Planning Officers Society

GOOD PRACTICE GUIDANCE NOTE

Infrastructure Delivery

In the new Local Government Reform and Devolution world

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Planning Officers Society

POS is the single credible voice for public sector planners, pursuing good quality and effective planning practice. The Society's aim is to ensure that planning makes a major contribution to achieving sustainable development in ways that are fair and equitable and achieve the social, economic and environmental aspirations of the community.

We operate in three main ways:

- As a support network for planners in the public sector
- As promoters of best practice in planning
- As a think tank and lobbying organisation for excellence in planning practice

Where we can, we will work across the sector to craft proposals that have widespread support from the people who operate the planning system at the coalface: landowners, developers, agents, legal, local authorities and politicians. We will be both radical and practical as we look for solutions to tangible problems that will make a real difference to crucial areas. Our objective is to improve the planning system to enable it to deliver its key aim of sustainable development. It is within this context that we have published this guidance so our members can improve what they do.

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1 Introduction

1.1 In the context of Local Government Reform (LGR) & Devolution, Strategic Planning Authorities (SPAs) and Local Planning Authorities (LPAs) will be better placed to ensure that the infrastructure necessary to support development in their area is identified and planned and that finance for its delivery is secured. The different administrative layers have different roles:

- Government: national infrastructure planning & strategic finance
- Strategic: identify the investment needed in connectivity and other infrastructure to support growth in a region and how it can be funded (Mayoral CIL, developer contributions, tax increment funding, national funding etc)
- Local: develop the local tools (CIL, S106 and IDP[1]) to ensure the right infrastructure is identified, planned, funded and delivered at the right time

1.2 This Good Practice Guidance Note sets out the infrastructure delivery requirements that strategic and local councils should prepare for as the new strategic planning system is established. It is intended to support chief executives, directors of place, planning policy leads, infrastructure planners, transport and highways teams, finance officers and elected members in identifying the early decisions, evidence and governance arrangements needed to protect local priorities while contributing to a coherent sub-regional strategy.

2 Strategic Issues

2.1 New SPAs in England will be expected to provide the missing sub-regional planning layer needed to align growth, infrastructure, investment and environmental objectives. Their central infrastructure delivery requirement will be to prepare Spatial Development Strategies (SDS) that identify the broad locations for growth, the strategic infrastructure required to support that growth, and the governance arrangements needed to turn spatial choices into funded delivery programmes.

2.2 Where there are Mayoral Strategic Authorities (MSAs)[2] it is expected that, like the GLA, they will have the power to set a Mayoral CIL. It is important that this process recognises the need to balance strategic infrastructure needs and its funding with local requirements, particularly in areas where development viability is a challenge.

2.3 The new authorities will not simply produce policy documents. They will need to operate as convenors, evidence holders and delivery coordinators across housing, transport, utilities, social infrastructure, economic development, climate resilience and nature recovery. This will require early investment in capability, shared data, infrastructure prioritisation, delivery governance and relationships with infrastructure providers and government agencies.

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[1] Community Infrastructure Levy, Section 106 Agreements and Infrastructure Delivery Plans

[2] These include Mayoral Combined Authorities (MCAs), Mayoral Combined County Authorities (MCCAs), and the Greater London Authority (GLA)

Context and purpose

2.4 The Government's strategic planning reforms are intended to address the current weakness of planning which operates at too local a scale and the resulting difficulty of coordinating development with the infrastructure needed to support it. SDS are expected to provide a concise, long-term spatial framework for sustainable growth across functional geographies, sitting alongside local plans as part of the statutory development plan.

2.5 For infrastructure delivery, the practical test will be whether SPAs can move beyond broad ambition and establish a credible line of sight between development distribution, infrastructure capacity, funding, sequencing and implementation responsibilities.

Core infrastructure delivery requirements

2.6 Four areas that will be key to success.

Define strategic infrastructure priorities

2.7 Each authority will need to distinguish infrastructure of genuine strategic importance from local mitigation and site-specific works. This should include transport corridors, public transport capacity, energy networks, water and wastewater systems, flood risk infrastructure, digital connectivity, waste and minerals requirements, health and education provision, green infrastructure, biodiversity recovery and climate adaptation measures.

Build a shared evidence base

2.8 Authorities will require a common evidence base that combines demographic and housing need forecasting, economic growth assumptions, land availability, environmental constraints, infrastructure capacity, investment pipelines and delivery risks. The evidence base should be spatial, systematically updated and capable of supporting choices about where growth should be directed, phased or constrained.

Establish an infrastructure delivery framework

2.9 The SDS should be supported by a delivery framework that sets out the strategic infrastructure needed, indicative costs, likely funding sources, lead organisations, dependencies, sequencing and delivery risks. This framework should be proportionate but robust enough to inform local plans, investment bids, infrastructure provider business planning, CIL setting and developer contributions.

Align planning with investment and devolution powers

2.10 SPAs will need to align spatial choices with transport plans, local growth plans, housing programmes, environmental strategies and infrastructure investment cycles. Where mayoral or strategic authority powers exist, the planning strategy should become a practical tool for coordinating transport, skills, economic development and housing delivery, rather than a standalone planning document.

Governance and delivery capability

2.11 Infrastructure delivery will depend on governance that can resolve cross-boundary choices and maintain commitment over time. Authorities should establish senior political oversight (this will vary depending on the political governance structure of the planning authority: Mayor, Cabinet etc), officer-level delivery boards, clear links to local planning authorities, and structured engagement with infrastructure providers, statutory agencies, Homes England, National Highways, Network Rail, water companies, energy network operators and integrated care and education bodies.

2.12 Authorities will also need specialist capacity in spatial planning, infrastructure planning, viability, funding (including funding bidding skills), transport modelling, utilities, environmental assessment, data management, project management and stakeholder engagement. Early capability planning will be essential because the preparation of SDS is expected to take place alongside local government reorganisation, devolution reform and existing local plan pressures.

Key risks to manage

- **Unclear geography:** infrastructure systems, housing markets, labour markets and environmental catchments may not align neatly with administrative boundaries.
- **Weak delivery linkage:** strategies may identify growth without securing the infrastructure sequencing, funding and governance needed to support it.
- **Data inconsistency:** authorities may inherit different evidence standards, assumptions and infrastructure plans from predecessor bodies.
- **Provider misalignment:** regulated utilities and national agencies work to investment cycles that may not match planning timescales.
- **Capacity constraints:** strategic planning requires specialist skills that are already scarce across the public sector and consultancy market.

Immediate priorities for new SPAs

1. Confirm the strategic planning geography and working relationships with constituent local planning authorities.
2. Prepare a rapid infrastructure baseline covering capacity, constraints, committed schemes, potential sources of funding and known funding gaps.
3. Agree a common evidence protocol, including assumptions for population, housing, employment, climate resilience and environmental capacity.
4. Create an infrastructure provider forum to align planning assumptions with investment programmes.
5. Develop an initial delivery framework that links broad growth locations to infrastructure needs, sequencing and funding options.
6. Establish governance arrangements for political decision-making, officer coordination and engagement with government agencies.
7. Identify the skills and resources required to prepare, examine and implement the SDS.

3 Local Issues

3.1 Local government reorganisation creates a significant opportunity to strengthen the way infrastructure is planned, funded and delivered locally. New unitary councils will bring together responsibilities that have often been split across tiers, allowing a single corporate view of growth, place-making, capital investment, service planning and developer contributions. To realise that opportunity, infrastructure delivery must be treated as a core corporate function, albeit lead by planning, rather than just a technical adjunct to planning or worse, as a reactive role that isn't pro-actively managed, as is so often the case.

3.2 The chief planning officer should establish a single, evidence-led infrastructure delivery system for the new authority area within the strategic context set by the SPA. That system should identify a comprehensive but realistic set of infrastructure requirements, prioritise them transparently, allocate the right funding route to each item, and maintain active governance over delivery. The objective is not simply to maximise developer contributions, but to ensure that the limited funding available through the development process is used lawfully, strategically and to best effect.

The opportunity for new unitary councils

3.3 Unitary local government should reduce fragmentation in infrastructure planning. It allows housing growth, transport, education, social infrastructure, open space, public health, economic development, climate resilience and capital programme decisions to be considered within one corporate framework. However, structural reform alone will not deliver infrastructure. The new council will need a disciplined operating model that links the SDS, local plan, IDP, capital strategy, service strategies, CIL, S106, grant funding and partner investment.

Establish a single infrastructure evidence base

3.4 The starting point should be a single infrastructure schedule for the whole unitary area. It should draw from the SDS, local plan evidence base, service strategies, provider plans and site-specific assessments. The schedule should be comprehensive enough to cover the full range of infrastructure needed to support growth, but realistic enough to distinguish deliverable requirements from aspirational projects.

3.5 The schedule should be maintained as a live Infrastructure Delivery Plan. For each item it should identify the location, purpose, trigger, estimated cost, delivery body, likely funding sources, delivery timescale, dependencies and current status. This will give members and officers a common basis for decision-making and will help developers understand the relationship between planned growth and infrastructure dependencies.

Prioritise requirements transparently

3.6 Whilst infrastructure that is funded through the development process must be "necessary", not all requirements have the same planning consequence. A clear prioritisation framework should distinguish between three categories:

- **Vital infrastructure**: items without which planning permission should normally be refused because the development would be unacceptable.

- **Essential infrastructure**: items needed to prevent significant harm and to make growth function properly and in the planning balance is likely to result in a refusal.
- **Necessary infrastructure**: items that mitigate more limited impacts or support the wider quality of place and in the planning balance may not result in a refusal.

3.7 This prioritisation should guide negotiations, spending decisions and escalation. Members should set the strategic priorities; officers should manage tactical delivery decisions within that strategic framework.

Viability

3.8 Viability should be treated as a central part of infrastructure planning, not as a late-stage negotiation tactic. The policies in the NPPF[3] support this approach.

3.9 At the general market level, development becomes unviable where the total cost of delivering new homes, including land, construction, finance, professional fees, abnormal costs, affordable housing, CIL and section 106 obligations, exceeds the value that can realistically be achieved through sales or rents. In those circumstances, a policy-compliant scheme may not come forward at all, or may only proceed if land values, infrastructure expectations, tenure mix, grant funding or delivery phasing are adjusted.

3.10 New unitary councils should therefore test cumulative policy costs at plan-making stage and use that evidence to set realistic expectations. This is particularly important where infrastructure asks are layered on top of affordable housing, design standards, net zero requirements, biodiversity net gain, drainage, transport mitigation and other obligations. If the combined requirement is set above what development values can support, the result is not additional infrastructure funding, but stalled delivery, reduced affordable housing, repeated viability challenges and pressure to renegotiate obligations after permission has been granted.

3.11 There will also be specific site-based viability issues that cannot be resolved through area-wide assumptions alone. These may include contamination, complex demolition, remediation, flood mitigation, unusual ground conditions, heritage constraints, utilities reinforcement, highway works, fragmented ownership, ransom strips, relocation costs, abnormal foundation requirements or the need to provide significant enabling infrastructure early in the development programme. Such costs should be evidenced, independently tested where necessary, and considered against the site typology and assumptions used in the local plan viability evidence. Ultimately, they should be reflected in the land value. In simple terms, if you compare two sites with similar development potential but one had abnormal issues and the other did not, the difference in land value should be the cost of the abnormal issues. If it is not, the landowner/developer is expecting the planning system to pay for them, which is unreasonable.

[3] In particular PM12 and DM5

3.12 The council's approach should be firm but realistic. Where costs are general and foreseeable, they should normally be reflected in area-wide land values and captured through plan-wide policy and CIL setting. Where costs are genuinely site-specific, abnormal and material, the council should decide transparently which requirements are vital, which can be phased, which can be funded from other sources, and which should give way to preserve delivery. But crucially, abnormal costs must be properly reflected in the land value, compared to similar sites without those costs. This requires close working between planning, finance, legal and service leads so that viability decisions do not become isolated case-by-case compromises but remain consistent with the authority's wider infrastructure strategy.

Use CIL and section 106 for distinct purposes

3.13 The new authority should adopt a clear corporate policy on the respective roles of CIL and S106. POS recommends that CIL should normally be used for infrastructure generated by development across the area or by cumulative growth, such as strategic transport improvements, education capacity, flood resilience, health facilities, recreation and open space. S106 should be used for infrastructure or mitigation that is directly related to a specific development or tight geographic group of developments, and for policy requirements such as affordable housing or workspace, where these are identified in local plans.

3.14 This distinction supports viability and land value discipline. CIL can moderate land values across the market where general infrastructure costs are known in advance. Section 106 can moderate the value of specific sites where site-specific mitigation or infrastructure is necessary. A transparent approach should reduce late-stage negotiation, protect affordable housing delivery and make infrastructure funding more predictable.

Neighbourhood CIL

3.15 Neighbourhood CIL (NCIL) is a “meaningful proportion” of CIL that local authorities are legally required to pass directly to local communities in the areas where new development has taken place. By law, the amount allocated depends on whether an area has a Neighbourhood Plan:

- 15% (Capped): For areas without a formal, adopted Neighbourhood Plan. This is capped at a strict limit of £100 per existing council tax dwelling in the neighbourhood area per year.
- 25% (Uncapped): For areas that have an adopted (or "made") Neighbourhood Plan. This higher percentage gives a community greater control over the development revenues and has no cap.

3.16 The way the funds are distributed and spent depends on local governance:

- **With a Parish or Town Council:** the charging local authority passes the funds directly to the local Parish or Town Council and that council then decides how to spend it on local priorities.
- **Without a Parish or Town Council:** the charging authority keeps the funds but is legally required to consult with the local community to agree on how to spend the money.

3.17 NCIL can be spent on a much wider, more flexible variety of projects than standard central CIL, provided the spending manages the demands that development places on an area. Examples include community facilities and public realm, as well as the normal categories of infrastructure. There are locations that have used NCIL to assist in the delivery of affordable housing, something which the Mayoral or LPA's CIL cannot be used for.

3.18 In a world where funding for infrastructure is limited, choices are having to be made and the LPA has articulated this in its IDP, it is considered reasonable for the LPA to present this prioritisation in the context of NCIL. By this we mean adding an element to the prioritisation process that recognises where an infrastructure project has a local, rather than a wider, strategic benefit. In making strategic decisions on spending, leaving a provision that is more local in its impacts/benefits for the NCIL process to decide whether to fund and deliver is a legitimate approach to placing decisions at the right spatial scale. In such a scenario, where NCIL is not used to deliver a particular piece of infrastructure, then it would remain undelivered. That would have been a local decision, and the LPA would not need to consider funding it themselves.

Apply the legal tests rigorously

3.19 Infrastructure requirements must be grounded in the statutory and policy framework. For CIL purposes, infrastructure includes roads and other transport facilities, flood defences, schools and other educational facilities, medical facilities, sporting and recreational facilities, open spaces and related categories of physical infrastructure[4]. This is not a closed list, but additional items should be genuinely infrastructure and of a similar character to those listed in s216(2).

3.20 Planning obligations must also satisfy the familiar three tests: they must be necessary to make the development acceptable in planning terms, directly related to the development, and fairly and reasonably related in scale and kind[5]. Requests that do not meet these tests should not be pursued, even where infrastructure providers face genuine service pressures.

Avoid using development contributions as revenue support

3.21 The development process should not be used to fund general revenue costs or consumables. Requests for items such as equipment, books, uniforms, radios, vehicles or routine service running costs do not constitute infrastructure. Increases in service demand are generally addressed through mainstream funding systems, charges, taxation, fares, education funding[6], policing allocations[7] and health commissioning[8]. These funding streams must be taken into account before any contribution is sought from development.

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[4] Section 216(2) of the Planning Act 2008

[5] Regulation 122 of the Community Infrastructure Levy Regulations 2010

[6] DfE National Funding Formula related to pupil numbers

[7] Home Office Police Allocation Formula related to local demographics, crime rates, and the size of the area being policed

[8] Integrated Care Board contracts related to patient numbers

3.22 Planning authorities should also be cautious about assuming that new housing automatically creates entirely new service demand. In many cases it accommodates existing households who are already using services elsewhere. At best demand might shift from one area to another, increasing demand in one place and reducing it in another – it is for infrastructure providers to handle those movements (the High Court has determined this principle[9]).

3.23 The infrastructure evidence base should therefore distinguish demographic growth from redistribution of existing demand and should only seek contributions where the planning justification is robust. This is one of the main reasons why we recommend funding general increases in demand for infrastructure via CIL as it can be carried out at the plan-making level where actual demographic growth (rather than housing need from household formation, intra-country migration and hidden households) can be isolated and the genuine need for additional infrastructure identified. Where there is an increase in population, additional funding comes from increased rates and taxes; this must also be accounted for in the IDP.

Put delivery governance at the centre

3.24 A new unitary council should establish an officer-level Infrastructure Delivery Board reporting into the council's corporate leadership and member governance; this is usually the Mayor or Cabinet, depending on the political governance structure. In authorities with no overall control, it is important that this is reflected in the reporting arrangements so that, as far as possible, achieving a political consensus on infrastructure needs (ideally driven by empirical evidence) can be achieved.

3.25 The board should be chaired by the chief planning officer and bring together planning, finance and legal. It would invite, when appropriate, transport, education, housing, property, public health, environment, economic development and other relevant infrastructure providers to make their case for funding or to release funding already identified in the IDP and agreed by the board. Its role should be to maintain the IDP, monitor funding, unblock delivery, manage risk and recommend strategic choices where resources are insufficient[10].

3.26 The IDP should be reviewed at least annually. The review should test whether infrastructure priorities remain current, whether costs and funding assumptions are still valid, whether developer contributions are being collected and spent effectively, and whether delivery bodies are meeting their commitments. This should feed directly into the capital programme, local plan monitoring, the Infrastructure Funding Statement and corporate risk management.

[9] R (University Hospitals of Leicester NHS Trust) v Harborough District Council [2023] EWHC 263 (Admin) and R (Worcestershire Acute Hospitals NHS Trust) v Malvern Hills District Council & Ors [2023] EWHC 1995 (Admin)

[10] The transparent prioritisation framework for vital, essential and necessary infrastructure set out in paragraphs 3.6 & 3.7 above.

Recommended governance structure

Governance level	Core membership	Primary role	Key outputs
Member oversight	Leader or Mayor, portfolio holders for planning, finance, transport, housing, environment and relevant service areas.	Set strategic priorities, approve major funding choices and provide democratic accountability for infrastructure delivery.	Infrastructure strategy, CIL spending priorities, annual Infrastructure Funding Statement and escalation decisions.
Corporate leadership	Chief executive, section 151 officer, monitoring officer and relevant corporate directors.	Align infrastructure delivery with the council's corporate plan, medium-term financial strategy, capital programme and risk framework.	Corporate delivery mandate, resolved cross-service dependencies, capital programme alignment and risk escalation.
Infrastructure Delivery Board	Chaired by chief planning officer and attended by senior officers from planning, finance and legal, with input from transport, education, housing, property, public health, environment, economic development and key infrastructure providers as necessary.	Maintain the Infrastructure Delivery Plan, coordinate funding routes, monitor delivery, resolve operational barriers and recommend priorities.	Live IDP, prioritised infrastructure schedule, funding pipeline, delivery dashboard and recommendations to members.
Area or place-based delivery groups	Planning case officers, service leads, delivery partners, highways, education, health, utilities and regeneration teams as required.	Translate strategic priorities into site, settlement or corridor-level delivery plans and manage dependencies between schemes.	Site infrastructure plans, delivery agreements, trigger monitoring and issue logs.
Developer contributions and monitoring team	CIL, section 106, finance, legal, planning obligations and monitoring officers.	Ensure obligations are lawful, collected, allocated, spent and reported consistently across the unitary area.	Contribution records, spend plans, compliance reports, clawback risk monitoring and audit trail.

Immediate priorities for new Unitary LPAs

1. Agree a corporate infrastructure strategy for the vesting authority.
2. Create a single infrastructure evidence base and live Infrastructure Delivery Plan.
3. Adopt a transparent prioritisation framework for vital, essential and necessary infrastructure as well as NCIL.
4. Clarify the respective roles of CIL, section 106, grant, capital funding and partner investment.
5. Apply the statutory tests consistently and resist unsupported revenue or consumables requests.
6. Establish an officer Infrastructure Delivery Board with clear reporting to corporate leadership and members.
7. Review the IDP annually and align it with the capital programme, local plan monitoring and the Infrastructure Funding Statement.

4 Conclusions

4.1 For planning authorities, the new strategic planning system is both a delivery opportunity and a governance challenge. Councils that prepare early will be better placed to shape the SDS, secure local priorities, achieve infrastructure alignment and avoid future conflict with local plans. The immediate priority is to organise evidence, governance, provider engagement and member involvement so that local authorities at both geographies enter the new strategic planning process as active delivery partners rather than independent actors.

4.2 The creation of new unitary councils is a chance to move from fragmented infrastructure requests to a disciplined planning and delivery system. The councils that succeed will be those that combine robust evidence, lawful contribution strategies, clear prioritisation and active corporate governance. That approach will support planned growth, protect affordable housing delivery, give developers greater certainty and ensure that infrastructure funding is directed to the places where it is most needed.