

Option Study: A Variable Rate Tariff to Deliver Infrastructure for Cambridgeshire

Brief (31st January 2008)

1 Introduction

Cambridgeshire Horizons (on behalf of Cambridge City Council, Cambridgeshire County Council, East Cambridgeshire District Council, Fenland District Council, Huntingdonshire District Council, and South Cambridgeshire District Council) is looking to appoint a consultancy to examine implementation options for a tariff system with differential rates for different areas within the county. This would deliver the funding for growth-related infrastructure across Cambridgeshire and could either be a response to the Government's Community Infrastructure Levy proposals, or under existing s.106 arrangements.

The study will build on two key pieces of work prepared for the Cambridge sub-region:

- i) Cambridge Sub-region Long Term Delivery Plan (Deloitte, August 2007), available on the Cambridgeshire Horizons website, and ongoing assessment of this plan to take account of low carbon future infrastructure considerations (ESD);
- ii) Cambridge Sub-region Infrastructure Cost and the Potential for Section 106 Funding report (Roger Tym and Partners, July 2006), available on request from Cambridgeshire Horizons.

2 Background: The Cambridge Sub-Region

The Cambridge Sub-region Long Term Delivery Plan prepared by Deloitte explores the infrastructure requirements associated with defined housing targets in the Cambridgeshire and Peterborough Joint Structure Plan (2001-2016), the East of England Plan (2001-2021) and the potential longer term requirements up to 2031. The emerging Regional Spatial Strategy sets out 79,380 dwellings to be built in the county up to 2021. The total cost of infrastructure associated with this level of development over the period 2007 to 2021 is estimated at £3.734 billion. This excludes affordable housing from the definition of 'infrastructure' and does not include the cumulative requirements of sites of less than 100 housing units.

New housing needs to be supported by upgraded infrastructure to ensure its viability and sustainability. This includes transport infrastructure as well as the comprehensive provision of health, education, leisure, green spaces and other community facilities. The Long Term Delivery Plan identifies a future funding gap of £763.8 million, above and beyond anticipated government funding and developer contributions through s.106 agreements.

Any proposed tariff would need to operate at different rates across different parts of the county in order to contribute a portion of this funding gap, because land values, although comparatively high in national terms, vary significantly.

3 Purpose of Assignment

This is an invitation to tender for a consultancy project to develop a practical proposal for the establishment of a tariff to pay for the infrastructure needs across Cambridgeshire, which will be presented to the Cambridgeshire Horizons Board.

4 Scope of work

The main points to be covered are:

- Review of how other authorities (e.g. Chelmsford, Milton Keynes, Reigate and Banstead, Ashford) are implementing tariff options through Supplementary Planning Documents, picking out pros and cons;
- Estimation of any additional infrastructure costs beyond those established by Deloitte's work on the Long Term Delivery Plan, specifically relating to smaller sites (less than 100 houses) and the ongoing ESD Ltd review of sustainable infrastructure requirements to deliver a low carbon future;
- Review of the 2006 Roger Tym study, which at the time dismissed a tariff on the grounds that a single rate would not work;
- Examination of topic-specific supplementary planning arrangements currently operated by Cambridgeshire County and the District Councils, contributing to education facilities and transport schemes;
- Options for operating a tariff system across differing local authority boundaries in legal and process terms;
- Identification of critical issues arising from the boundaries chosen for tariff zones and how this may impact on planned growth;
- Practical proposals for the implementation of differential tariff levels, including estimates of feasible levels for developments in central Cambridge as apposed to developments in more rural areas. Consideration of how the tariff would apply to both housing and non-residential developments;
- Consultation arrangements that would need to be put in place to ensure a robust outcome, for example publishing a draft charging schedule and consulting on levels;
- An example of what a final charging schedule for the tariff could look like;

- Consideration of how section 106 agreements will continue to operate alongside the tariff on a reduced basis, potentially covering site-specific infrastructure and affordable housing;
- Discussion of transitional arrangements, given the differing stages of s.106 negotiations on the major development sites around Cambridge.

Relevant background documents and resources include:

- Cambridge Sub-region Long Term Delivery Plan 2007
- Chelmsford Borough Council Draft Planning Contributions SPD
- Waverley Borough Council Draft Planning Infrastructure Contributions SPD
- Milton Keynes Council Adopted Urban Development Area Tariff SPD
- Reigate and Banstead Borough Council Draft Planning Obligations and Infrastructure SPD

Timescale

Invitation to Tender - 5th February 2008

Submission of tenders - By 3pm Monday 25th February

Shortlisting - 26th to 29th February

Interviews, if required - 3rd March

Confirmation of successful consultant - 4th March

Inception Meeting - First week of March

Presentation of emerging ideas - End of March

Steering group meetings (monthly) - April and May

Final Report - End of May, to be sent to the Cambridgeshire Horizons Board on 4th June for their 11th June meeting.

Contract Management

The contract will be managed and controlled by Cambridgeshire Horizons.

The indicative budget for this study is £25,000.

The successful consultancy

Consultants interested in undertaking this work are required to submit proposals in written (four copies) and electronic form. The proposal should include a clear interpretation of the brief and a proposed methodology and schedule of work, CVs of staff involved and relevant previous experience, and a breakdown of costs of work. Cambridgeshire Horizons may invite up to three applicants to present their proposals to an interview panel.

The award for the contract will be based on the quality of the written proposal and presentation. Criteria for award will be based (equally) on interpretation of the brief, experience of staff relevant to the brief, commitment to the project and timescale, cost proposals and added value offered.

Point of contact

All queries, requests for clarification or further information in respect of this tender should be addressed to anna.keyes@cambridgeshirehorizons.co.uk
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