

STROUD DISTRICT COUNCIL
ENVIRONMENT COMMITTEE

**AGENDA
ITEM NO**

24 OCTOBER 2019

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Report Title	COMMUNITY INFRASTRUCTURE LEVY (CIL) SPENDING ALLOCATIONS
Purpose of Report	To recommend CIL spending allocations to Strategy and Resources Committee.
Decision(s)	The Committee RECOMMENDS to Strategy & Resources Committee that funding commitments are agreed according to the report below.
Consultation and Feedback	Members of Planning Review Panel have considered these proposals and they have been amended to take account of points raised.
Financial Implications and Risk Assessment	<p>There are sufficient funds collected by CIL to date to cover the spend as outlined in Appendix, and that it meets the criteria required for the Regulation 123 list.</p> <p>Adele Rudkin, Accountant Tel: 01453 754109 Email: adele.rudkin@stroud.gov.uk</p> <p>Risk Assessment: Having a robust governance system in place for managing CIL spending is intending to mitigate the risk of development taking place without adequate infrastructure in place to support it.</p>
Legal Implications	<p>Local authorities must spend the levy on infrastructure needed to support the development of their area, who will decide what infrastructure is needed in line with adopted policy.</p> <p>Patrick Arran, Interim Head of Legal Services Tel: 01453 754369 Email: patrick.arran@stroud.gov.uk</p>
Report Author	<p>Pippa Stroud, Policy Implementation Manager Tel: 01453 754099 Email: pippa.stroud@stroud.gov.uk</p> <p>Krista Harris, Senior Community Infrastructure Officer Tel: 01453 754325 Email: krista.harris@stroud.gov.uk</p>
Options	<p>Options are:</p> <ol style="list-style-type: none"> 1. approve the proposed CIL spending allocations; or 2. amend the proposed CIL spending allocations, or 3. delay the proposed CIL spending allocations for further internal discussion.
Performance Management Follow Up	Annual reports will be considered by Environment Committee as part of the governance and budgetary process to manage the spending of CIL income.
Background Papers/ Appendices	Appendix A: Funding recommendations

INTRODUCTION / BACKGROUND

- 1.1 Community Infrastructure Levy (CIL) was introduced by government in 2010 as a mechanism to fund the infrastructure required to deliver Local Plan growth strategies. The District Council adopted CIL in February 2017 and implemented the charge from April 2017.
- 1.2 CIL partially replaces the s.106 arrangements which secure payments through the planning system for the infrastructure necessary for new development.
- 1.3 CIL liability is calculated per m² of new dwellings (£90.72/m²) and retail warehouses (£85.05/m²), of which either 15% or 25% goes to local Town and Parish Councils as a 'neighbourhood portion' according to their NDP status and 5% is retained by the local authority to cover the costs of administering the scheme. The remainder of the funding collected is held by the local authority to be spent on strategic capital infrastructure projects.
- 1.4 CIL payments are triggered by the commencement of development and can be paid in instalments. At time of writing, two and a half years after CIL launch, funds of £431,100 have been collected and a further £241,200 is currently due for collection. Profiles show that a total of £1,750,400 funds *could* be collected by CIL, dependent on a number of factors.
- 1.5 Council resolved in December 2018 to approve a mechanism to priorities spending on qualifying infrastructure projects. This report covers the results of the implementation of that mechanism and sets out a recommended spend.

2. ISSUES FOR CONSIDERATION

- 2.1 The strategic infrastructure projects that CIL can be spent on are outlined in the adopted Regulation 123 list and related Infrastructure Delivery Plan, and are broadly grouped into capital infrastructure items such as education, social infrastructure, transport and strategic flood risk. Projects must also align with the objectives of the Councils adopted Local Plan.
- 2.2 However, CIL income will not be sufficient to meet all the district's infrastructure needs. Instead, CIL should be viewed as one aspect of a number of infrastructure funding streams available to providers. CIL Strategic funding cannot be used to support current existing funding programmes or deficiencies.
- 2.3 Given that the Regulation 123 list is the basis for eligible project types, all the strategic infrastructure providers who deliver these service types were contacted with information on how to apply for CIL strategic funding. These providers included the County Council (for Education, Highways, and Libraries), the Environment Agency, local colleges, Emergency Services, and certain service areas within the District Council especially those known to deliver unique capital infrastructure projects.

- 2.4** Since CIL has the two funding routes; 1) the neighbourhood portion to Town and Parish Councils for local projects and 2) the strategic infrastructure delivery fund, it is important that applicants note the difference in order to understand their eligibility. Strategic infrastructure must serve a significant population or cover a geographical area much wider than their immediate area. Social infrastructure projects such as community halls, local open space or parish sports provision are not therefore seen to be 'strategic' and as such should be funded via the parish proportion of CIL, should the relevant town or parish council wish to do so
- 2.5** Some strategic delivery agencies that were contacted did not have projects ready to deliver in 2020/2021. We have allowed these organisations to submit basic project information in the form of an 'Expression of Interest'. This illustrates providers' interest in seeking funding for that project in future years. This approach also gives SDC useful evidence as it proves that the infrastructure demand for future years is significant, and this project data can be used in the formulation of the Infrastructure Delivery Statement which will ultimately replace the Regulation 123 list.
- 2.6** Bids received were recorded and assessed for their fit against the CIL Strategic Funding core objectives; in particular for their ability to directly meet the priorities of the Infrastructure Delivery Plan, align with the Council's Local Plan and help to address the infrastructure needs arising from development. A meeting with CIL Officers and Senior Managers was held to discuss and assess the merits of individual applications.
- 2.7** The projects that best aligned with the policy requirements also appear to offer good value, and could be easily accommodated within the available CIL budget.
- 2.8** Officers also noted that there were a significant number of projects submitted as 'Expressions of Interest' for future years. The County Council has indicated a need for investment of around £852k in Education, alongside a need for £20 million to fund highways improvements and sustainable travel provision. In addition, expressions of interest show £300k is required for strategic waste provision, £200k for flood risk management infrastructure, £14 million for social infrastructure, £1 million for the canal and £3 million for health and wellbeing projects. Clearly these sums are likely to be far in excess of what may be collected by CIL within the Stroud District, but it provides justification for the need to retain some funding for use in years beyond 2020/2021.

3. CONCLUSION / RECOMMENDATION

- 3.1** It is proposed that payments are made to infrastructure providers in accordance with the recommendations made at Appendix A. This totals £114,000, which is 26% of the total funding currently available (£431,100).
- 3.2** Members will note that not all of the available funding is proposed to be spent this year; instead, it is considered prudent to retain some funding to create a larger fund over time in order to support more significant infrastructure projects in future.