

Report Title:	
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Infrastructure Plan

Context

1. The shared ambition of the Partnership is to deliver sustainable communities. In order to achieve requires the alignment of investment in infrastructure and services.
2. Our initial work on infrastructure focused on working with the Homes and Communities Agency to develop the Local Investment Plan. However, whilst new development can act as a catalyst for change, the majority of our investment needs, both in terms of infrastructure and services, arises from existing patterns of development and/or activity.
3. This doesn't mean that we accept that those existing patterns are inevitable and immutable. The public sector can, and indeed does, target its investment in service provision and delivery to effect changes in behaviour. However, new development can often help support such change and/or act as an opportunity for realising new opportunities.

An Infrastructure Plan for Oxfordshire

4. It is for this reason that we need to look at infrastructure and service provision in the widest possible sense. An Infrastructure Plan for Oxfordshire will improve the co-ordination of investment across agencies, thereby helping realise savings through efficiencies and enhanced value for money.
5. The benefits of the Infrastructure Plan for Oxfordshire are that it will provide:
 - Clarity on the strategic infrastructure required to support investment by the private sector in economic activity;

- The basis for aligning the capital investment and service delivery programmes of local authorities across Oxfordshire to a common objective;
- The basis for engaging with national delivery agencies to ensure that their investment priorities and plans reflect Oxfordshire's needs;
- Clarity on the strategic infrastructure required to enable new development to take place;
- The basis for ensuring that those needs are reflected in the core strategies of local development frameworks prepared by district/city councils;
- The foundation for moving towards a levy consistent with the requirements of the Community Infrastructure Levy.

A Strategic Framework

6. Many of the key services on which the delivery of sustainable communities is dependent are delivered by agencies that operate at the strategic level. Many key activities – such as local transport, education, social services, waste disposal – are provided at the County level. Others – affordable housing, strategic transport, utilities, flood alleviation and defence – are provided by national agencies.
7. Our work on the Local Investment Plan started to set out the framework for some of these elements. However, more needs to be done in order to set out a framework that will enable us to influence the investment priorities and plans of all the key agencies.
8. Moreover, the scope of the work set out in the Local Investment Plan needs to be extended to reflect the fact that new development represents only a small proportion of the total need for investment in infrastructure and services.
9. The County Council is committed to setting out more clearly the investment needs relating to those activities for which it is responsible. In so doing it will continue to develop the management of its capital programme so that it properly represents a single programme of investment targeted at delivering specific outcomes.
10. In addition, it will continue to emphasise the importance of understanding even better the linkages between capital and revenue investment: in particular understanding the potential for revenue investments to change the shape of future capital investment needs. It will also look to ensure appropriate linkages are developed with its Asset Management Strategy.
11. A key driver for the County Council's work is the need to provide up to date advice to local planning authorities in respect of the extent to which funding from new development should make a contribution towards delivering the investment needs identified.

12. For the Infrastructure Plan to realise its full potential it will ultimately need to be an agreed document between the district/city councils, the County Council and, potentially, other delivery agencies.

Aligning Funding Streams

13. The number of funding streams has been reduced by the coalition Government. However, with the overall level of funding continuing to be under pressure, it is important to have clarity on which is the most appropriate funding stream to pursue for specific investments.
14. With the introduction of the New Homes Bonus, the Regional Growth Fund and the potential of Tax Incremental Finance, to add to the mix, so the importance of a single framework increases.

The Community Infrastructure Levy

15. Notwithstanding the fact that new development represents only a small proportion of the investment needs, it does offer the opportunity to realise opportunities to encourage changes in patterns of activity.
16. In addition, with increasing emphasis given on the importance of addressing local concerns arising from new development, so the importance of ensuring all new development contributes towards the cost of providing mitigation increases. The Community Infrastructure Levy will enable all development to make a contribution towards the cost of mitigation measures. Its simplicity will provide greater certainty to the private sector and reduce the level of bureaucracy associated with the collection of developer contributions.
17. The current S106 regime will be scaled back significantly from April 2014, although in reality the importance of the current S106 regime will start to decline rapidly. Making early progress with the preparatory work for the Levy should therefore be a high priority for the Partnership.
18. Responsibility for collecting the Levy will rest with the Local Planning Authority. The level set will reflect the extent to which developer contributions (through the Levy) need to contribute towards the investment needs identified for that community.
19. Those investment needs will in turn be a combination of those which are provided at the strategic level and those which are provided more locally. The balance between these may, and indeed probably will, vary between district/city councils across Oxfordshire and this will need to be reflected in the setting of the Levy.
20. Individual authorities are at different stages in their work on preparing for the Levy. In some instances considerable progress has already been made in developing locally specific guidance on developer contributions. This potentially provides a strong basis for taking forward a more comprehensive piece of work that will form the basis of a charging schedule for the Levy.

21. It is likely that the transition period (from S106 to Levy) will be one in which a number of separate processes are gradually aligned to our common purpose. A starting point though will be the identification of strategic investment needs; a process that will be greatly assisted by the availability of the Infrastructure Plan for Oxfordshire.

Introducing Flexibility

22. A common frustration with the existing S106 system is the extent to which delivery of enabling infrastructure funded primarily through developer contributions is delayed whilst the full package of contributions is secured. As a result critical infrastructure is often delayed, frustrating beneficial development and resulting in additional, avoidable, costs being incurred.
23. The preparation of the Infrastructure Plan for Oxfordshire in combination with the introduction of the Levy will provide us with the building blocks that enable us to address the issue once and for all.
24. Specifically, if there is a known future income stream (collected through the Levy) and a prioritised infrastructure framework (based on the Infrastructure Plan), it will be possible to establish a mechanism whereby the public sector can forward fund enabling infrastructure.
25. Such an approach will be particularly critical in regard to speeding up the delivery of strategic infrastructure, where the ability to pool contributions will be important in enabling tactical investments to be made in a timely manner.
26. Finally, on the basis that the Levy extends the collection of contributions to include all development, there is the potential to introduce a mechanism whereby a proportion (to be determined) of the funds secured could be allocated on the basis of priorities identified at the neighbourhood level.

It is recommended that the Spatial Planning and Infrastructure Partnership:

- a) Reaffirms its commitment to produce the Infrastructure Plan for Oxfordshire as the overarching framework for strategic investment needs;**
- b) Commits to having an initial draft of the Infrastructure Plan prepared by late summer 2011;**
- c) Makes a commitment to introduction of the Community Infrastructure Levy in Oxfordshire at the earliest possible opportunity;**
- d) Supports the commitment of the County Council to provide the district/city councils with advice on the contribution that needs to be sought through the Levy towards the strategic services and infrastructure;**
- e) Develops guidance to the district/city/county councils on the approach to be used in allocating funding secured through the Levy in combination with that secured through other funding streams;**

- f) Supports the commitment of the County Council to develop a detailed proposition that will enable the flexible use of the strategic element of the Levy.**