very unlikely to be excessive in relation to population-related infrastructure costs for any development as a result of a biased dwelling mix. Should this arise, however, the developer would be able to claim an exception to the POS.

Table 3.6 Cost per dwelling of facilities and land by dwelling size mix

Infrastructure item		Cost per dwelling by dwelling size mix				
		100% 1-bed	50% 1-bed, 50% 2-bed	100% 2-bed	50% 2-bed, 50% 3-bed	standard
Facility	Primary school	0	382	763	2995	4429
	Secondary school	0	377	754	2163	3051
	Playspace	37	62	112	921	1245
	Other pop-related	2101	2445	2789	3476	3820
Land	Primary school	0	68	136	532	786
	Secondary school	0	64	129	370	522
	Playspace	35	58	104	853	1152
	Other pop-related	2222	2585	2949	3676	4039

Total	4395	6041	7735	14986	19045
<i>Difference from POS</i>	<i>-14650</i>	<i>-13004</i>	<i>-11310</i>	<i>-4059</i>	<i>0</i>

Table 3.6 Dwelling size mix in recent WNDC planning applications

Site / description	Number and percentage of dwellings				
	1 bed	2 bed	3 bed	4 bed+	Total
Banbury Lane, Northampton (10/0188/Full)	19 (11%)	29 (16%)	77 (44%)	51 (29%)	176
Grange Park, Northampton (07/0333/OUT)	Mix not specified but indicated to be 60% flats 40% houses				450
Belle Baulk Towcester (10/0090/Out)	0	24 (29%)	17 (21%)	41 (50%)	82
Towcester Vale	Original scheme for 3,000 dwellings – to be reduced / revised? Mix not given				
Monksmoor, Daventry (07/0161/Out)	Not specified but suggested that 33% flats (assumed to be 1 & 2 bed)		67% dwellings (might include some 2 bed?)		1,000
Middlemore 5B, Daventry (07/ ??/Full)	3 (4%)	26 (30%)	27 (31%)	30 (35%)	86
Churchfields application, Daventry	15% (1 and 2-bed)	30%	40%	15%	4,000

4 Availability of spare capacity

The FSC is calculated on the basis that all development generates a requirement for infrastructure provision and the per dwelling costs of meeting these infrastructure needs do not vary significantly between locations. However, if for one or other of the three towns available spare capacity in any of the infrastructure items could be demonstrated, this would imply a lower FSC for that town and hence a reduction in the margin between FSC and DSC. An exceptional amount of available spare capacity in one town could theoretically reduce the FSC to below the level of the DSC such that the latter would unacceptably raise more funds per dwelling than would be justified by the requirements of a development in that town.

We have reviewed the information on available spare capacity for all the infrastructure items in the cost schedule for which there are clear enough provision standards for capacity to be measured meaningfully. These are discussed below in groups: schools, open space/recreation, and health centres. It is not considered that spare capacity can be meaningfully measured in relation to other space-using facilities, comprising libraries/community halls, hospitals, burial grounds, and emergency services, and certainly not for the remaining items in the schedule: public realm, cultural investment, waste disposal, voluntary/community sector, and employment training.

Schools

NCC has made available data on school places and pupil roles for Jan 2010 which they have compiled to support their “Strategic Plan for Schools, 2010 to 2021” (SPS) of Nov 2010. Some spare capacity in schools is

necessary to maintain flexibility to cope with varying future demand and to allow for parental choice. There is no strict target for spare capacity but the Audit Commission quotes a figure of 5 to 10% as reasonable over an area and considers it undesirable for individual schools to have more than 25 per cent surplus capacity.

Table 2 shows estimates at the town level of the percentage of nominally surplus school places in primary and secondary schools, and the number of schools with surplus capacity greater than 25%, between 10% and 25%, and below, in 2010. Table 3 shows the equivalent data for Jan 2015 based on the projected needs of the existing population, i.e. not allowing for pupils from planned new development.

Table 4.1 Surplus capacity in schools, Jan 2010

Level			Northampton	Daventry	Towcester
Primary	% surplus in town		12%	15%	18%
	No of schools	total	49	5 (i)	2
		> 25%	8	2	1
		> 10% surplus	13	1	0
	< 10% surplus	28	2	1	
Secondary	% surplus in town		12%	18%	4%
	No of schools	total	10	2	1
		> 25% surplus	0	0	0
		> 10% surplus	6	2	0
	< 10% surplus	4	0	1	

Source:Northamptonshire County Council

Note: (i) Counting three infant and junior pairs as single schools

Table 4.2 Surplus capacity in schools without further development, Jan 2015

Level			Northampton	Daventry	Towcester
Primary	% surplus in town		2%	11%	28%
	No of schools	total	49	5	2
		> 25% surplus	2	1	1
		> 10% surplus	4	1	0
	< 10% surplus	43	3	1	
Secondary	% surplus in town		10%	17%	3%
	No of schools	total	10	2	1
		> 25% surplus	1	0	0
		> 10% surplus	3	2	0
	< 10% surplus	4	0	1	

Source:Northamptonshire County Council

At town level, there is a certain amount of surplus capacity beyond the recommended level of 10%, in the primary schools in each of the three towns, particularly in Towcester and Daventry. A small number of individual schools in each town have surplus capacity above the 25% level. However, because of the demographic structure of the population, most of this overall spare capacity is projected to disappear within a few years. Daventry is expected to have very slightly over the 10% threshold of surplus capacity by 2015, but in Towcester the surplus is projected to increase to just beyond the individual school threshold of 25%.

There is a similar level of surplus capacity in the secondary schools in Northampton and Daventry, again beyond the recommended level of 10%, but a minimal level in Towcester. However, none of the secondary schools in any town has a surplus above the 25% level. This situation is not expected to change greatly by 2015.

In summary, there is limited surplus capacity beyond the key 25% threshold for individual schools at either primary or secondary level in any of the three towns at present, and the amounts of such capacity are projected to be even more limited by 2015, even assuming no further housing development. There is therefore no case for reduced per dwelling costs for schools in one or more of the three towns on the grounds of spare capacity.

Furthermore, even where spare capacity may be demonstrated, there are a number of reasons, set out in the conclusions to this section, why it should not be assumed that this capacity would be available to meet the needs of new development either free of a s106 charge or at all.

Open space and recreation

PPG17 assessments have been undertaken in recent years for the three local authority areas: Northampton Borough Council (Sept 2009), Daventry District Council (April 2009), and South Northamptonshire District Council (Dec 2007). For most items these studies compare existing provision with the quantity standards they recommend, although data are not always presented at the level of the individual towns of Daventry and Towcester.

The results of these comparisons are set out in Table 4.3. Shortfalls in existing provision against the local standard are indicated in red, excesses in blue. Assessments for Northampton and Daventry town cover all items and reveal that the only item for which there is an excess of supply over demand in the town is swimming pools in Northampton. However, this is a facility which serves a wider area of the county than just Northampton so it cannot be concluded there is genuine spare capacity in this case.

The data for Towcester are not complete. However, the assessments indicate significant shortfalls in children's and young people's play space and in outdoor sports facilities (i.e. playing pitches in the POS terminology). None of the assessments for Towcester indicates the availability of any spare capacity.

Table 4.3 Comparison of existing provision and local standards for open space and recreation facilities.

Infrastructure item	Unit	Northampton		Daventry town		Towcester	
		Standard	Existing	Standard	Existing	Standard	Existing
		Units per '000 pop					
Parks and Gardens	ha	1.05	1.05	0.19	0.19	0.4	
Nat & Semi Nat OS	ha	1.57	1.57	2.3	1.28	1.15	
Children's OS	ha	0.04	0.02	0.1	0.11	0.95 play areas	shortfall
Young People's OS	ha	0.03	0.01	0.05	0.01	0.2 play areas	shortfall
Outdoor Sports facilities	ha	1.62	1.51	2.45	2.29	2.1	0.74
Sports hall	courts	0.29	90% (i)	0.28	shortfall in DC		
Swimming pool	m2	10.51	186% (i)	10.3	shortfall in DC		

Note: (i) % of demand met, using Active Places Power, the Sport England facility planning tool

Health centres

The accepted national standard for GP provision is 1,800 patients per GP, a standard implicit in GP contracts. According to 2007 NHS data, average GP list sizes in Northamptonshire (1,717) are higher than the national average (1,606). Spare capacity in any particular town would appear to be unlikely.

Conclusion

The above analysis indicates that the possibility of substantial spare capacity being available in any of the three towns sufficient to draw into question the level at which the DSC is set is so low as to be reasonably ignored.

Furthermore, there are a number of reasons why even apparent spare capacity should not be assumed to be available to meet the needs of new development:

- d) Facilities with spare capacity may not be conveniently located to serve new development.
- e) Where infrastructure capacity has been previously provided to meet the needs of future development, contributions are still justifiable. It should be noted that Circular 05/2005 states that in such cases "spare capacity in existing infrastructure provision should not be credited to earlier developers".
- f) Availability of spare capacity may not be relevant in cases where the delivery model or form of provision may be currently or potentially subject to change (e.g. introducing intermediate health provision, neighbourhood policing requirements etc)
- g) In the case of schools, NCC may be intending to rationalise their existing provision (e.g. by school reorganisation) and perhaps to sell off excess assets (as encouraged by the Audit Commission) before development gives rise to additional demand.

5 Comparison of POS per dwelling costs with those in WNJPU Infrastructure Schedule

The WNJPU Infrastructure Schedule sets out a list of projects considered to be required to support the level of development envisaged in the Submission Core Strategy for the West Northamptonshire area (comprising the three LPAs of Northampton Borough, Daventry District, and South Northamptonshire District). It should in principle be feasible to make a broad comparison between the costs per dwelling for the main infrastructure items as estimated for the POS and the total costs of identified infrastructure projects required to serve the WNDC area, calculated on a per dwelling basis.

The WNJPU schedule does not cover all the infrastructure items making up the POS FSC. The following items have no costed items in the schedule:

- Archives
- Cultural investment
- Voluntary sector
- Land fund
- Fire station
- Acute hospital
- Intermediate health
- Waste disposal

In order to make a direct comparison in relation to the items common to the two schedules it is necessary to adopt appropriate dwelling numbers for each of the towns within the WNDC area. The projects in the WNJPU schedule have been identified as required to accommodate the total quantity of new residential development in the Core Strategy, which is less than the dwelling numbers assumed for the POS. Housing numbers from the Core Strategy should therefore be used to calculate costs per dwelling, to permit direct comparison with those derived for the POS.

For most infrastructure items the housing numbers should be those for the towns in the WNDC area within which most new residential development is planned to take place, rather than their surrounding rural areas. The exceptions are transport and secondary schools which serve a wider catchment, such that facilities serving the town may lie outside it or facilities in the town may serve a wider area.

Policy S3 of the Submission Core Strategy includes a table giving the net additional housing requirement over the period 2001 to 2026 for each town and the number of completions between 2001 and 2010, from which the additional dwellings per town can be calculated as: Northampton (including Northampton-related development in Daventry and South Northants Districts) 23,220, Daventry 4,510, and Towcester 1,780.

For transport and secondary schools, suitable dwelling numbers can also be derived from the table in Policy S3 of the Submission Core Strategy. The 2010 to 2016 housing requirement for Northampton Related Development is the same as for the town, 23,220. For Daventry, the whole district figure, 9,190 may be used, while for Towcester, given that the district contains two comparable towns for growth, it would be reasonable to allocate 50% of the district total to the town.

The total of the costs for each POS infrastructure item for each town has been calculated. Projects were categorised using the project descriptions in the schedule, rather than the schedule's own infrastructure categories, and were allocated to locations as shown in the schedule. It should be borne in mind that the WNJPU schedule does not include costs for some of the infrastructure items included in the POS, including archives, cultural investment, voluntary sector, and land (as well as items which are expected to be deleted

from the POS, i.e. fire service, acute hospital, intermediate health care, and waste disposal). Also, some multi-use projects cover more than one type of facility but the costs of these projects were allocated to a single selected type.

The total costs for each item of infrastructure and town were divided among the additional dwelling numbers assumed for each of the three districts. The resulting costs per dwelling for each infrastructure item were then compared with the original POS costs per dwelling, modified in four cases to take account of emerging revisions. A summary of costs per dwelling by infrastructure item for the whole WNDC area is given in Table 5.1 and the full table in Table 5.2.

Table 5.1 Comparison of cost per dwelling of infrastructure items from WNJPU data and POS

Infrastructure item	Cost per dwelling			
	WNJPU data	POS	POS minus WNJPU	% difference
Primary school *	3416	4429	1013	30%
Library *	98	221	123	125%
Community centre *	413	439	26	6%
Playspace	861	721	-140	-16%
Playing pitches	532	233	-299	-56%
District park *	37	438	401	1075%
Green infrastructure *	302	250	-52	-17%
Public realm	685	480	-205	-30%
Sports hall/swimming pool	424	735	311	74%
Police *	51	432	381	750%
Health centre *	1047	1042	-5	0%
Employment training	81	97	16	19%
Burial grounds	0	12	12	
Secondary school *	4100	3051	-1049	-26%
Transport *	7036	8381	1345	19%
Total	19082	20961	1879	10%

*Notse: (i) * indicates item with projects of unknown cost in WNJPU schedule*
(ii) figures in shaded cells are latest revisions from the original POS

The total cost per dwelling of all the items listed is around £21.0k under the POS and £19.1k based on the WNJPU schedule, a difference of £1.9k or 10% and a close match in total terms. The most substantial positive differences in percentage terms (i.e. POS cost is greater than WNJPU cost) relate to district park, police, and library. These items are noted as including projects of unknown cost; for example there are uncosted district park projects for all three towns in the WNJPU schedule.

It may be noted from the full analysis that the total costs per dwelling for the three towns individually are £17.1k for Northampton, £16.8k for Daventry, and £29.6k for Towcester, compared with the WNJPU figure for all the towns combined of £19.1k. The Towcester figure is especially high due to the inclusion of a secondary school which contributes over £9,000 per dwelling to the total costs per dwelling from the town. Transport

costs vary around the overall WNJPU figure of £7.0k, at £7.3k, £5.5k and £9.0k for Northampton, Daventry and Towcester, respectively (compared with £8.4m in the POS).

Conclusion

Despite the differences between the two approaches to developing the cost per dwelling figures, the differences in the housing numbers and their distribution, and the incompleteness of the WNJPU cost data, this comparison suggests that the POS FSC total cost per dwelling figures are broadly realistic and not likely to be excessive.

6 Conclusions

The difference between the FSC of £31,322 and the DSC of £20,000 in the original POS is about £11,300 per dwelling. Under the emerging revisions several infrastructure items are likely to be deleted from the FSC while the costs per dwelling of others are likely to be revised downwards, resulting in a revised FSC of the order of £28,100. At the same time the DSC is being proposed to be reduced to £18,000 per dwelling. The revised difference between the FSC and the DSC is therefore likely to be reduced from £11,300 to £10,100 per dwelling.

The analyses have demonstrated that none of the factors examined is likely to lead to sufficient variation in costs between locations which could lead to a situation in which the DSC may exceed the cost of infrastructure required to support a development. Furthermore, the possibility of developments coming forward with dwelling mixes comprising small units whose population would be insufficient to justify infrastructure costs at the DSC level is remote, particularly as the threshold for WNDC applications is due to be increased from 50 to 200 dwellings in April 2011.

ERM

March 2011