

NORTH HERTFORDSHIRE DISTRICT COUNCIL

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Planning Policy
Stevenage Borough Council
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Our Ref: PL11/LA

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Dear Planning Policy Team

North Hertfordshire District Council response to the Stevenage Borough Council Community Infrastructure Levy Draft Charging Schedule consultation

Thank you for providing North Hertfordshire District Council the opportunity to comment on the Stevenage Borough Council Community Infrastructure Levy (CIL) Draft Charging Schedule. Please also refer to our earlier consultation response to the Stevenage Borough Council Preliminary Draft Charging Schedule consultation dated the 24th October 2018 which are appended to these comments.

As you are aware, North Hertfordshire is currently at an advanced stage of Local Plan preparation. Since your last consultation, we have consulted on the proposed Main Modifications to our Plan between January and April 2019. In recent months, North Hertfordshire District Council has also made the decision to not pursue a CIL for the time being. Since this time, work has commenced on a new Developer Contributions SPD, which will supersede the existing North Hertfordshire Planning Obligations SPD, once adopted.

North Hertfordshire is keen to explore and capitalise upon the best sources of infrastructure funding to support the levels of growth envisaged in its emerging plan and has been engaged in the recent Planning Advisory Service CIL/S106 Pilot project, along with other Hertfordshire authorities, including Stevenage Borough Council. Through this process, it has reinforced the North Hertfordshire position to not pursue CIL at this present time, however we will continue to review this position, particularly in light of smaller development sites. We also recognise the importance of joint working between our authorities given the unprecedented scale of development envisaged in our respective Local Plans.

Cross-boundary infrastructure requirements

Given that a number of housing sites are identified along our shared administrative boundary (comprising NS1 North of Stevenage, GA1 Land at Roundwood, GA2 Land off Mendip Way, Great Ashby within the North Hertfordshire and HO3 North of Stevenage within the Stevenage Borough Council boundary), we re-emphasise the importance of ensuring that sufficient funds will be available to achieve the timely delivery of these sites and the infrastructure required to support them. Due to this, we



consider it essential that the charging rates proposed by your authority are set at a level which delivers the aims of our respective plans whilst ensuring viability.

A Post Consultation Viability Note (January 2019) has been produced to take into account issues relating to increased infrastructure and mitigation costs for the Northern and Western Extensions. It states that the proposed rate of £100/square metre continues to be viable in these circumstances and this is welcomed.

Nonetheless, we are concerned as to whether the rates set an appropriate balance between the investment required to support growth, the balance between infrastructure to be provided on-site and off-site, the robustness of the evidence underlying the strategic infrastructure and mitigations costs and the impact on viability as stipulated in Planning Practice Guidance.

The revised viability note suggests that the CIL rates could continue to be supported with higher on-site costs on your strategic sites. It logically follows that if, after appropriate scrutiny, on-site costs could / should be lower, higher CIL rates could be supported. These might be used to potentially fund a greater proportion of off-site infrastructure requirements such as (but not necessarily limited to) sustainable travel infrastructure or secondary education as identified in your draft Regulation 123 list.

We have concerns that some of the assumptions underpinning your infrastructure and mitigation costs – which are effectively treated as a fixed input to the viability calculations – may not have been subject to appropriate scrutiny and would benefit from exploration as part of the examination process.

Infrastructure projects and Regulation 123 list

We are pleased to see that since consultation on the Preliminary Draft Charging Schedule, the evidence underpinning the proposed Stevenage CIL charging rates now includes direct reference to the Infrastructure Delivery Plan (IDP). As part of this, we can see that Appendix 1 of the IDP sets out a range of infrastructure projects that will deliver the aims of the Stevenage Local Plan. We welcome that this has been translated, in broad terms, into a number of items upon your draft Regulation 123 list.

It is noted that your Regulation 123 list does not include contributions towards health provision. We would welcome clarity on your intended approach in this regard. We consider that strategic health infrastructure provision (such as any future new facilities at the Lister Hospital) is ultimately likely to benefit from direct Government funding. However, it is imperative to ensure there is an appropriate pattern of healthcare provision across the town as proposed to be expanded.

Our emerging Plan recognises that our own proposed allocations across the north of the town will generate a requirement for two additional GPs. It further states that the most appropriate location and format for this provision is yet to be determined.

In the meantime, North Hertfordshire would welcome proactive discussion with Stevenage Borough Council to identify and develop key projects, which may inform the distribution of monies in accordance with your Regulation 123 list, and/or the forthcoming Infrastructure Funding Statements. In doing so, our Councils will no



doubt benefit from early engagement with infrastructure providers, landowners and developers to ensure infrastructure is both fit for purpose and deliverable.

Governance arrangements

We would encourage greater consideration and clarity over the eventual governance arrangements. Whilst we recognise that the Stevenage Draft Charging Schedule states at paragraph 7.1 that, "Governance arrangements in relation to spending and monitoring CIL money will require further consideration prior to its adoption", we consider it potentially postponing difficult decisions.

Without clarity at this stage, it could compromise the ability to deliver the infrastructure required. This is especially salient given the inability to tie CIL to specific projects at the outset, unlike S106 which provides greater certainty. We therefore urge you to consider this matter in greater detail prior to Examination.

Next steps

Whilst North Hertfordshire has decided not to pursue CIL at this current time, we are committed to ensuring that planned housing growth and the required infrastructure can be brought forward in a coordinated and positive manner with our neighbouring authorities. We look forward to ongoing engagement on issues outlined in this consultation response prior to the submission of the Stevenage Borough Council CIL Charging Schedule for Examination in Public.

At this stage we would request the right to be heard by any future CIL examiner to ensure that cross-border infrastructure funding considerations are appropriately taken into account.

Yours sincerely,

Cllr David Levett
Executive Member for Planning, Enterprise and Transport

**Appendix: NHDC Response to Preliminary Draft Charging Schedule
consultation, October 2018**

NORTH HERTFORDSHIRE DISTRICT COUNCIL

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24 October 2018

Planning Policy
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Our Ref: PL10/LA

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Dear Planning Policy Team

North Hertfordshire District Council response to the Stevenage Borough Council Community Infrastructure Levy Preliminary Draft Charging Schedule consultation

Thank you for providing North Hertfordshire District Council the opportunity to comment on the Stevenage Borough Council Community Infrastructure Levy (CIL) Preliminary Draft Charging Schedule, which sets out proposed CIL charging rates.

As you are aware, North Hertfordshire is currently at an advanced stage of Local Plan preparation and is currently awaiting a schedule of proposed modifications from the Inspector appointed to conduct the Examination.

North Hertfordshire District Council is yet to take a decision on whether to pursue CIL. We would therefore welcome the opportunity to continue to work with Stevenage Borough Council in ensuring that the infrastructure required to support the delivery of our Local Plans can be delivered in a timely and effective way.

Cross-boundary infrastructure requirements

Our authorities have previously worked together during the preparation of our Local Plans, including on-going engagement regarding housing allocations along our shared administrative boundary, namely NS1 North of Stevenage, GA1 Land at Roundwood, GA2 Land off Mendip Way, Great Ashby (all within the North Hertfordshire District Council boundary), as well as HO3 North of Stevenage (within the Stevenage Borough Council boundary). The allocations collectively set out plans for 2,630 dwellings.

We are particularly concerned to ensure that adequate funding for infrastructure is achieved to ensure the timely delivery of these development sites. This is also vital in the context of the Stevenage Local Plan with ambitions to bring forward growth and regeneration over the town as a whole.



We are keen to work with you proactively to ensure that progress on your CIL is undertaken in a clear and robust way, addressing the cross-boundary impacts on infrastructure, services, transport networks and the environment.

Evidence base

It is noted in the CIL Viability Update that the residual valuation for the Northern Extension is identified as viable, with potential for CIL (p.50). As shown in the Stevenage Borough Council CIL Viability Update, house prices have risen by circa 20% in the period 2015-2017 (Table 4.2, p.16). This indicates a rapidly changing housing market, which will require monitoring once CIL is adopted to ensure that rates continue to be set at an appropriate level to maximise receipts given the identified funding gap.

Infrastructure delivery

Given that the NS1 North of Stevenage allocation is directly linked to the HO3 North of Stevenage allocation, it is imperative that delivery mechanisms for any cross-border, common or shared infrastructure are discussed not only between our Councils, but also in conjunction with the relevant landowners, developers and infrastructure providers. This will ensure that there is a coherent and integrated approach to infrastructure delivery.

We would welcome clarification as to whether site-specific requirements will continue to be secured through S106 agreements, with CIL in addition to this.

Further to this, future secondary school provision required to support growth in Stevenage is likely to be provided within the North Hertfordshire administrative boundary. This may arise from the direct demand for school places, from displaced demand or due to the residents of schemes taking priority over existing and future North Hertfordshire residents.¹ For this reason, the Council is keen to ensure that there is ongoing engagement between our authorities in relation to governance arrangements.

Transitional arrangements and the phasing of development

Given that an outline permission granted prior to the introduction of CIL, followed by reserved matters after the introduction of CIL does not incur a liability, the timing of the introduction of the Stevenage CIL in relation to site delivery will be an important consideration. This is particularly relevant for your North of Stevenage site where an outline application is presently awaiting determination,

¹ Hertfordshire County Council have requested the provision of eight forms of entry (8FE) of secondary education provision to serve the Stevenage area in our own emerging plan. Based upon the ratios used by the County Council to plan for new schools, new development in this part of North Hertfordshire will generate approximately 5FE of additional demand.



Infrastructure providers and funding mechanisms

In terms of infrastructure delivery, we would urge you to consider the roles of Stevenage Borough Council and Hertfordshire County Council once CIL is adopted. Section 106 allows for the provision of infrastructure by the developer, whereas the responsibility and risk of delivering projects funded by CIL would be passed to the Council and County Council.

Further to this, as outlined in the Whole Plan Viability Study (paragraphs 13.23 and 13.24, pages 138 and 139), Stevenage Borough Council will need to consider the mechanisms for the delivery of infrastructure under a CIL regime, including borrowing. We note that the issue of forward funding is addressed in the Infrastructure Funding Strategy (para. 5.2.1, p.26) to take into account the expected lag between the preparation and adoption of CIL and the time at which CIL receipts are collected.

We consider these considerations of paramount importance to ensure that the necessary infrastructure can be secured, and to prevent unnecessary delays to development.

Governance arrangements

We would urge you to provide greater clarity on the proposed governance arrangements in relation to the delivery of infrastructure.

We request that we are involved in forthcoming discussions regarding the Stevenage Regulation 123 list and proposed governance arrangements, once further details are known. This will ensure that cross-boundary infrastructure impacts are considered from the outset. Concurrently, there may be a need for our authorities to work collaboratively on securing other sources of funding.

Next steps

Whilst North Hertfordshire is yet to take a decision on whether to pursue CIL, we are firmly committed to meaningful collaborative working between our authorities to ensure that our respective planned housing growth can be brought forward in a coordinated and positive manner. We look forward to ongoing engagement and the opportunity to comment once again during your forthcoming consultation on the Stevenage Borough Council CIL Draft Charging Schedule.

Yours sincerely,

Cllr David Levett

Executive Member for Planning, Enterprise and Transport