

EAST HERTS COUNCIL

LOCAL DEVELOPMENT FRAMEWORK EXECUTIVE PANEL
7 JULY 2011

REPORT BY EXECUTIVE MEMBER FOR PLANNING POLICY AND
ECONOMIC DEVELOPMENT

THE NEW HOMES BONUS AND THE COMMUNITY
INFRASTRUCTURE LEVY (CIL)

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

- To allow Members to consider the implications of the New Homes Bonus and Community Infrastructure Levy (CIL), which are being introduced as an incentive to new development, and to consider and endorse a suitable approach towards the introduction of these new revenue streams.

RECOMMENDATIONS TO EXECUTIVE: to commend to Council that:	
(A)	a preliminary Draft Community Infrastructure Levy Charging Schedule to be published for consultation alongside the Core Strategy Preferred Options; and
(B)	the importance be acknowledged of the New Homes Bonus and Community Infrastructure Levy, in assisting the delivery of the infrastructure required by the Local Development Framework Core Strategy.

1.0 Introduction – the New Homes Bonus and Community Infrastructure Levy (CIL)

- 1.1 The Government has introduced two financial mechanisms closely related to the planning system, which have significant wider implications for local government: namely, the New Homes Bonus and the Community Infrastructure Levy (CIL).
- 1.2 On 17 February 2011 CLG issued letters to Local Authority Leaders, Chief Executives, and English MPs, which detailed the

provisional **New Homes Bonus** allocations to each local authority and summarised the scheme as follows:

The New Homes Bonus is designed to address the disincentive within the local government finance system for local areas to welcome growth. Until now, increased housing in communities has meant increased strain on public services and reduced amenities. The New Homes Bonus will remove this disincentive by providing local authorities with the means to mitigate the strain the increased population causes. In addition, in doing so the New Homes Bonus should help engender a more positive attitude to growth, and create an environment in which new housing is more readily accepted.

The New Homes Bonus scheme will be a powerful, simple and transparent incentive. Commencing in April 2011, the Bonus will match fund the additional council tax potential from increases in effective housing stock, with an additional amount for affordable homes, for the following 6 years. For the first time, it will ensure that the natural economic benefits of growth are returned to the local authorities and communities where growth takes place.

The New Homes Bonus sits alongside the existing planning system. Local planning authorities will continue to be bound by their obligations under planning law and, in particular, the new Homes Bonus is not intended to encourage housing development which would otherwise be inappropriate in planning terms.

- 1.3 Although the new Homes Bonus is not ring-fenced, the intention is that it should be used locally where new housing is accepted. Announcing finance for the scheme in November 2010¹, Housing Minister Grant Shapps said:

"For too long communities have fought against development because they can't see how it does anything to improve their lives. I'm determined to change this. The New Homes Bonus will ensure that those communities that go for growth reap the benefits of development, not just the costs.

"Councillors will now be able to lead a mature debate about the benefits of development. And rather than being punished for not meeting targets, local communities will now have a reason to say yes to new homes, because they will benefit from better local

¹ CLG Press Release, 12th November 2010. See www.communities.gov.uk/news/newsroom/1768252

services, or perhaps the redevelopment of their town centre in return for backing new housing."

- 1.4 On 4 April 2011², Grant Shapps confirmed the New Homes Bonus allocations and said:

"The system where Whitehall told communities what homes they need to build never worked. Housebuilding declined for years, eventually slumping to its lowest peacetime level since 1924. The construction industry suffered terribly, and in many areas plans for new homes created a bitter legacy of divided communities and animosity towards developers.

"This country needs more homes, so we need the nation to start building again - but this time with the backing of local communities rather than in the teeth of their opposition. That's why we're giving communities a reason to say yes to new homes through these powerful cash incentives.

"But this funding from Government is only the start of the process - it is now essential that councils engage with their local community to decide how the money is spent, so residents feel the direct benefits of growth, rather than extra pressure on local services."

- 1.5 Regulations governing the **Community Infrastructure Levy (CIL)** came into force under the previous government in April 2010. It allows local authorities to raise funds from developers undertaking new building projects in their area. The money can be used to fund a wide range of infrastructure that is needed as a result of development. This includes transport schemes, flood defences, schools, hospitals and other health and social care facilities, parks, green spaces and leisure centres. It will not include affordable housing, which will continue to be dealt with as planning obligations, which enable affordable housing contributions to be tailored to the particular circumstances of the site and crucially, enable affordable housing to be delivered on-site.
- 1.6 Whilst the introduction of a CIL by local authorities is not mandatory, the Government has decided that this tariff-based approach provides the best framework to fund new infrastructure to unlock land for growth. The Community Infrastructure Levy is fairer, faster and more certain and transparent than the system of

² <http://www.communities.gov.uk/news/corporate/1879754>

planning obligations which causes delay as a result of lengthy negotiations.

- 1.7 The principal reform introduced by the new Government (which came into force in April 2011) is to align CIL with aspirations for localism. In November 2010, Decentralisation Minister Greg Clark said³:

"Too little of the benefits of development go to local communities, and our ambition is to correct that with a reformed levy under genuine local control. Neighbourhoods will now get a direct cut of the cash paid by developers to councils - to spend how they wish to benefit the community, from parks and schools to roads, playgrounds and cycle paths.

"Our decentralising changes will also benefit developers through a system that is flexible, predictable and transparent while also cutting the red tape and bureaucracy faced by councils.

"Alongside the New Homes Bonus, this is another way to make sure communities benefit from development in their area. It will help change the debate about development from opposition to optimism."

- 1.8 East Herts Council needs to decide whether to introduce a CIL to the District. There are potentially significant benefits from CIL, in terms of increased revenue to fund the infrastructure supporting new development, and also in delivering the localism agenda. However, whilst there should be significant resource savings in terms of reducing the need for lengthy negotiations with developers during the planning application process, a significant amount of up-front policy work will be required in order to establish the levy.
- 1.9 In order to facilitate this decision-making process, this report provides an overview of New Homes Bonus (Section 2) and CIL (Section 3), and sets these in the context of planning policy (Section 4), which will play a critical role in setting the framework for the operation of these new financial mechanisms. Finally, the report suggests next steps for consideration (Section 5).

³ CLG press release, 18th November 2010: See www.communities.gov.uk/news/corporate/176860911

2.0 New Homes Bonus: overview

- 2.1 Following a consultation on the New Homes Bonus in December 2010, CLG announced on 17 February 2011 that it is implementing the scheme without delay.
- 2.2 A 'New Homes Bonus Calculator' containing the provisional allocation for each district was published at the same time. The results for East Herts are shown in **Essential Reference Paper 'B'**. In summary, according to the calculator, in October 2010:
- Total housing stock was 58,274 (392 net additions October 09/10)
 - Stock of empty homes was 587 (64 net additions)
- Therefore the provisional allocations for **East Herts Council** are:
- Year 1 (2011): **£415,263**
 - Total payment over 6 years: **£2,491,578**
- 2.3 The Year 1 allocations were confirmed by CLG on 4th April 2011.
- 2.4 The allocation for Hertfordshire County Council as Upper Tier authority is calculated at £103,816 in Year 1 and £622,894 total payment over six years. This money is in addition to the East Herts Council allocations given above.
- 2.5 There is unconfirmed speculation at Westminster and in the press that the New Homes Bonus may ultimately have to be 'top-sliced' from existing Council grant funding. As yet the Government has neither confirmed nor denied this.
- 2.6 The details of the financial operation of the scheme are set out in the document entitled "New Homes Bonus – Final Scheme Design" (February 2011). Paragraphs 2.7 to 2.16 below contain selected key extracts from this document, shown in italics. The text is national guidance, not East Herts Council policy.

2.7 Key Principles

- **Powerful:** the grant will be payable for the following six years, so the total will rise for at least the first six years. The diagram below shows how the profile will rise as the grant rolls forward.

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Yr 1	£	£	£	£	£	£	
Yr 2		£	£	£	£	£	£
Yr 3			£	£	£	£	£
Yr 4				£	£	£	£
Yr 5					£	£	£
Yr 6						£	£
Yr 7							£

Those authorities which respond to the incentive and embrace housing growth will reap the benefits.

- **Simple** - for each additional home local authorities will receive six years of grant based on the council tax, ensuring the economic benefits of growth are more visible to the local community.
- **Transparent** - it will be easy for councillors, the community and developers to calculate and to see the early benefits of growth.
- **Predictable** - the scheme is intended to be a permanent feature of local government funding and will therefore continue beyond the six-year cycle. The design features have been kept simple and stable to ensure that expected rewards for growth are delivered.
- **Flexible** - local authorities will be able to decide how to spend the funding in line with local community wishes... The Bonus will be paid through section 31 of the Local Government Act 2003 as an unringfenced grant.

2.8 Unit of reward (Paragraph 7)

We want the economic benefits of housing growth to be more visible to the local community. We have therefore designed the New Homes Bonus around the council tax revenues generated from housing development.

2.9 *We will link the level of grant for each additional dwelling to the national average of the council tax band for the following six years to incentivise local authorities to build and bring back into use the types of homes people want and need, in the places that people*

want them.

2.10 Affordable Housing Enhancement (Paragraph 10)

It is crucial that there is a good balance of market and affordable housing. We want to incentivise local authorities to provide the right balance of housing to meet the needs of local people. Particularly in bringing forward land for development, granting planning permissions and negotiating section 106 agreements. This will support the commitment made in the Spending Review of almost £4.5bn over a four year period to support affordable housing.

2.11 *To ensure that affordable homes are sufficiently prioritised within supply, there will be a simple and transparent enhancement of a flat rate £350 per annum for each additional affordable home. This is about 25 per cent of the current average Band D council tax or 36 per cent of the average Band A council tax, and will be reviewed if council tax rises. Over six years an affordable home would receive an enhancement of £2,100.*

2.12 Traveller Sites (Paragraph 14)

Traveller sites in public ownership also contribute to the supply of affordable homes. Provision of public traveller caravan sites is now included in the Homes and Communities Agency's affordable housing programme. In agreeing Local Investment Planning with local authorities, the Homes and Communities Agency will seek to ensure that provision of appropriate sites forms part of the overall package of housing and regeneration in the area.

2.13 Empty Homes (Paragraph 20)

The New Homes Bonus is designed to increase the supply of effective housing so it follows that local authorities should be rewarded for bringing empty homes back into use. In addition, making use of existing stock can be important in overcoming some local opposition to new housing.

2.14 Tier split (Paragraph 22)

The payment of the New Homes Bonus will be split between tiers outside London, where two tier arrangements apply: 80 per cent to the lower tier (i.e. Districts) and 20 per cent to the upper tier (i.e. Counties), as a starting point for local negotiation.

2.15 Local Flexibility (Paragraph 23)

Local authorities will have flexibility on how to spend the unringfenced grant. Every development is different and will need different services to support it. Local authorities are best placed to

decide how to meet the needs of local neighbourhoods and communities. In many cases this will involve advanced planning with other local service providers to ensure that there is timely delivery of infrastructure for the new development. For example, local authorities can pool funding to deliver infrastructure.

2.16 *Basis of Calculation (Paragraph 26)*

The basis on which grant to individual authorities is calculated must be fair and equitable and support the objective of the scheme – to increase housing supply. We want to collect data in a way which is simple and minimises additional burdens on local authorities and others, but is robust and sufficiently timely.

2.17 We will therefore use the Council Tax Base form to calculate increases in effective stock. This has the advantage of bringing together data on additions, demolitions and empty homes in one place and is already used to calculate formula grant. This data is provided by local authorities. Collection of affordable homes data is considered separately below.

2.18 *Timing of grant allocations and payments (Paragraph 29)*

The grant has been designed to be stable and predictable. To maximise this we will normally pay the New Homes Bonus alongside the local government finance timetable. This means that provisional allocations will be announced in early December and final allocations in early February. This will allow local authorities to include the grant in their budget setting process in February. We are issuing allocations for year one slightly later than usual in parallel to the publication of this document.

3.0 Community Infrastructure Levy (CIL) – Overview

3.1 It is considered that there are a number of compelling reasons to introduce a CIL charge in East Herts:

- To make a significant financial contribution towards the infrastructure necessary to enable delivery of the LDF Core Strategy;
- Thereby to maximise East Herts' potential New Homes Bonus payments;
- To fill the gap left by the scaling back of Section 106 contributions, scheduled for spring 2014;
- To increase the transparency with which financial contributions are collected and spent.

3.2 There are no identified disadvantages to the adoption of a CIL

charge by East Herts Council, although if the CIL level is set too high it could stifle development. There is also a requirement to comply with the correct procedures, several of which will need to be undertaken by the Planning Policy Team as part of the preparation of the Local Development Framework. However, there are also important corporate implications relating to collection, reporting, and expenditure of CIL revenues.

- 3.3 Should East Herts Council decide to introduce a CIL, as Local Planning Authority, East Herts Council will become both the CIL charging and collecting authority for Community Infrastructure Levy within the District.
- 3.4 Within Hertfordshire, a substantial amount of useful preparatory work has already been undertaken within the context of the Hertfordshire Infrastructure and Planning Partnership (HIPP).
- 3.5 This work is particularly valuable in setting the wider context for CIL in terms of delivery of infrastructure beyond the local level, which is anticipated to require collaboration by the Hertfordshire local authorities together with other infrastructure providers. In particular, the Hertfordshire Infrastructure and Investment Strategy (October 2009) provides a wealth of information related to CIL and infrastructure delivery more generally.
- 3.6 Paragraphs 3.7-3.19 below provide a brief synopsis of the key guidelines contained with the CLG publication “Community Infrastructure Levy: An Overview” (May 2011), and are therefore shown in italics. The text is national guidance, not East Herts Council policy.
- 3.7 ***How will the levy be spent? (Paragraph 9)***
Local authorities are required to spend the levy’s revenue on the infrastructure needed to support the development of their area and they will decide what infrastructure is needed. The levy is intended to focus on the provision of new infrastructure and should not be used to remedy pre-existing deficiencies in infrastructure provision unless those deficiencies will be made more severe by new development. The levy can be used to increase the capacity of existing infrastructure or to repair failing existing infrastructure, if that is necessary to support development.
- 3.8 *The Government will require charging authorities to allocate a meaningful proportion of levy revenues raised in each*

neighbourhood back to that neighbourhood. This will ensure that where a neighbourhood bears the brunt of a new development, it receives sufficient money to help it manage those impacts. It complements the introduction of other powerful new incentives for local authorities that will ensure that local areas benefit from development they welcome.

- 3.9 Local authorities will need to work closely with neighbourhoods to decide what infrastructure they require, and balance neighbourhood funding with wider infrastructure funding that supports growth. They will retain the ability to use the levy income to address the cumulative impact on infrastructure that may occur further away from the development.*
- 3.10 Charging authorities will be able to use revenue from the levy to recover the costs of administering the levy, with the regulations permitting them to use up to 5 per cent of their total revenue on administrative expenses to ensure that the overwhelming majority of revenue from the levy is directed towards infrastructure provision.*
- 3.11 *Monitoring and Reporting spending of the Levy (paragraph 19)***
To ensure that the levy is open and transparent, charging authorities must prepare short reports on the levy for the previous financial year which must be placed on their websites by 31 December each year. They may prepare a bespoke report or utilise an existing reporting mechanism, such as the Annual Monitoring Report which reports on their development plan.
- 3.12 These reports will ensure accountability and enable the local community to see what infrastructure is being funded from the levy. Charging authorities must report how much revenue from the levy they received in the last financial year and how much revenue was unspent at the end of the financial year. They must also report total expenditure from the levy in the preceding financial year, with summary details of what infrastructure the levy funded and how much of the levy was ‘spent’ on each item of infrastructure, and how much on administrative expenses.*
- 3.13 *Charging Schedules (Paragraph 22)***
Charging authorities wishing to charge the levy must produce a charging schedule setting out the levy’s rates in their area. Charging schedules will be a new type of document within the folder of documents making up the local authority’s Local Development Framework (LDF).

3.14 Public Consultation (Paragraph 30)

Charging authorities must consult local communities and stakeholders on their proposed rates for the levy in a preliminary draft of the charging schedule.

3.15 The examination of the charging schedule (Paragraph 31)

A charging schedule must be examined in public by an independent person appointed by the charging authority. Any person requesting to be heard before the examiner at the examination, must be heard in public. The format for the levy's examination hearings will be similar to those for development plan documents... (Paragraph 34) To ensure democratic accountability, the charging schedule must be formally approved by a resolution of the full council of the charging authority.

3.16 How will the levy be charged? (Paragraph 39)

The levy must be charged in pounds per square metre on the net additional increase in floorspace of any given development. This will ensure that charging the levy does not discourage the redevelopment of sites... (Paragraph 40) Any new build – that is a new building or an extension – is only liable to pay the levy if it has 100 square metres, or more, of gross internal floorspace or involves the creation of additional dwellings even when that is below 100 square metres.

3.17 The relationship between the Community Infrastructure Levy and Planning Obligations (Paragraph 57).

The levy is intended to provide infrastructure to support the development of an area rather than to make individual planning applications acceptable in planning terms. As a result, there may still be some site specific impact mitigation requirements without which a development should not be granted planning permission. Some of these needs may be provided for through the levy but others may not, particularly if they are very local in their impact. Therefore, the Government considers there is still a legitimate role for development specific planning obligations to enable a local planning authority to be confident that the specific consequences of development can be mitigated.

3.18 Ensuring the local use of the levy and planning obligations does not overlap (Paragraph 62).

On the local adoption of the levy, the regulations restrict the local use of planning obligations to ensure that individual developments are not charged for the same items through both planning obligations and the levy. Where a

charging authority sets out that it intends to fund an item of infrastructure via the levy then that authority cannot seek a planning obligation contribution towards the same item of infrastructure.

3.19 *(Paragraph 65) A charging authority may publish, on its website, a list of infrastructure projects or types of infrastructure that it intends will be, or may be, wholly or partly funded by the levy.. If a charging authority does not publish a list, then this would be taken to mean that the authority was intending to use the monies raised from the levy for any type of infrastructure capable of being funded by the levy, and consequently that authority could not seek a planning obligation contribution towards any such infrastructure.*

3.20 *(Paragraph 66) A charging authority can at any time update its published list of infrastructure projects or types of infrastructure. It may consider it expedient to update its list as its infrastructure priorities change over time. The process of updating the list is separate to the formal process of reviewing its charging schedule. If it wishes to update the list, the charging authority simply needs to amend the published list on its website.*

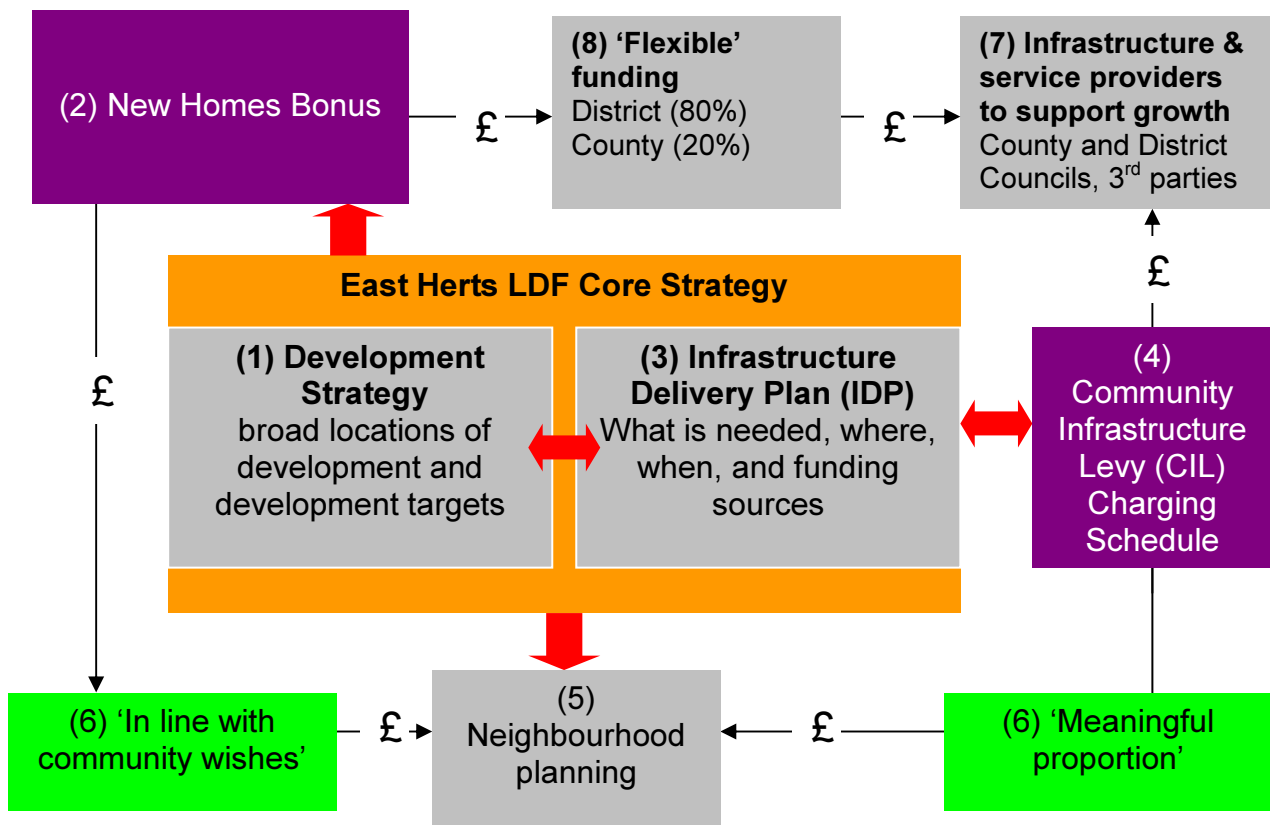
4.0 New Homes Bonus, Community Infrastructure Levy and the LDF Core Strategy

4.1 From the above overview of the New Homes Bonus and CIL it will be clear that the Local Development Framework (LDF) has a critical role to play in relation to both schemes. Paragraph 3 of the New Homes Bonus Final Scheme Design states:

The Bonus will sit alongside the existing planning system. It is intended to help deliver the vision and objectives of the community and the spatial strategy for the area. In particular, it will be relevant to the preparation of development plans which concern housing where it assists with issues such as service provision and infrastructure delivery.

4.2 Figure 1 below sets out the key relationships as understood by Officers on the basis of the government guidance. At the centre is the Core Strategy, which includes the Development Strategy (Spatial Strategy) and an Infrastructure Delivery Plan.

Figure 1: the role of the East Herts LDF Core Strategy



4.3 Key relationships shown in Figure 1 are as follows:

- The Development Strategy **(1)** is where the number of new homes for the District will be set. This ‘housing requirement’ is the driver of the total amount of New Homes Bonus **(2)** – See paragraph 4.6 below;
- The Infrastructure Delivery Plan (IDP) **(3)** will set out the infrastructure that is needed to support the development strategy. It is a ‘reality check’ on the Development Strategy – See paragraph 4.5 below;
- The IDP will specify where funding for infrastructure delivery will come from. The IDP will inform the creation of the CIL **(4)** charging schedule, and will rely on CIL for a portion of the funding allocations contained therein;
- Neighbourhood planning **(5)** is a new tier of planning. Government guidance is clear that neighbourhood plans must be in conformity with the District LDF, and cannot suggest less housing than the LDF;
- A proportion of both the New Homes Bonus and CIL are expected to be spent at neighbourhood level **(6)**, in order to enable communities to ‘reap the benefits’ of growth. Planning will be necessary for neighbourhoods to have coherent

- proposals for the expenditure and monitoring of this money;
- Much of CIL will be allocated to infrastructure and service providers **(7)**, particularly items highlighted by the IDP as necessary to the Core Strategy;
- New Homes Bonus will be allocated to District and County Councils in the ratio 80/20 **(8)**. Some of this funding may be needed for items in the IDP.

4.4 Critically, the Core Strategy will be an essential tool in deciding where the balance of funding should lie, as stated by CLG:

Local authorities will retain the ability to use the levy where it is needed in their area to address the cumulative impact on infrastructure that may occur further away from the development. They will need to balance neighbourhood funding with wider infrastructure funding needed to support growth.⁴

4.5 The Infrastructure Delivery Plan will link CIL revenues and/or elements of New Homes Bonus where appropriate to the delivery of development, alongside other funding sources such as mainstream public funds. This approach will demonstrate how development should be complemented by the timely delivery of appropriate infrastructure and services, to the advantage of the local community.

⁴ CLG Press Release, 18th November 2010: Notes to editors bullet point 9. See www.communities.gov.uk/news/corporate/176860911

4.6 Variations in the overall level of new homes specified in the Core Strategy can lead to significant differences in the amount of New Homes Bonus allocated to the Council. The table below has been produced using the New Homes Bonus Calculator to illustrate the effect on East Herts Council as a Lower Tier authority (receiving 80% of the bonus):

	Scenario	Year 1	Over 6 years
1	East Herts Allocations to October 2010 (392 dwellings). Based on New Council Tax registrations	£415,263	£2,491,578
2	NI 154 - net additional dwellings April 2009 to March 2010 (470 dwellings). Based on County monitoring service.	£599,083	£3,594,495
3	Current Local Plan targets (550 dwellings per annum)	£701,054	£4,206,324
4	East of England Plan (2008) targets (660 dwellings per annum)	£841,265	£5,047,581

Figures compiled using the CLG New Homes Bonus Calculator

4.7 Hertfordshire County Council will also experience variations in the level of New Homes Bonus depending on the volume of new homes, reflecting the 20% allocation to Upper Tier authorities.

5.0 **Next Steps**

5.1 It is anticipated that the East Herts CIL Charging Schedule would be adopted at the same time as the LDF Core Strategy, anticipated in 2013. However, it is considered that it will be necessary to establish the following corporate mechanisms in advance of adoption:

- Mechanisms for monitoring the expenditure of CIL receipts provided to East Herts Council services;
- Mechanisms for disbursement of CIL receipts to third parties, including infrastructure providers;
- Services budgeting for CIL;
- Collection and enforcement mechanisms.

5.2 As part of its LDF Work Programme the Planning Policy Team will carry out the following tasks:

- Viability appraisal of CIL levels

- Preparation of and consultation on a) the Infrastructure Delivery Plan and b) a CIL Charging Schedule
- Work on strategic aspects of CIL under the auspices of HIPP (see paragraph 3.4 above).

5.3 Agreement needs to be reached around what constitutes a 'meaningful proportion' of CIL revenues to be devolved to the neighbourhoods (see paragraph 3.7 above). This is a complicated question and will need further consideration within the context of the LDF process.

5.4 Actions relating to New Homes Bonus need early attention, since the scheme is currently in process of being implemented. Such actions include:

- Looking at how new homes should be monitored and reported;
- Looking at how the expenditure of New Homes Bonus should be monitored and reported in accordance with the principle of transparency.

5.5 Even more complicated is how to define what neighbourhood wishes are, and how the New Homes Bonus might be allocated in accordance with these wishes. The New Homes Bonus 'Final Scheme Design' document (Summary, Page 7) sets a challenging framework within which this question should be considered:

***Flexibility**...local authorities will be able to decide how to spend the funding in line with local community wishes. The Government expects local councillors to work closely with their communities – and in particular the neighbourhoods most affected by housing growth – to understand their priorities for investment and to communicate how the money will be spent and the benefits it will bring. This may relate specifically to the new development or more widely to the local community. For example, they may wish to offer council tax discounts to local residents, support frontline services like bin collections, or improve local facilities like playgrounds and parks. This will enable local councillors to lead a more mature debate with local people about the benefits of growth, not just the costs.*

This is a high-level decision for the corporate and political leadership of the Council, but will also require a lot of detailed ongoing work.

5.6 The guidance hints at four major ways for this to take place:

- The Core Strategy will identify the broad locations of growth in

the District, and therefore those neighbourhoods where the New Homes Bonus should be focused;

- “Local authorities are best placed to decide how to meet the needs of local neighbourhoods and communities” (NHB Final Scheme Design – see paragraph 2.15 above). This appears to require a strong corporate steer from the District.
- “In many cases this will involve advanced planning with other local service providers to ensure that there is timely delivery of infrastructure for the new development.” (ibid) This is a key function of the Core Strategy Infrastructure Delivery Plan.
- Neighbourhood planning is clearly recommended as a way to articulate community wishes.

5.7 At this stage much work remains to be done in order to clarify how this will work in practice.

6.0 Implications/Consultations

6.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper ‘A’**.

Essential Reference Papers

‘A’ – Corporate Issues and Consultation

‘B’ – New Homes Bonus Calculator –Final Allocations

Background Papers

New Homes Bonus: Final Scheme Design (CLG, February 2011)

New Homes Bonus Calculator

www.communities.gov.uk/housing/housingsupply/newhomesbonus

Community Infrastructure Levy: An Overview (CLG, May 2011)

www.communities.gov.uk/planningandbuilding/planningsystem/communityinfrastructurelevy/

Localism Bill: Community Infrastructure Levy

Impact Assessment (CLG, January 2011)

www.communities.gov.uk/publications/localgovernment/localisminfrastructurelevy

Hertfordshire Infrastructure and Investment Strategy (October 2009)

www.eastherts.gov.uk/technicalstudies

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ESSENTIAL REFERENCE PAPER 'A'

<p>Contribution to the Council's Corporate Priorities/ Objectives (delete as appropriate):</p>	<p>Caring about what's built and where <i>Care for and improve our natural and built environment.</i></p> <p>Shaping now, shaping the future <i>Safeguard and enhance our unique mix of rural and urban communities, ensuring sustainable, economic and social opportunities including the continuation of effective development control and other measures.</i></p> <p>Leading the way, working together <i>Deliver responsible community leadership that engages with our partners and the public.</i></p>
<p>Consultation:</p>	<p>Heads of Service Corporate Management Team</p>
<p>Legal:</p>	<p>CIL will need to be properly constituted. There may also be legal implications for the monitoring and expenditure of the New Homes Bonus.</p>
<p>Financial:</p>	<p>The costs of setting up and running CIL have been estimated by CLG in their document 'Community Infrastructure Levy: Impact Assessment' at £91,000 set-up costs (to cover examination) and £16,700 on-going costs. However, up 5% of CIL revenues may be used for running costs. The revenue implications of CIL are difficult to quantify at this stage.</p>
<p>Human Resource:</p>	<p>Relevant Officers from planning and other departments as necessary will need to commit sufficient time in order to set up the appropriate monitoring and management arrangements.</p>
<p>Risk Management:</p>	<p>There will be a need to carefully manage community expectations around how New Homes Bonus and CIL are conditional upon acceptance of new development.</p>