

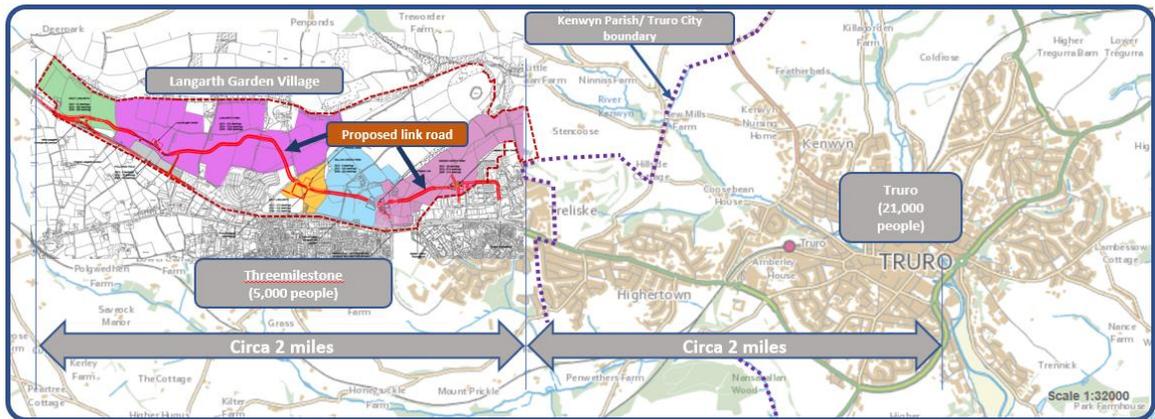
Report to:	<b>Cabinet</b>	
Date:	<b>15 December 2021</b>	
Title:	<b>Alignment of community infrastructure levy contributions from Langarth Garden Village to infrastructure requirements in Truro and related parishes</b>	
Portfolio Area:	<b>Resources</b> <b>Housing and Planning</b>	
Divisions Affected:	<b>Threemilestone and Chacewater; Gloweth, Malabar and Shortlanesend; Feock and Kea; Truro Boscawen and Redannick; Truro Moresk and Trehaverne; Truro Tregolls; and Probus and St Erme</b>	
Local Member(s) briefed:	<b>Yes</b>	
<b>Relevant Scrutiny Committee: Economic Growth and Development</b>		
Authors, Roles and Contact Details:	<p><b>Louise Wood, Service Director for Planning and Sustainable Development</b>  <a href="mailto:louise.wood@cornwall.gov.uk">louise.wood@cornwall.gov.uk</a> 01872 224267</p> <p><b>Adam Birchall, Head of Sustainable Development</b>  <a href="mailto:adam.birchall@cornwall.gov.uk">adam.birchall@cornwall.gov.uk</a> 01209 614273</p>	
Approval and clearance obtained:	<b>Y</b>	
Date next steps can be taken	<b>30 December 2021</b>	
<b>For Cabinet and delegated executive decisions only</b>		
Key decision? (≥£500k in value or significant effect on communities in two or more electoral divisions)	<b>Y</b>	
Published in advance on Cabinet Work Programme?	<b>Y</b>	
Urgency Procedure(s) used if 'N' to Work Programme?	<b>N</b>	

**Recommendations:**

1. That the Community Infrastructure Levy monies (other than those apportioned for direct administration by relevant Local Councils and administration costs in accordance with statutory provisions) collected from any developments within the planning red line of the Langarth Masterplan area (as set out in the planning application reference PA20/09631 or any subsequent application within this boundary) be retained and applied to infrastructure in the current geographical areas of the parishes of Truro, Kenwyn, Chacewater, Kea and St Clements.
2. That authority be delegated to the Service Director for Planning and Sustainable Development, in consultation with the Cabinet Member for Housing and Planning, the relevant Cornwall Councillors for the divisions that include Truro and the parishes (or parts thereof) listed in recommendation 1 above, together with the Section 151 Officer and the Monitoring Officer, to spend the Community Infrastructure Levy funds on infrastructure investment in the current geographical areas of the parishes of Truro, Kenwyn, Chacewater, Kea and St Clements. Regard will be had to any requirements for stakeholder involvement, including Local Councils, arising from conditions attached to relevant planning applications.

**1 Executive Summary**

- 1.1 Langarth Garden Village is a new development in the Parish of Kenwyn, on the western edge of Truro, in which the Council has chosen to intervene directly. The area included is subject to a series of historic individual planning consents and was held in a particularly fragmented range of ownerships. In 2018, the Council decided to take a strategic approach to re-masterplan the area and acquire a significant proportion of land within the Garden Village. The previous consents and revised masterplan area are shown indicatively below:



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- 1.2 The proposed development at Langarth Garden Village will undoubtedly create a pressure on local infrastructure, but it also creates opportunities to address existing pressure through the provision of new facilities, and it acts as a catalyst to fund infrastructure that meets wider strategic needs in the Truro area. This report deals with the role of Langarth Garden Village in contributing to the funding of that infrastructure.
- 1.3 This report specifically concerns the collection and spend of Community Infrastructure Levy (CIL) in relation to Langarth. Our current CIL charging policy exempts strategy sites from paying CIL. Langarth is unusual because, although it is (by any practical measure) a strategic site, it is subject to normal CIL charges under the current policy because it was not allocated via the Site Allocations Development Plan Document (DPD). This creates an anomalous position both for Langarth (in terms of the costs incurred) and also for the surrounding communities (in terms of the distribution of funds arising).

## 2 Purpose of Report and key information

- 2.1 Development proposals within the area now known as Langarth Garden Village have been the subject of a series of Cabinet, Council and delegated decisions since 2017, as set out in section 4, below. The product of those decisions is that the Council now:
- a) has a masterplan endorsed by Cabinet which has been promoted by the planning application for Langarth Garden Village and which is progressing to planning determination at the end of 2021
  - b) has secured planning permission for, and commenced work on, an energy centre to manage electricity and renewable energy distribution within the Garden Village
  - c) has acquired the land required to deliver both primary schools identified in the masterplan (as informed by an education future

capacity assessment) and procured a contractor for the first primary school

- d) has progressed a wider investment package in community infrastructure projects in Threemilestone and Highertown
- e) owns sufficient land for:
  - circa 2,900 homes
  - two primary schools (the full predicted requirement)
  - approx. 70% of the spine road (known as the Northern Access Road)
  - the energy centre
  - park and ride extension
  - land for sports facilities
  - land for the majority of the strategic green infrastructure (including open space and land earmarked for the provision of suitable alternative natural green space) and blue infrastructure (including flood resilience measures and drainage attenuation)

2.2 The principle of development in the area now known as Langarth Garden Village was established through a series of planning consents granted between 2011 and 2016. The housing numbers provided for in these consents were incorporated into the delivery strategy of the Truro and Kenwyn Neighbourhood Plan and the housing trajectories that are included in the Cornwall Local Plan. Delivery of Langarth is significant as it is now the joint largest development area in Cornwall in terms of housing numbers (alongside Nansledan in Newquay), and represents the bulk of housing delivery in Truro in the current Local Plan period and beyond. The masterplanning of the site has enabled a more co-ordinated and holistic approach, which has allowed projected housing numbers within the Garden Village to be increased from 2,700 to 3,800, which is a much more efficient use of land and reduces pressure on further green field requirements.

2.3 However, the development also exists in a wider policy delivery environment. The delivery of development at Langarth has been a long-established part of planning and local transport policy in the area. Although it changes how local infrastructure will be used by increasing demand on local infrastructure and services and therefore needs to mitigate these effects, it also plays a more strategic role in creating opportunities to improve services and deliver key infrastructure, either on site through allocation of land for specific uses or via

funding through s106, s278 (in terms of local highways) or CIL for off site schemes.

2.4 There are three broad categories of infrastructure which can be described in connection with Langarth Garden Village and the wider Kenwyn/Truro area:

- infrastructure required *within* the development area to make the development function (e.g. schools, northern access road (NAR), open space, drainage/flood attenuation, etc);
- infrastructure required in the *immediately adjoining* communities to mitigate direct impacts (e.g. community halls, highway improvements in the A390 corridor immediately adjoining the development and other sustainable transport infrastructure required to improve the connectivity of the new development with existing communities); and
- infrastructure in the wider area which Langarth has a strategic role to contribute to in part, or assist with coordination of (e.g. strategic transport infrastructure between Truro and Threemilestone, and in the city itself, or contributions to strategic flood resilience packages).

2.5 There are five main ways of funding infrastructure in connection with development:

- direct costs to the project (from which early community infrastructure projects like Threemilestone Hall and Highertown Life House contributions have been funded);
- Government grant (most particularly, at present, the Homes England funding for the Northern Access Road);
- s106 contributions;
- s278 works on the immediately adjoining highway; and
- CIL receipts

2.6 Taking these items in turn, the position is summarised in the following paragraphs.

2.7 In terms of direct costs to the project, there was a conscious decision by the Council to fund early community infrastructure projects as direct costs to the wider Langarth programme to ensure that existing communities were resilient and treated equitably and in parity with the new community. However, it is unsustainable to continue making such commitments from the programme budget itself. Therefore, moving forward, it is now time for the usual planning led process for such mitigations to be applied to secure such funds (pending determination of the relevant application).

- 2.8 In respect of Government grant, the major one is the existing Homes England funding for the provision of the northern access road. Whilst there are other smaller grants already committed and being used, they will always be specific to particular infrastructure items– such as renewable energy, and most likely will be on a cost recovery basis – i.e. with neutral effects on project finances. As the project develops it is likely that further grants may become available.
- 2.9 In respect of the latter three items set out in 2.5, above, (s106, s278 and CIL), they each have different but complementary roles to play in funding infrastructure. Taking these in turn:
- Section 106 planning obligations must meet the CIL Regulation 122 tests in order to constitute a reason for granting planning permission proposed and in that regard they need to be:
    - (a) necessary to make the development acceptable in planning terms;
    - (b) directly related to the development; and
    - (c) fairly and reasonably related in scale and kind to the development.
  - Section 278 is about specific works on the adjoining highway to facilitate the development.
  - CIL is a development tax levied irrespective of the planning merits of a development. CIL allows local authorities to raise funds from new building projects undertaken in their area. It is governed by the CIL Regulations 2010 (as amended) and charged as a fixed rate per square metre of new floor space created. The money raised can be used to help fund a wide range of infrastructure that is needed to support the development of Cornwall, including (but not limited to) transport, flood defences, and other community facilities. Unlike s106, there need not be a direct relation or ‘causal nexus’ between the development and the infrastructure which is funded by the CIL collected in connection with that 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 in the Council’s area. Finally, funding from different routes can be combined or ‘pooled’ with CIL to fund the same infrastructure. The Government expects that CIL charging authorities set out in their infrastructure funding statements (annual statements accounting for CIL expenditure) which infrastructure they expect to fund (or part fund) through the levy.
- 2.10 Our current CIL charging schedule (which is a statutory document that was examined in public and subsequently adopted) exempts strategic sites from

paying CIL. However, Langarth is unusual, for the reasons set out in paragraph 1.3, above. This creates an anomalous position relative to other developments of this size, scale and function because it does not provide for the funds created by Langarth to be focussed in the geographic area where the resulting infrastructure pressures are most felt and (if this were simply to be addressed by the imposition of s106 obligations) may potentially result in the double counting of overheads. This was an unintended consequence that was not fully understood when the CIL charging schedule was established.

2.11 The intention of this report is to address this anomaly, by taking the positive opportunity to mitigate against double counting and to direct CIL receipts from Langarth Garden Village to strategic issues in the wider Truro area particularly in the context of:

- strategic transport
- flood resilience
- community facilities (such as sports or recreation)
- green infrastructure

This, in turn, allows s106 obligations to be focussed on the core infrastructure within the development area itself – including normal education, health and some open space contributions.

2.12 As explained to Cabinet when it made its decision on 18 December 2018, the CIL Regulations 2010 as amended (the Regulations) require that 15% (Regulation 59A(3)) or 25% where there is a Neighbourhood Development Plan) (Regulation 59A(5) of CIL is passed to the Town or Parish Council (T&PC) for that area. The Regulations allow for 5% to be retained by Cornwall Council (the Council) for administrative expenses incurred in connection with CIL (Administrative Costs). The allocation and spend of the remaining 70-80% (the Strategic Share) must be spent on the Regulation's broad definition of infrastructure but spend and governance arrangements are at the discretion of the Council.

2.13 In accordance with the decisions made by Cabinet on 18 December 2018, the spend policy and governance for CIL is due to return to Cabinet next year following a wider review of the process. However, given the planning application submitted for Langarth, it is necessary to consider the anomalous position of Langarth before this review. In this respect, the recommendations in this report will only impact on CIL funds collected from any developments within the red line of the Langarth masterplan area (defined by PA20/09631 and including any subsequent applications within that boundary). The implication of the recommendations is that these funds would be retained

and spent on infrastructure investment in the current geographical areas of the parishes of Truro, Kenwyn, Chacewater, Kea and St Clements. All other CIL funds will continue to be collected and spent in accordance with the previously agreed policy, until such time as this policy is reviewed and any decisions are taken to change it.

2.14 The justification for defining the area by reference to these Local Councils is as follows:

- Kenwyn – contains the entire development area of Langarth Garden Village, and adjoining community of Threemilestone and the quiet lanes network to and including Shortlanesend
- Chacewater – the next closest community to Langarth, and directly affected by local highway network changes, and pressure on rights of way usage
- Truro – as the adjoining city, with effects in terms of city centre viability, transport, green infrastructure and flood resilience and also as the Council that constitutes the qualifying body in the context of the joint Neighbourhood plan with Kenwyn
- St Clements – as the immediately adjoining parish to the east of the city, incorporating the eastern park and ride and therefore of relevance in terms of strategic transport planning
- Kea – as the immediately adjoining parish to the south of Threemilestone and Langarth encompassing various related highway networks, the key transport corridor to Truro from the south and related drainage works particularly relating to SWW works.

2.15 In conclusion, it is emphasised that the funding for local infrastructure arising from a scheme like Langarth would, in normal circumstances, not be received through CIL. However, because Langarth was not allocated via the Council's Site Allocation development plan document, the usual CIL exemption does not apply and this creates the anomalies described – in particular the inability to focus funding generated from this development where it is most legitimately needed. The proposed recommendations seek to mitigate this anomaly prior to the review of the CIL spend policy and governance ensuring there are sufficient funds available to mitigate the impacts on Langarth Garden Village on the surrounding area. This Cabinet report gives effect to the Council's corporate intention to reinvest CIL receipts generated by Langarth Garden Village in the local area in which the development is located and on infrastructure which is likely to affect the operation and/or impacts of the Garden Village.

- 2.16 Appendix 1 sets out a snap-shot summary of the types of infrastructure considered capable of being funded or part funded through CIL collected from Langarth Garden Village for illustrative purposes. As noted above, it is permissible to ‘pool’ CIL receipts with s106 receipts (and other funding sources) for the same item of infrastructure. This is why, in Appendix 1, CIL (in respect of certain items of infrastructure) is shown as being combined with s106 receipts (where such contributions are also justified, in planning policy terms, as site specific mitigation).

### **3 Benefits for Customers/Residents**

- 3.1 A decision wheel was completed and included within the November 2020 Cabinet report, and this report is not changing the underlying factors to that assessment. Therefore, a new decision wheel has not been completed for this report. We are however working with the team in anticipation of updating it following planning determination to ensure it remains up to date.
- 3.2 The key benefit of this decision is to align the use of infrastructure funds from one of the two largest development schemes in Cornwall to strategic infrastructure requirements in the affected communities. In particular, this is most relevant to large scale transport and flood resilience schemes that have to be judged and implemented across multiple parishes. In respect of transport, this approach would allow the Council and the local communities to pursue and develop a strategy led approach via the Truro Transport Strategy. In respect of flood resilience, the approach described is consistent with the Local Plan which states that *“the [then] emerging ‘Cornwall Local Flood Risk Management Strategy’ sets out how the Council and partner organisations, such as the Environment Agency and South West Water, intend to work together to manage flood risk. A key aim of that work will be to prioritise resources for flood risk management projects, maximise funding and joint resources in the most efficient and effective way. Potential funding opportunities identified through the Local Strategic Investment Plan, the Local Enterprise Partnership and a future Community Infrastructure Levy will be important in the context of managing flood risk”*. The aim of this current Cabinet paper is to give practical effect to those aspirations in the Truro area.
- 3.3 The use of CIL funds in the manner described in this Cabinet report allows, in effect, a flexible and proactive match funding resource to be created to lever in other external funding for key strategic projects across the wider area. The recommendations provide for ongoing involvement of local members and local councils to make use of funding arising in as strategic and proactive a way as possible in the interests of their residents and communities.

## 4 Relevant Previous Decisions

- 4.1 On 20 June 2018, Cabinet agreed to the acquisition of 154 plots of land plus further land for public infrastructure at Langarth Farm. This decision was ratified by Full Council on 10 July 2018. (See: <https://democracy.cornwall.gov.uk/ieDecisionDetails.aspx?AllId=72581> and <https://democracy.cornwall.gov.uk/mgAi.aspx?ID=73535>)
- 4.2 On 18 December 2018, Cabinet recommended to Council that the capital programme be increased by £159.047m in respect of this programme of interventions and the use of £7.627m from the Economic Development Match Fund, which was subsequently ratified by Council on 22 January 2019.
- 4.3 On 18 December 2018, Cabinet resolved to retain 5% of CIL received to cover administrative costs, to allocate part of the 70-80% strategic share to parishes in Zone 5 (0 rated) at a local share equivalent of a zone 4 rate, to review the allocation of CIL monies after 3 years from the date of implementation or earlier if the strategic share of CIL monies exceeds £2m in any one year and to adopt the regulation 123 list. The Government has subsequently removed the requirement for a 123 list and this no longer remains relevant. The trigger points for review have not yet been met but will be next year. Subsequent to this report in June 2020, an individual decision of the Strategic Director for Economic Growth and Development was taken which established that the strategic share would be distributed through a bidding process. See <https://democracy.cornwall.gov.uk/documents/s118036/CIL%20Governance%20and%20Spend%20Report.pdf>
- 4.4 On 21 November 2019, Cabinet resolved that the Strategic Director for Economic Growth and Development be given delegated authority to complete the acquisition of the land identified in the exempt report and to give effect to the Northern Access Road and other infrastructure as set out in the exempt report, in consultation with the Portfolio Holder for Homes, the Portfolio Holder for Culture, Economy and Planning, the Monitoring Officer and the Section 151 Officer. See: <https://democracy.cornwall.gov.uk/documents/g8914/Public%20reports%20pack%2013th-Nov-2019%2010.00%20Cabinet.pdf?T=10>
- 4.5 The 4 November 2020 Cabinet resolution encompassed multiple recommendations relating to the endorsement of the masterplan for Langarth Garden Village, commitment to funding of specified projects in Threemilestone from s106 or other sources of funding of the first primary school, adoption of a strategic outline case for stewardship, authority to progress compulsory purchase if required, authority to progress further land acquisitions, and related decisions relating to financing and delegations. See

[Agenda for Cabinet on Wednesday, 4th November, 2020, 10.00 am - Cornwall Council.](#)

## **5 Consultation and Engagement**

- 5.1 The Electoral Division Members for Langarth have been consulted, and the issue of CIL and s106 contributions have been widely discussed in various sessions with Kenwyn Parish Council and Truro City Council in recent engagement sessions during October and November 2021. There appears to be a consensus that the long term, strategic approach, as articulated in this report, is considered acceptable and is supported.
- 5.2 This engagement forms part of a much wider and longer series of engagement sessions stemming back to the Stakeholder panel established as a result of the January 2019 Council decision. This work, in turn, established the design principles from which the masterplan was drawn.

## **6 Financial Implications of the proposed course of action/decision**

- 6.1 The collection and application of CIL receipts from Langarth Garden Village has not been considered in any budget setting process or other commitments. Therefore, there are no implications or consequences to other projects that were anticipating contributions from development at Langarth.
- 6.2 Developments within the Langarth masterplan area will be required to pay CIL in accordance with the CIL charging schedule and in the same way as all other developments that are CIL liable. Funds received, however, will be pooled for spend, in accordance with this decision.
- 6.3 The CIL contributions referred to in this report have not been identified or accounted for anywhere else either formally or informally. The payment of CIL contributions will be the responsibility of the developer and are outside of the financial considerations of this report.

## **7 Legal/Governance Implications of the proposed course of action/decision**

- 7.1 The applicable legislation governing CIL funds is set out in section 2, above.
- 7.2 The reasons for the governance route adopted for this decision to be taken is set out in section 2 above. The CIL spend policy and accompanying guidance will return to Cabinet for a decision next year following a wider review of the same. This is in accordance with the decisions taken by Cabinet on 18 December 2018.

## **8 Risk Implications of the proposed course of action/decision**

- 8.1 This report mitigates the anomaly referred to in this report and, in turn, mitigates the risk of Langarth being expected to bear a duplicate burden for infrastructure, and Truro and adjoining parishes being unable to access contributions appropriate to the impact on strategic infrastructure in their area.

## **9 Cornwall Development and Decision Wheel**

- 9.1 Langarth Garden Village has been a long-standing programme, first established as a result of the decisions identified in section 4 above. A decision wheel was last completed in relation to the last significant Cabinet report in November 2020. The programme has not changed materially since that stage. This present paper is dealing with a related issue which is about the creation and flexible allocation of resources arising from the scheme. Therefore, a fresh decision wheel has not been prepared.

## **10 Options available**

- 10.1 To approve the recommendations as drafted. This is the preferred option, for the reasons as set out in this report.
- 10.2 To not approve the recommendations as drafted and seek to address the anomaly referred to, as part of the wider review of the CIL spend policy and accompanying guidance. This is not the preferred option, for the reasons set out in the report, including the timeliness of the decision in contemplation of the planning application anticipated to be determined in December in respect of Langarth.
- 10.3 To approve a variation of the recommendations as drafted.

## **11 Supporting Information (Appendices)**

- 11.1 Appendix 1 – Illustration of interaction between s106, s278 and CIL funding in the context of a selection of infrastructure requirements in and around Truro.

## **12 Background Papers**

- 12.1 None.

### 13 Approval and clearance

#### All reports:

<b>Final report sign offs</b>	<b>This report has been cleared by (or mark not required if appropriate)</b>	<b>Date</b>
Governance/Legal (Required for <b>all</b> reports)	Lia Musto-Shinton (Governance) Ben Curnow (Legal)	02.12.21 02.12.21
Finance (Required for <b>all</b> reports)	Leah Plummer	02.12.2021
Equality and Diversity (If required)		
Service Director (Required for <b>all</b> reports)	Louise Wood	03/12/2021
Strategic Director (If required)	Phil Mason	03/12/2021



# Appendix 1 – Langarth infrastructure contributions

The following summary is an indicative overview of the interaction between various elements of infrastructure funding secured within the planning system as a result of Langarth.

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It is presented simply to provide a conceptual overview at a summary level. The overall aim is to acknowledge that there is an interaction between different funding routes in the context of delivery of strategic projects in and around Truro.

The funding routes sit within a wider policy context including the Local Plan, Truro and Kenwyn NDP, and the Truro Transport Strategy as referenced in the related report, and will continue to evolve.

### Within Langarth:

- Cycle hubs incl. e bikes
- Park and ride extension
- Use of park and ride for out of hours van parking
- Integrated bus services with park and ride and local services
- Dedicated cycle paths in NAR
- Car club hub

### Within Threemilestone:

- Village centre public realm and parking
- Cycle hubs incl. e bikes
- Sport, recreation and open space

### A390:

- Reduced speed environment (40 from W. Langarth to P+R; 30 from P+R into town)
- “Super crossings” – West Langarth, East Langarth
- Hightown corridor cycle lanes or equivalent sustainable transport measures

### Cycle routes:

- St Georges road – RCHT route
- Connectivity to other routes
- Truro loops funding

### Truro Train Station:

- Cycle hubs incl. e bikes
- Car club hub
- Additional bus service funding
- Access and connectivity from west for pedestrians and cyclists

### Truro City Centre:

- Cycle hubs incl. e bikes
- Car club hub
- Additional bus service funding
- Contribution to wider flood resilience packages throughout catchment

Planning conditions, LGV s106 and CIL

LGV s106 and CIL

LGV s106/s278/CIL

CIL

Other S106 and CIL

LGV S106, other s106 and CIL

