

**MINUTES OF A MEETING OF THE SUSTAINABLE GROWTH AND ENVIRONMENT
CAPITAL SCRUTINY COMMITTEE
HELD AT THE BOURGES/VIERSEN ROOM - TOWN HALL
ON 6 SEPTEMBER 2012**

- Present:** Councillors M Todd (Chairman), G Casey (Vice Chairman),
M Nadeem, D McKean, C Ash, S Martin, N Thulbourn
- Also Present:** Cllr Sandford, Group Leader, Liberal Democrats
Magda Steele, Youth Council Representative
- Officers Present:** Simon Machen, Head of Planning, Transport and Engineering
Services
Richard Kay, Group Manager Strategic Planning & Enabling
Simon Pickstone, Strategic Planning Officer
Israr Ahmed, Lawyer
Paulina Ford, Senior Governance Officer

1. Apologies for Absence

Apologies were received from Councillor Maqbool and Councillor McKean attended as substitute. Apologies were also received from Councillor JA Fox and Councillor Ash attended as substitute.

Apologies were also received from the Cabinet member for Growth, Strategic Planning, Economic Development, Business Engagement and Environment Capital.

2. Declarations of Interest and Whipping Declarations

Agenda item – 7 Peterborough ‘Community Infrastructure Levy (CIL): Preliminary Draft Charging Schedule (PDCS)’ and Infrastructure Delivery Schedule (IDS)

Councillor Nadeem declared a personal interest in that he was a developer and builder.

3. Minutes of Meetings held on:

- 13 June 2012
- 12 July 2012

The minutes of the meeting held on 13 June 2012 were approved as an accurate record.

The minutes of the meeting held on 12 July 2012 were approved as an accurate record.

4. Call in of any Cabinet, Cabinet Member or Key Officer Decisions

There were no requests for call-in to consider.

5. Progress Report from the Cabinet member for Growth, Strategic Planning, Economic Development, Business Engagement and Environment Capital

The Cabinet Member for Growth, Strategic Planning, Economic Development, Business Engagement and Environment Capital was unable to attend the meeting and had sent his

apologies in advance. The Committee therefore agreed to defer the item to the next meeting in November to allow the Cabinet Member to attend and present his report.

6. Update on the Peterborough City Council's 2010/11 and 2011/12 Carbon Emission Submitted Under Different Reporting Requirements.

The Group Manager Strategic Planning and Enabling introduced the report. The report provided the Committee with an update on Peterborough City Council's 2010/11 and 2011/12 carbon dioxide emissions. The emissions were reported as part of the mandatory participation in the Carbon Reduction Commitment Energy Efficiency Scheme and to assess progress under the Carbon Management Action Plan (CMAP). Steady progress had been made towards the 35% target of reduction in carbon dioxide emissions but to achieve the target by 2013/14 would be a challenge.

Questions and observations were made around the following areas:

- How are you going to achieve the 35% reduction in carbon dioxide emissions and how do you propose to make up for the shortfall. *Members were advised that the council was on track to hit the 35% target but not in the timeframe originally set. This had been an ambitious target and the progress towards it had been steady. Some examples of initiatives in place to achieve the target had included working with schools, the new Energy Services Company, consolidation of office space in more energy efficient buildings, behavioural change of staff in the way they use the buildings, improvement in the heating system in buildings.*
- Lots of schools have had solar panels fitted. What sort of impact do you think this will have on the figures mentioned in the report in the future? *Members were advised that solar panels on schools would assist in the reduction of carbon emissions in the future. The council was keen to work with schools to educate them and effect a behavioural change in the future.*
- The report showed that the fleet vehicles that were now part of the outsourced services had shown an increase in emissions of 19% during 2011/12. Could the Officer explain why there had been an increase? *The Group Manager Strategic Planning and Enabling advised that he did not have the information available with regard to this and would advise the committee at a later date.*
- Had the outsourcing contract for the fleet vehicles included targets for reducing carbon emissions? *The Group Manager Strategic Planning and Enabling advised that he did not have the information available with regard to this and would advise the committee at a later date. The Head of Planning, Transport and Engineering Services informed Members that the team under the Group Manager for Strategic Planning and Enabling only recorded the information with regard to carbon emission output and was not involved in procurement of contracts.*
- Why had there been no further consultation on CMAP since it had been approved by Council in April 2010. *Members were advised that a refresh of the all of the Environment Capital targets including CMAP would commence this year.*
- The report states that officers would continue to monitor carbon emissions annually. How would this be done? *Members were advised that monitoring had to be completed annually and was a complex process which included looking at energy bills and how gas had been converted into carbon emissions. This was calculated across all the council buildings to produce a figure. The process was currently manual but a new automated process had been looked at.*
- Members referred to the graph in the report which showed 'Actual emissions against business as usual increase and reduction target trajectory'. The graph indicated that the council were below target. *Members were advised that the graph showed that without major intervention to make a significant step change around things like property rationalisation and renewable energy infrastructure on a commercial scale which had a significant capital cost to it the trajectory would remain the same.*

ACTIONS AGREED

1. The Committee requested that a detailed explanation should be given within the graphs when reporting figures that had changed considerably over the year.
2. The Committee requested that further reports be brought back to the Committee on an annual basis.
3. The Group Manager Strategic Planning and Enabling to provide the Committee with information regarding:
 - the increase in emissions of 19% during 2011/12 for the outsourced fleet vehicles; and
 - if the outsourcing contract for the fleet vehicles included targets for reducing carbon emissions.

7. Peterborough 'Community Infrastructure Levy (CIL): Preliminary Draft Charging Schedule (PDCS)' and Infrastructure Delivery Schedule (IDS)

The Group Manager Strategic Planning and Enabling introduced the report which informed Members that the Community Infrastructure Levy (CIL) was a new nationally based optional approach to securing developer contributions alongside the limited continued use of Planning Conditions and Obligations (financial or in-kind contributions e.g. land). If adopted by the city council it would replace the current POIS tariff-based system. Members were informed that CIL would not be a radical new initiative in Peterborough and was very similar to the existing POIS system that had been in place in Peterborough for the past few years, i.e. a 'levy' placed on development, a similar set of '£' rates, and a similar proposed spending arrangement. It was not therefore anticipated to cause undue concern by the vast majority of developers and investors in the city. The report also included a Proposed Preliminary Draft Charging Schedule (PDCS). From April 2014 the current local POIS system would become unlawful. The officer wished to note an administrative error in the report on page 30 paragraph 5. A figure of £1.5 Billion had been quoted when it should have read £491 Million.

Questions and observations were made around the following areas:

- Members were concerned that developers would not fulfil their instalment payments. *Members were advised that if the instalments policy was put in place as proposed it would still have to be paid at commencement of development of each building phase. As soon as the development had started the council would send a bill to the developer which effectively became a charge on the land.*
- What would happen if the developer said he could not afford to pay the S106 payment? *Members were advised that the CIL payment was not negotiable and would have to be paid at the start of the development. Outstanding S106 Obligations would continue to be negotiated in the same way as they are currently negotiated.*
- Neighbourhood Committees did not meet very often so how would you ensure they were consulted? *Members were informed that Neighbourhood Committees could influence how the money was spent in two ways with the new system. Directly through the Community Action Plans by stating how they wanted their 5% contribution to be spent and then indirectly influence the remaining 95% of contributions for the bigger infrastructure schemes through the Infrastructure Delivery Schedule. CIL would not change how the money was distributed to communities.*
- How will CIL be distributed across the neighbourhoods? *Members were informed that the money collected from the developers would go into a single pot. The pot of money would then be split on an annual basis as listed in the table below.*

Proposed CIL funding split

Transport	28%
Education & Skills	38%
Community Infrastructure	9%
Utilities & Services	5%
Emergency Services	5%
Environmental Sustainability	5%
Health & Wellbeing	5%
'Meaningful Proportion' for neighbourhoods as set out in CAP's	5%

- Members wanted confirmation that the money for neighbourhoods would be split equally across the neighbourhoods. *The Head of Planning, Transport and Engineering Services informed Members that the document before the committee could only confirm the amount of CIL Funding that would go to neighbourhoods not how it would be split as that would be a political decision going forward.*
- Councillor Sandford commented that under the current POIS system the monies would be split 65% / 35% and that the Neighbourhood Committees would decide how the 35% would be spent through their Community Action Plans. Under the new CIL it appeared that the split would be 95% / 5% was this correct? *The Head of Planning, Transport and Engineering Services advised Members that the Neighbourhood Committees had no current projects. The new Infrastructure Delivery Schedule (IDS) was a live document and would include a host of projects both at neighbourhood level and strategic level and this would ensure that the money was evenly distributed. All of the neighbourhood projects would need to be listed in the IDS to ensure funding. The proposal had been based on the infrastructure needs of the city. The proposed 5% to be given to Neighbourhood Committees was a new mechanism and would be directly under their control in terms of spend which was not the case with the 'old' POIS system whereby Neighbourhood Committees could only influence how money was spent rather than have direct control.*
- Members were concerned that the Community Action Plans would not be ready to be included into the IDS by the time it was presented for independent examination which was scheduled for 2013. *The Head of Planning, Transport and Engineering Services advised Members that it was a live list and projects would be put on and taken off the list. The Neighbourhood Managers were working with Members to put projects on the list which was live and ongoing.*
- Members sought clarification on how the CIL rate was set. *The Group Manager Strategic Planning & Enabling informed Members that when setting a CIL there were options on what was charged in terms of different land uses and / or different rates for different parts of the city but such decisions had to be based on viability grounds as opposed to policy considerations. It was the Local Authority who decided but at the point that a certain price was adopted it would then become fixed.*
- When would a zero rate be used. *Members were advised that a zero rate would be fixed for public / institutional facilities such as education, health, community and emergency services. Any development type shown through viability testing to be marginal in terms of its viability would not be charged or would only be liable for a very nominal charge.*
- Members commented that the Government had recently announced that there might be changes to the section 106 agreements and wanted to know how this would affect the CIL. *Members were informed that it had always been possible to renegotiate section 106 agreements. The CIL had been based on expert advice on market conditions and development viability to ensure it would work and not historical practice. The CIL would be reviewed on an ongoing basis to ensure viability.*
- Members were advised that Section 106 would continue to be in place for the foreseeable future and would still be negotiable. The CIL would run in tandem with Section 106.

- If a developer had a development that was going to be built in three phases would the CIL be set for all three phases at the beginning of the first phase or would it be set at the start of each phase. *Members were advised that this had not yet been clarified by Government but an initial understanding was that the developer would pay the rate that was applicable when each phase was started.*
- If a house was being developed for a change of use to multiple occupation use would there be a CIL charge. *Members were informed that the CIL was based on net new additional floor space therefore if a five bedroom house was converted into flats but the floor space did not increase then the CIL would not apply.*

Councillor Thulbourn seconded by Councillor Martin moved that a recommendation be put forward that the proposed preliminary draft charging schedule (PDCS) be broken down geographically and that there should not be a standard set of charges across Peterborough.

The motion was put to the vote and refused. (3 in favour, 3 against, 1 abstention. The Chairman therefore used her casting vote to vote against the motion).

Councillor McKean seconded by Councillor Nadeem moved that the Cabinet report emphasises that infrastructure projects can be added to the Peterborough Infrastructure Delivery Schedule (IDS) 'at any time'. This would ensure, for example, that projects identified in Community Action Plans that have been justified with an evidence base later this year could be added to the IDS after 24 September 2012 without having to wait for the annual full refresh of the IDS.

The motion was put to the vote and approved. (5 in favour, none against, 2 abstained)

Councillor McKean seconded by Councillor Todd moved that the consultation documentation makes it absolutely clear that the intention, subject to consultation, is that the element of the CIL receipts which is to be ring fenced for spend by Neighbourhood Committees should be distributed to each Neighbourhood Committee on an equal basis i.e. each Neighbourhood Committee would receive exactly the same level of CIL funding irrespective of size, population or level of growth within a Neighbourhood Committee Area.

The motion was put to the vote and approved. (4 in favour, 1 against, 2 abstained)

RECOMMENDATION

The Committee recommends that:

- I. The consultation documentation makes it absolutely clear that the intention, subject to consultation, is that the element of the CIL receipts which is to be ring fenced for spend by Neighbourhood Committees should be distributed to each Neighbourhood Committee on an equal basis i.e. each Neighbourhood Committee would receive exactly the same level of CIL funding irrespective of size, population or level of growth within a Neighbourhood Committee Area.
- II. The Cabinet report emphasises that infrastructure projects can be added to the Peterborough Infrastructure Delivery Schedule (IDS) 'at any time'. This would ensure, for example, that projects identified in Community Action Plans that have been justified with an evidence base later this year could be added to the IDS after 24 September 2012 without having to wait for the annual full refresh of the IDS.

8. Forward Plan of Key Decisions

The Committee received the latest version of the Council's Forward Plan, containing key decisions that the Leader of the Council anticipated the Cabinet or individual Cabinet Members would make during the course of the following four months. Members were invited to comment on the Plan and, where appropriate, identify any relevant areas for inclusion in the Committee's work programme.

ACTION AGREED

The Committee noted the latest version of the Forward Plan. Councillor Ash requested further information on the Organic and Food Waste Treatment Services Contract. Senior Governance Officer to contact Officers and request information.

9. Work Programme

Members considered the Committee's Work Programme for 2012/13 and discussed possible items for inclusion.

ACTION AGREED

To confirm the work programme for 2012/13 and the Senior Governance Officer to include any additional items as requested during the meeting.

7. Date of Next Meeting

Thursday 8 November 2012

The meeting began at 7.00pm and ended at 09.23pm

CHAIRMAN