

Buckinghamshire County Council
Chiltern District Council
South Bucks District Council
Wycombe District Council

Buckinghamshire Infrastructure study

Phase 2: South Buckinghamshire



Executive Summary

April 2008

Buckinghamshire Infrastructure Study

Phase Two Executive Summary

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1 Study objectives

- 1.1.1 In October 2007 Colin Buchanan, in association with Hewdon Consulting and Davis Langdon, were commissioned by Buckinghamshire County Council to undertake an Infrastructure Study, with the following objectives:
- To review in detail the technical assessments of future long term infrastructure requirements carried out by Aylesbury Vale Advantage (AVA) for Aylesbury Vale District and by Buckinghamshire County Council for the rest of Buckinghamshire;
 - To revise the above assessments as necessary, such that, the final schedules can be presented with credibility to all relevant stakeholders;
 - To ensure that the schedules of infrastructure provide an appropriate and defensible evidence base for the Local Development Frameworks (LDFs) and Supplementary Planning Documents (SPDs) in respect of developer contributions;
 - To advise on an appropriate developer contributions tariff for Aylesbury Vale District.
- 1.1.2 This study will form an important part of the evidence base underpinning ongoing forward planning and LDF preparation across the county.
- 1.1.3 The study was carried out in two phases: phase 1 focused on Aylesbury Vale district and concluded in February 2008; and phase 2 focused on the rest of Buckinghamshire.
- 1.1.4 The starting point for phase 2 is the study undertaken for the client group by Michael Ling, "Buckinghamshire Infrastructure Project Phase 2 Final Report January 2008" (referred to hereafter as the Ling Report). That study presents a thorough review of work undertaken by the various agencies and service providers in terms of long term planning for infrastructure requirements in the three districts of Chiltern, South Bucks and Wycombe. It also identifies delivery mechanisms and funding sources. The main purpose of this report is to validate and review the findings of that work and identify the implications for infrastructure delivery and funding.

2 Study context

Infrastructure Planning

2.1.2 The 2007 Budget, Comprehensive Spending Review 2007 (CSR07), the Planning Bill, and the Housing Green Paper all reiterated the need for an improved system of infrastructure planning and funding. This is largely a response to the evidence submitted to the Government to inform the supporting Housing Growth Review, a critical stream of work within CSR07.

2.1.3 The Government's latest proposals for improving the infrastructure planning process are contained within the Planning Bill currently before Parliament, draft PPS12 (Streamlining LDFs) and the recent paper on Community Infrastructure Levy (CIL) (CLG, January 2008).

2.1.4 The proposed new requirements in relation to infrastructure planning at the local level are set out within draft PPS12. Specifically it states:

“The core strategy should be supported by evidence of what physical and social infrastructure is needed to enable the amount of development proposed for the area, taking account of its type and distribution. This evidence should cover who will provide the infrastructure and when it will be provided. The core strategy should draw on and in parallel influence any strategies and investment plans of the local authority and other organisations...”

The infrastructure planning process should identify as far as possible:

- *Infrastructure needs and costs*
- *Phasing of development*
- *Funding sources*
- *Responsibilities for delivery.”*

2.1.5 The importance of infrastructure planning as part of the LDF process will be cemented through the proposed repackaging of the nine tests of soundness for Development Plan Documents and the Government's proposal that the purpose of an EiP is to determine whether the plan in question will deliver.

Draft South East Plan

2.1.6 Table 2.1 below, compares housing growth in the study area as set out in the Panel Report (2007) into the draft South East Plan with extant Buckinghamshire Structure Plan allocations and the submission draft South East Plan (2006).

Table 2.1: Housing delivery targets

District	Structure Plan 2001 – 2011		Draft South East Plan 2006 – 2026 (2006)		EIP Panel Report 2006 – 2026 (2007)	
	Total	dpa	Total	dpa	Total	dpa
Chiltern	600	60	2,400	120	2,900	145
South Bucks	600	60	1,800	90	1,880	94
Wycombe	3,700	370	6,600	330	7,800	390

Source: Buckinghamshire County Structure Plan (1996), draft South East Plan (2006) and EIP Panel Report

2.1.7 Table 2.2 provides housing completion figures for all three districts for the past six years for which data is available. It can be seen that all three have exceeded the targets proposed by the RSS EIP Panel Report. In other words the scale of growth proposed by the panel does not represent a step change in housing delivery, rather business as usual. Nevertheless, it is evident from the Ling Report that there are existing deficits in the provision of infrastructure which will only be exacerbated unless action is taken to address these as an integral part of the planning process. The way in which this is taken forward however may require very different approaches in the three districts given their very different development strategies and infrastructure needs.

Table 2.2: Completions, 2001/2 – 2006/7

District	Total Completions 2001/2 – 2006/7	Annualised Completions 2001/2 – 2006/7 (Dpa)
Chiltern	1,041	173.5
South Bucks	732	122
Wycombe	2,357	393

2.1.8 The scale of development proposed is in itself unlikely to directly generate substantial infrastructure investment requirements in these districts. It is far more likely that the infrastructure investment required will be a result of changes in the composition and structure of the districts' populations and / or the changing nature of service delivery. The University of Manchester produced population projections (September 2007) which have formed the basis for assessing future needs (The text boxes below set out the main demographic issues for each district). Since these projections were produced, more up to date data relating to fertility rates have become available and the projections as they relate to school age population will need to be re-worked.

Summary of demographic change in Chiltern

- The overall population of Chiltern is projected to decline slightly between 2006 and 2026 from 89,967 to 89,024, which is a minor reduction of 0.2%. This suggests that infrastructure requirements will largely be determined by demographic change rather than population growth.
- Chiltern is projected to experience an ageing of the population, with age groups 65-79 and 80+ the only age cohorts forecast to have continually rising populations from 2001 to 2026. This also results in the percentage of these age groups rising as a proportion of the total population. This will have significant implications for the provision of a number of public services, most notably health and social care.
- The younger age groups in Chiltern decrease in both absolute numbers and as a percentage of the overall population from 2001 - 2026. However, this is not a continuous decline and the number of children decreases to 2021 before beginning to rise. For teenagers, this trend is reversed and the age cohorts 11-15 and 16-19 both experience population growth to 2011 followed by a continuous decline to 2026.

Summary of demographic change in South Bucks

- South Bucks is projected to experience an ageing of the population, with age groups 65-79 and 80+ the only age cohorts forecast to have continually rising populations from 2001 to 2026. This also results in the percentage of these age groups rising as a proportion of the total population.
- The age groups 0-4, 5-10, and 11-15 are projected to decrease in both absolute numbers and as a percentage of the overall population from 2001 - 2021.

Summary of demographic change in Wycombe

- Wycombe is projected to experience an ageing of the population, with age groups 65-79 and 80+ the only age cohorts forecast to have continually rising populations from 2001 to 2026. This also results in the percentage of these age groups rising as a proportion of the total population. This will have significant implications for the provision of a number of public services, most notably health and social care.
- The younger age groups in Wycombe decrease in both absolute numbers and as a percentage of the overall population from 2001 - 2026.
- The net out-migration from Wycombe is compensated for by natural growth: it has the highest birth rate of the three districts and a relatively younger population than Chiltern and South Bucks.

3 Validation of the Ling Report

- 3.1.1 A considerable amount of work to identify infrastructure needs for the study area had previously been undertaken by Michael Ling. The present study builds upon the Ling Report through a validation of its contents prior to identifying any implications for the emerging LDF policies and processes for securing developer contributions towards infrastructure provision.
- 3.1.2 Having reviewed the Ling Report a majority of the service providers were contacted with a series of questions seeking clarification and, where considered appropriate, requesting more detail on future requirements. The majority of service providers have been contacted by e-mail but a number have been contacted by telephone or interviewed in person.
- 3.1.3 A significant omission from the Ling Report was affordable housing. With the exception of transport, affordable housing is usually the most costly requirement in any schedule of infrastructure requirements, and has been identified as a priority by all three district councils.
- 3.1.4 Current delivery of affordable housing is low within the three districts and the three Councils have undertaken assessments that have resulted in a lowering of the thresholds.
- 3.1.5 For the purposes of this study, we have calculated an indicative subsidy requirement associated with the provision of affordable housing in each of the three districts. However this must be treated with caution as it is based on region wide average costs, and assumes that this subsidy is required irrespective of the way affordable housing is procured (i.e. S106, social housing grant, RSL borrowing etc).
- 3.1.6 Indicative subsidies based on meeting RSS targets of 35% affordable housing (applying a 70:30 social rent:low cost home ownership split) are set out below in Table 3.1.
- 3.1.7 The assumed public subsidy is taken from the South East England Regional Assembly (SEERA) calculation of the average historic subsidy per unit¹.
- Social Rented Sector £53,750
 - Low Cost Home Ownership £18,270

Table 3.1: Indicative annual affordable housing costs to meet RSS Targets

	Draft Housing Allocations (Dwellings Per Annum)	Implied Annual Provision Of Social Rented Dwellings	Implied Annual Provision Of Low Cost Home Ownership	Annual Subsidy Cost To Provide Social Rented	Annual Subsidy Cost To Provide Low Cost Home Ownership
Chiltern	145	36	15	£1,935,000	£274,050
South Bucks	94	23	10	£1,236,250	£182,700
Wycombe	390	96	41	£5,160,000	£749,070

NB: Figures rounded to the nearest whole number

¹ This calculation is not necessarily robust or accepted by the Housing Corporation – see section 7.4 of the main report.

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- 3.1.8 The important message that comes out from the Ling Report is that the level of housing growth (particularly for Chiltern and South Bucks) is not the primary issue for service providers. Rather, the determining factors are demographic change, in particular the aging population, location of development and making good existing deficiencies.
- 3.1.9 The importance of addressing the issue of an aging population nationally has been recognised by Central Government which announced in the CSR07 that a review of care for the elderly will be undertaken. This review has now commenced with a public consultation exercise running until November 2008. The impact on the County Council will be in terms of service delivery and revenue costs. Bucks CC social services have stated that they anticipate the private sector to provide the capital finance and to provide the physical infrastructure.
- 3.1.10 With the exception of transport infrastructure and education, the phase 2 work does not include work on capital cost estimates because service providers have not been in the position to provide them. Indicative costs for education have been calculated using established formulae.

4 Infrastructure funding

- 4.1.1 A review of mainstream infrastructure funding was undertaken, in the light of the Comprehensive Spending Review 2007 (SR07). The problems with mainstream public funding not keeping up with the pace of population change is acknowledged now by Central Government, although the necessary corrections to funding streams (and associated funding formulae) continue to lag behind change. The problem is fundamentally one of timing and the need to find resources to fill the funding gap whilst waiting for mainstream sources to catch up. A summary of the key issues emerging is presented below:
- **Local Government.** Formula Grant is now calculated on a 4 Block Formula system and places emphasis on measures of deprivation rather than population. The client authorities are all subject to the funding floor and the most obvious problem of being on the floor has been that while authorities may have capacity to borrow capital, they do not receive an increase in revenue to cover interest payments. The fact that the client authorities are on the floor acts to prevent them using prudential borrowing for capital projects unless the interest payments can be met from a new source of revenue.
 - **Education.** Funding for mainstream primary and secondary schooling has been split from the rest of local authority funding and ring fenced as Dedicated Schools Grant. Funding is allocated on the basis of expected school populations at the end of the spending round period and, to that extent, should reflect population growth. In reality, problems arise in two areas – where rapid migration takes place and where the population growth is enough to trigger new schools provision. The Department for Children Schools and Families has launched a consultation into reviewing the entire schools funding formula in 2008.
 - **Health.** In CSR07 health received the biggest increase among public services (4% per annum), although this was significantly below the average growth of 7.2 per cent since the NHS Plan was published in 2000. Potentially significant for health infrastructure planning is The Local Government and Public Involvement in Health Act 2007 which specifies that each local authority and Primary Care Trust (PCT) will have a duty to issue a Joint Strategic Needs Assessment (JSNA) to identify and assess the short, medium and long-term health needs of each social care authority. In preparing the JSNA, local authorities and PCTs have a duty to cooperate.
 - **Adult Social Care.** Over the period to 2010/11, funds for adult social care will increase by only 1 per cent per annum. However, Government has recently embarked on a consultation², which will end in November 2008, about the future of adult social care in England.
 - **Affordable Housing.** Over the past decade the main source of public subsidy for affordable housing provided through RSLs has been through the Housing Corporation. It has been common practice for the Housing Corporation to provide Social Housing Grant of up to £30-50,000 per unit in the South East of England. The remaining cost is provided through RSL borrowing and use of their reserves. In 2006 CLG produced guidance which said that the starting point for negotiations should be that developers provide serviced plots for affordable housing at their own expense but otherwise no subsidy. In 2007 the Housing Corporation published its prospectus for 2008-11 which reiterated its

² The Case for Change – Why England needs a new care and support system. Published by the Department of Health

previous policy. It intends to channel 90% of affordable housing grant through a few major providers towards major sites in growth areas and growth points, for instance, Berryfields at Aylesbury. Where grant is provided for S106 schemes, it is aimed at bringing clear additional benefits, such as additional affordable housing, a different mix or higher environmental standards.

- 4.1.2 For Chiltern and South Bucks the funding issues are very similar. Wycombe is a larger centre and has more housing growth allocated, giving it a slightly different set of issues. However, the main requirement is for incremental infrastructure investment rather than major strategic projects.

5 Developer contributions

- 5.1.1 Local planning authorities have often sought to mitigate the impact of development and to capture some of the increased value of land resulting from the granting of planning permission, by negotiating with developers for contributions to local infrastructure. These contributions are known as “planning gain”. The enabling legislation for this is s106 of the Town and Country Planning Act 1990 (as amended in 1991) but the practical limits of planning gain are determined by Government circulars and by case law. The approach to securing planning gain is patchy across the country and Chiltern and South Bucks are not unusual in having no overall developer contributions guidance to accompany their local plans. Wycombe adopted a comprehensive Developer Contributions SPD in April 2007.
- 5.1.2 It was not until after the Barker Report in 2003³ that Government began to encourage local authorities to take a more proactive approach.
- 5.1.3 During the debate about developer contributions, Government has tended to encourage the idea that all kinds of infrastructure could be funded by charges. This was reiterated by the publication of circular 05/2005 “Planning Obligations”. At the same time, public services and bodies such as MLA (Museums, Libraries, Archives) South East and Sports England have developed standard charging formulae which they would like local authorities to adopt.
- 5.1.4 However, the reality is that the main infrastructure cost is largely made up of 4-5 items, which are affordable housing, education, transport, green infrastructure and where needed, flood defence. We recommend concentrating on these items, especially given the current downturn in the housing market.
- 5.1.5 Moreover, given the dispersed nature of development in Chiltern and South Bucks it is less likely that generic formulae will be applicable for items of community infrastructure. Provided the Core Strategy and SPD leave open the possibility of negotiating contributions where an exceptional deficit arises, there is no need for a universal formula to be created.

Community Infrastructure Levy (CIL)

- 5.1.6 The Government’s current proposal to introduce a community Infrastructure Levy (CIL) is a further development of the standard charge approach to developer contributions. It has not yet been decided whether this will be mandatory or discretionary. Primary legislation for the CIL was included in the Planning Bill currently before Parliament but it is so widely drafted that almost any approach could be adopted. The detailed implementation will be left to regulations to be issued by the Secretary of State which will not be published until autumn 2008, with implementation in 2009 and beyond.
- 5.1.7 In essence, CIL would replace s106 as a mechanism for paying for off-site infrastructure, but there would be no need to demonstrate a link between individual developments and the infrastructure funded by CIL. This would enable CIL to be applied to strategic infrastructure.
- 5.1.8 CIL is likely to be dependent on an up to date Local Development Framework supported by a costed assessment of infrastructure requirements.

³ Barker Review of Housing Supply: Securing Our Future Housing Needs. Interim report, scope of review, consultation and commissioned research

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- 5.1.9 Wycombe's sophisticated developer obligations document should form a sound basis for the introduction of a CIL should the authority choose to do so.
- 5.1.10 The Planning Bill makes provision for other bodies with planning powers to levy a CIL. In time this could include the Regional Development Agency but this is dependent on future legislation transferring planning powers from the regional assemblies. Recent amendments to the Bill, if enacted, allow for counties to levy a CIL.

6 Next steps

- 6.1.1 Draft PPS12 (Streamlining LDFs) places increased emphasis on the importance of infrastructure planning as an integral component of the plan making and implementation process. The findings of this study support the need for an ongoing dialogue. For many infrastructure providers long term planning is looking forward up to 3 years, not 15 or 20 as expected by the spatial planning process, but service providers should understand the need to take a longer term perspective on provision.
- 6.1.2 Demographic change is anticipated to be the primary driver for service delivery for a large number of service providers, particularly education and social services, and this could also impact on other services such as health and also libraries and adult education. It will also have implications for the type of housing required. (See text box below.) More up to date demographic data is available to that available when the University of Manchester produced its population projections and thus, revised projections will need to be produced.

The impacts of an ageing population on service provision

There is a great deal of research into the impacts of an ageing population. The fastest growing sector of the population is projected to be those over retirement age and this is an issue that will be an important consideration for service provision in the future.

- An ageing population is likely to have a significant impact on the provision of health and social care services. Age Concern cite the following statistics to demonstrate this point:
 - In 2005, 60% of people aged 65-74 and 64% of people aged 75 and over reported a longstanding illness.
 - The Alzheimer's Society estimates that there are currently 683,597 people in the UK with dementia, of which only 15,034 are aged under 65.
 - In 2005, in a three-month period, 25% of those aged 75 and over had attended the casualty or out-patient department of a hospital, compared with 14% of people of all ages.
- There is increasing evidence that health and social care agencies are considering housing solutions as an alternative to residential care. Current examples include PCT (Primary Care Trust) funding of adaptations work and Department of Health funding for extra care housing. It is argued that regional housing strategies need to recognise the value of housing in promoting independence in older age.
- An older population has different requirements. For example, sports provision for older people will be different to that of younger generations. Research data from Long (2004) suggests older people enjoy walking, cycling, bowls, golf, swimming, snooker and keep-fit classes and this may be a consideration in planning for future leisure provision.
- There is evidence to suggest that older people have a relatively high demand for library services and that some have specific requirements such as large print texts or audio books due to failing eye sight.
- Elderly people often rely on public transport rather than the use of a personal car as they get increasingly older. The elderly also often have restrictions to their mobility and require mobility services to aid them in their everyday lives.
- Elderly people often live in single-person households – people over 65 often make up the largest proportion of 1 person households in most districts. With elderly households making up an increasing proportion of the population and there is a decreasing absolute number (and proportion) of households with children, demand for utilities such as water and electricity might decrease.

- 6.1.3 We have identified the following actions that the client bodies could usefully undertake to progress the infrastructure planning process within Buckinghamshire in the light of the findings of the Ling Report and this validation exercise.
1. **Buckinghamshire County Council** to commission new population forecasts incorporating the most up to date data available and advise key service providers of any implications thereof.
 2. **Local planning authorities** to establish mechanisms (where they do not already exist) for regular ongoing dialogue with all infrastructure providers. Identification of infrastructure needs and associated costs should be treated as a core forward planning function, which informs the spatial strategy and development control.
 3. **Service providers** to advise the County Council and district planning authorities on when they will be in a position to provide details of infrastructure need and associated capital costs. Bearing in mind the comments in paragraph 6.1.1, such information should be available for a three to five year period and set in the context of a longer term view of service requirements.
 4. **The client bodies**, perhaps through the Bucks Local Strategic Partnership, could usefully undertake an audit of social infrastructure services provided for by the third sector (i.e. voluntary and charitable bodies, trusts and Parish Councils) to ensure that they have a full picture of infrastructure provision in the County.
 5. **South Bucks and Chiltern** should both include explicit policies towards infrastructure delivery within their LDF Core Strategies. This should identify key investment priorities, required to deliver the objectives of the community strategy and to facilitate development.
 6. Detailed guidance on the role of developer contributions would be best addressed through supplementary planning documents. The LDF core strategy policy whilst indicating the role that developer contributions will be expected to play in delivering infrastructure (on-site and off site) should allow sufficient flexibility, such that, the detailed scope of contributions collected and the level of charges applied can be amended to reflect ongoing needs and viability.
 7. **The client bodies** to investigate the possibility of one or more county-wide or district infrastructure forums covering different categories of infrastructure and service provision (for example, health and social care, green infrastructure, emergency services). The appropriate geographical coverage will vary depending on the scale at which the service is provided. Each forum would provide an opportunity for the local planning authority and providers to review progress with infrastructure planning and delivery, explore opportunities for co-delivery and agree priority tasks to be undertaken.
 8. **The County Council and Wycombe District Council** could usefully agree a prioritised list of transport schemes for the district, as a basis for bidding for public funding and allocating scarce developer contributions.

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