



<u>Committee and Date</u> Performance Management Scrutiny Committee 21 September 2017	<u>Item</u> 11 <u>Public</u>
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Report of the S106, CIL & NHB Task and Finish Group

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1. Summary

1.1 During consideration of the Draft Corporate Plan 2016/17 to 2018/19 the Financial Strategy Task and Finish Group took particular interest in the importance of ensuring Shropshire has a prosperous economy. The current and potential future use of Section 106, CIL and NHB by the Council was an area of focus which emerged and was subsequently agreed by this Scrutiny Committee to be a Task and Finish Group. The group has met 3 times to date. The scope of the work undertaken by the Task and Finish Group is set out under 'Background' below.

2. Recommendations

2.1 The Group recommends:

- i) That the existing Developer Contributions SPD and the Type and Affordability of Housing SPD be reviewed. With regard to the Type and Affordability of Housing SPD this should seek to incentivise individual landowners and parishes to bring forward land for affordable housing use;
- ii) That increased effort be directed into promoting Community-led affordable housing schemes;
- iii) That the Local Plan Member Group be recommended to consider the need to review existing countryside planning policies (CS5 / CS11 / MD7a & b) in relation to the delivery of affordable housing as part of the current Local Plan Review;
- iv) That arrangements for allocating CIL revenue should be clarified to ensure that available funding is used to support the highest investment priorities.

The Portfolio Holder for Planning should be asked to agree any spending decisions made by the officer level Internal Infrastructure Group.

- v) That a letter be sent to all Shropshire Council Councillors and all Parish and Town Councils clarifying who the responsible authorities are for various parts of the CIL revenue, and Shropshire Council's expectations on how the CIL revenue will be prioritised. This letter will be circulated alongside the annual Place Plan letter.

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3. Risk Assessment and Opportunities Appraisal

- 3.1 As Local Planning Authority, Shropshire Council is charged with ensuring that new development is accompanied by the local facilities, services and infrastructure which are needed to support a sustainable community. The Council receives contributions from new development through various mechanisms to help mitigate its impact and to support additional investment in infrastructure. The effective management of these revenue collection mechanisms and appropriate use of the resultant revenue is essential for compliance with national legislation and to manage the impact on new development.

4. Financial Implications

- 4.1 New development can impose a significant burden on existing facilities, services and infrastructure, including those which are the responsibility of Shropshire Council. Whilst substantial sums are collected annually from developer contributions including CIL, S106 and the New Homes Bonus, these are dwarfed by the cost of the infrastructure improvements which they are designed to support. It is therefore essential that this revenue is prioritised and used effectively for investment in infrastructure for which no other funding sources are available.

5. Background

- 5.1 Over the course of its meetings to date, the Task & Finish Group has:
- Received detailed briefings outlining the key features and operation of developer contributions, including affordable housing, from planning legal agreements (S106); New Homes Bonus; and the Community Infrastructure Levy;
 - Received detailed financial information on the revenue from S106 agreements, CIL and NHB, and on how this funding is being used;
 - Investigated the process for identifying infrastructure spending priorities including Place Plans.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Cabinet Member (Portfolio Holder)

Robert Macey, Portfolio Holder Planning

Local Members

All

Appendices

None