

<b>TITLE</b>	<b>Elms Field Development – Payment of Infrastructure Contributions</b>
<b>FOR CONSIDERATION BY</b>	The Executive on 28 January 2015
<b>WARD</b>	Wescott
<b>LEAD OFFICER</b>	Andy Couldrick, Chief Executive
<b>LEAD MEMBER</b>	Philip Mirfin, Executive Member for Regeneration and Communities

**OUTCOME / BENEFITS TO THE COMMUNITY**

The decision will secure the release of monies to help fund infrastructure projects which contribute towards the mitigation of the impacts of the Elms Field development and which support the wider regeneration of the town centre will ensure that the redevelopment scheme is sustainable and contributes to achieving the Council's regeneration objectives

**RECOMMENDATION**

That the Executive agree to the payment of monies from the Elms Field redevelopment scheme to the Local Planning Authority in accordance with the values and timing of payments set out in the report.

**SUMMARY OF REPORT**

The Council, in conjunction with Wilson Bowden Developments, submitted a planning application to the Local Planning Authority for the redevelopment of land between Wellington Road and Shute End, Wokingham (known as "Elms Field") in November 2015 (application number 153125).

For applications submitted by an external developer, and in parallel with the Community Infrastructure Levy, the Local Planning Authority can enter into a Section 106 Agreement with an applicant to secure site-specific mitigation measures. In this case, as the Council is one of the joint applicants (and owns a significant proportion of the land), the standard mechanism for securing planning related benefits under Section 106 of the Planning Act cannot be used. Instead, approval is sought through this report from the Council's Executive to the release of funds for mitigation measures.

Three elements of financial contributions are required to be paid to mitigate the impact of the development:

*a) Community Infrastructure Levy*

In February 2015 Wokingham Borough Council adopted the Wokingham Community Infrastructure Levy. The Elms Field scheme is subject to this levy and in accordance with the adopted Charging Schedule the applicant is required to pay £ 4,826,030 to the Local Planning Authority.

*b) Thames Basin Heath Special Protection Area*

In line with European, national and local planning policy the development is required to mitigate its impact on the Thames Basin Heath Special Protection Area through financial payments towards the provision of Suitable Alternative Natural Green Space (SANG) and Strategic Access Monitoring & Management fee (SAMM). In line with adopted policy the value of this contribution is £94,796.74.

*c) Loss of tennis court provision*

In line with national policy the development is required to mitigate the loss of the four existing tennis courts on Elms Field. It has been agreed with the Local Planning Authority that this loss will be mitigated by a financial payment towards the re-provision of the tennis courts at an alternative location. The value of this payment has been calculated at £320,000 (in line with Sport England costs).

The total financial contribution to be paid to the Local Planning Authority is set out in the Table below:

Community Infrastructure Levy	£ 4,826,030
Thames Basin Heath SPA mitigation	£94,796.74
Loss of tennis courts mitigation	£320,000
<b>Total Financial Contribution</b>	<b>£5,240,826.74</b>

The value of the infrastructure contributions identified above will be funded through the development scheme and will not require any recourse to Council funds. The costs of these infrastructure costs have been identified within scheme costs and are included within the financial appraisal which accompanies the planning application.

In addition to the financial contribution identified above the scheme also delivers significant environmental and socio-economic benefits to the town and its residents and businesses through development.

## **Background**

The Council, in conjunction with Wilson Bowden Developments, submitted a planning application to the Local Planning Authority for the redevelopment of land at Wellington Road and Shute End, Wokingham (known as “Elms Field) in November 2015 (application number 153125).

This report sets out the proposed approach to securing financial contributions from the scheme to contribute towards off-site scheme mitigation measures.

### *Requirement for scheme mitigation*

The Town and Country Planning Act 1990 (as amended) provides a mechanism for linking new development proposals and the need to mitigate the impacts of the scheme (both on and off-site). Within Wokingham Borough the assessment of what is reasonable mitigation is founded upon the operation of the Community Infrastructure Levy Charging Schedule, Core Strategy policies CP4 *Infrastructure Requirements* and CP5 *Housing mix, density and affordability* of the adopted Core Strategy. Policy CP4 of the Core Strategy makes it clear that infrastructure components, as well as direct impacts arising from developments, should be mitigated.

### *Process for ensuring scheme mitigation is delivered*

In parallel with the Community Infrastructure Levy, the Local Planning Authority can also enter into a Section 106 Agreement with an applicant to secure site-specific mitigation measures. In this case, as the Council is one of the joint applicants (and owns a significant proportion of the land), the standard mechanism for securing the planning related benefits under Section 106 of the Planning Act cannot be used.

Instead, approval is sought through this report from the Council’s Executive to the release of funds for mitigation measures. This approval is being sought prior to the determination of the application so that the commitment to release funds is in place prior to consideration by the Planning Committee.

## **Analysis of Issues**

### ***The financial value of infrastructure contributions***

Three elements of financial contributions are required to be paid to mitigate the impact of the development:

#### *a) Community Infrastructure Levy*

The Elms Field scheme is subject to payment of the Community Infrastructure Levy in line with the Charging Schedule adopted by the Borough Council in February 2015.

The chargeable development (floor area that is subject to the levy) is the residential element of the scheme. The table below sets out the calculation to identify the value of the scheme’s CIL contribution

Charging Schedule residential rate (£ per square metre) (Rest of Borough)	£365
Chargeable residential floor area within Elms Field scheme	13,322 m <sup>2</sup>
<b>Total CIL contribution (£365 * 13,322m<sup>2</sup>)</b>	<b>£4,826,030</b>

*b) Thames Basin Heath Special Protection Area*

Proposed development within the Borough that is within 5km or 7km of the Thames Basin Heath Special Protection Area (SPA) is required, through European, national and local policy, to pay a financial contribution to mitigate the impact of new development on the SPA. Financial contributions contribute towards the provision of Suitable Alternative Natural Greenspace (SANG) and Strategic Access and Monitoring & Management fee (SAMM).

The Elms Field scheme is within 7km of the SPA and therefore is required to pay a financial contribution towards mitigating its impact. The value of this contribution is calculated using the Borough Council's *Planning Advisory Note* and is based on the scale and type of development proposed.

For the Elms Field scheme the following contribution to mitigation is required:

Suitable Alternative Natural Greenspace (SANG)	£76,363.70
Strategic Access and Monitoring & Management fee (SAMM)	£18,433.04
<b>Total</b>	<b>£94,796.74</b>

*c) Mitigating the loss of tennis courts*

Consultation with the Local Planning Authority and Sport England have indicated that mitigation is required for the loss of the existing four tennis courts on the site, despite that they are currently not in use. The Local Planning Authority has confirmed that this mitigation can be in the form of a financial payment towards the re-provision of the four courts elsewhere within the Borough. The value of this financial payment is determined by Sport England's standard facility costs which are updated each quarter and at the time of this report (2015 Quarter 1) the costs of providing four tennis courts with flood lighting is £320,000. Therefore the development is proposing a financial payment of £320,000 to the Local Planning Authority to mitigate the loss of the tennis courts at Elms Field.

### ***Total financial contribution***

The table below sets out the total financial contribution that the Elms Field scheme is required to pay to the Local Planning Authority as mitigation for the impact of the development.

Community Infrastructure Levy	£ 4,826,030
Thames Basin Heath SPA mitigation	£94,796.74
Loss of tennis courts mitigation	£320,000
<b>Total Financial Contribution</b>	<b>£5,240,826.74</b>

### ***Payment of contributions***

The value of the infrastructure contributions identified above will be funded through the development scheme and will not require any recourse to Council funds. The costs of these infrastructure costs have been identified within scheme costs and are included within the financial appraisal which accompanies the planning application.

The CIL contribution will be paid in line with the Council's adopted CIL Instalments Policy. The SPA and tennis courts contributions will be paid on the commencement of the development. The timing of these payments has been taken into account in the financial forecasting contained within the scheme appraisal.

### ***Prioritisation of funds***

The Executive is not being asked to decide how these funds are allocated to mitigation schemes. This will be undertaken by the Council as Local Planning Authority.

### ***Non-monetary financial contributions***

As well as financial contributions that the scheme provides, the development of Elms Field delivers significant environmental and socio-economic benefits to the town. The proposals will deliver the realisation of the long standing strategic ambition to regenerate the town centre and will secure its sustained health. Much needed new retail provision along with public realm and other physical infrastructure is to be provided.

The redevelopment of Elms Field is being promoted by Wokingham Borough Council as a regeneration project designed to deliver the objectives for the town centre as set out in Core Strategy policies CP13 Town Centres and Shopping and CP14 Growth and Renaissance of Wokingham town centre and the Town Centre Masterplan SPD and in line with the allocation of the Elms Field site in Policy SAL08 of the Managing Development Delivery Local Plan, through the provision of new retail space, leisure facilities, hotel and residential uses that frame a much enhanced town park.

The approach therefore has been to provide a range of socio-economic benefits to the town and its residents and businesses through development, rather than a commercial level of financial return. To achieve the regeneration objectives the scheme incorporates a number of elements which are essential to the appeal and vitality of the town centre and could create longer-term socio-economic benefits to the town, but at a cost that

does not necessarily generate direct monetary return to the developer. These include:

- 1.343ha green space
- 0.245ha play area
- 0.287ha hard landscaping; including high quality paving

Together these generate:

- Significant investment in the town centre infrastructure and fabric
- 152 (net) construction jobs per annum during the construction phase (30 months)
- 283 (net) operational jobs
- New residents spend of £2.2m gross per annum
- Significant retail spend ‘re-capture’ increasing footfall, market share and vitality of the centre
- An improved leisure and evening economy with a new cinema and more family focused restaurants and cafes
- Hotel provision catering to the needs of business and the leisure market
- Quality public spaces at Elms Field
- Investment in the town centre and the expansion of the retail and leisure will provide a much improved and positive image of the town centre and encourage further investment

The proposed scheme also contributes significant investment in the town centre that will benefit the wider community. This investment includes a high quality new park with play equipment; new highway and pedestrian facilities. Indeed these items can be considered as significant material benefits in the consideration of the applications.

**FINANCIAL IMPLICATIONS OF THE RECOMMENDATION**

***The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.***

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	£0	yes	capital
Next Financial Year (Year 2)	£0	yes	capital
Following Financial Year (Year 3)	£0	yes	capital

**Other financial information relevant to the Recommendation/Decision**

The value of the infrastructure contributions will be funded through the development scheme and will not require any recourse to Council funds. The costs of these infrastructure costs have been identified within scheme costs and are included within the financial appraisal which accompanies the planning application.

**Cross-Council Implications**

The payment of infrastructure contributions to the Local Planning Authority will support the authority's priority to deliver infrastructure to support the growth and development of the Borough and ensure that development is delivered sustainably.

**List of Background Papers**

None

<b>Contact</b> Bernie Pich	<b>Service</b> Town Centre Regeneration
<b>Telephone No</b> : 0118 974 6700	<b>Email</b> Bernie.Pich@wokingham.gov.uk
<b>Date</b> 7 January 2016	<b>Version No.</b> 3

This page is intentionally left blank