



**AGENDA ITEM: 5(c)**

**CABINET: 15 September 2015**

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**Report of:** Assistant Director Planning

**Relevant Managing Director:** Managing Director (Transformation)

**Relevant Portfolio Holder:** Councillor J Hodson

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**SUBJECT: COMMUNITY INFRASTRUCTURE LEVY (CIL) FUNDING PROGRAMME  
2016/17**

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Wards affected: Borough wide

**1.0 PURPOSE OF THE REPORT**

1.1 To propose for consultation the possible options for a CIL Funding Programme for 2016/17 based on the CIL monies anticipated to have been collected by the Council by 31 March 2016.

**2.0 RECOMMENDATIONS**

2.1 That the updated Infrastructure Delivery Schedule (IDS) provided at Appendix A be noted.

2.2 That the three potential options for spending CIL monies in 2016/17 set out in paragraph 4.11 of this report be approved for public consultation.

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**3.0 BACKGROUND**

3.1 The Council adopted a CIL Charging Schedule in July 2014, and has been charging CIL since 1 September 2014. In March 2015, the Council approved a CIL Governance Framework which set out how decisions would be made on the spending of CIL monies by the Council, amongst other matters. Key to this Framework is the production each year of a CIL Funding Programme to prioritise how the CIL funds raised in a given financial year will be spent the following

financial year, which would be publicly consulted upon before Cabinet make a final decision on the CIL Funding Programme in January of any given year in readiness for spending the monies from April that year.

- 3.2 This report marks the preparation of the first such CIL Funding Programme prepared by the Council and offers possible options on how CIL monies already collected by the Council since 1 September 2014 and those anticipated to be collected by 31 March 2016 could be spent in 2016/17. The options have thus far been prepared in line with the approach set out in the CIL Governance Framework.
- 3.3 A key document in the process of preparing a CIL Funding Programme is the Infrastructure Delivery Schedule (IDS). The IDS is a database of infrastructure projects that are planned or desired to take place during the current Local Plan period. It originally formed part of the evidence base for the Local Plan and the CIL Charging Schedule but has become more of a “live” document now, allowing monitoring of all infrastructure projects in the Borough and so monitors how the Local Plan is performing in delivering this key aspect of sustainable development.
- 3.4 Many projects on the IDS should have a connection to new development in that they are needed or demanded because of the new development proposed and being delivered through the Local Plan. However, other projects are not necessarily linked to new development in this way, but are still needed to upgrade existing infrastructure provision or reflect aspirations that infrastructure providers have and which, in some cases, may enable further new development in the future.
- 3.5 In relation to CIL, therefore, the IDS provides the basis for assessing which infrastructure projects CIL monies should be spent on, although it should be clarified that not all projects on the IDS will be eligible for and / or need CIL monies. This is discussed further below.
- 3.6 Infrastructure providers, ward councillors, parish councils and relevant council officers have all been given opportunity to input ideas and suggestions on schemes that could go into the latest update of the IDS, and to update details of schemes that are already in the IDS. This has enabled officers within the Strategic Planning & Implementation Team to update the IDS (see Appendix A) and then, based on the information submitted, to rank proposed schemes to inform recommendations on how CIL monies could be spent.
- 3.7 In terms of CIL monies collected thus far or anticipated to be collected by 31 March 2016:
  - £45,702.59 was collected in 2014/15
  - £66,490.40 has thus far been collected in 2015/16 (at the time of writing this report)
  - A further £63,836 is anticipated to be collected by 31 March 2016

- 3.8 This therefore provides an anticipated total income from CIL by 31 March 2016 of £176,028.99. This total may however increase if a development comes forward sooner which was not anticipated to come forward this year or decrease if a developer fails to pay the required CIL charge when it is due.
- 3.9 Of this total, 5% is allocated to the Council's administrative costs of running CIL and 15% is allocated to the Parish Councils in which the developments paying CIL take place or for the Borough Council to spend within the non-parished areas where there is no Parish Council if a CIL-chargeable development is in a non-parished area (this is referred to as the "neighbourhood" portion in the CIL Governance Framework).
- 3.10 Therefore, based on the current anticipated total, **£141,198.19** of CIL monies is expected to be available to spend by the Council across the Borough in 2016/17 from the 80% of CIL income that the CIL Governance Framework refers to as the "strategic" portion.

#### **4.0 PROPOSED FUNDING PRIORITIES FOR 2016/17**

- 4.1 The IDS now contains over 100 potential projects but the vast majority are not deliverable within the next year. However, many of those that are not immediately deliverable are projects that will deliver infrastructure that is needed and that might become deliverable in the near future. Therefore, a balance must be struck between funding appropriate and deliverable projects now with the CIL monies available and consideration for "saving" CIL monies to contribute to bigger, more beneficial projects that the infrastructure provider can work towards making deliverable while the necessary CIL monies are "saved up".
- 4.2 In addition, the IDS also serves a function as "living" evidence base to support monitoring and delivery of the current Local Plan and will inform the preparation of the next Local Plan, and so it includes all suggested infrastructure projects in the Borough, regardless of whether that infrastructure is directly related to new development or requires CIL monies to fund it. Therefore, some IDS projects will not meet a local need or demand that has arisen from new development, which is a key test of whether CIL monies can be spent on a project, and / or may not require CIL monies as the scheme has secured funding from another source.
- 4.3 To help inform deliberation on whether a project is eligible for CIL funding and then to assist in prioritising those eligible projects, council officers have used the information collated on each project to assess schemes against six key criteria:
1. Are CIL monies needed to deliver the project?
  2. Does the project meet a local need or demand that has arisen from new development?
  3. Does the infrastructure fall under the Regulation 123 list?
  4. When can the infrastructure be delivered?

5. Does the project help meet at least one of the Council's Corporate Priorities?
  6. Is the project identified within a relevant local strategy, e.g. the Local Plan, the Highways & Transport Masterplan and the Leisure Strategy?
- 4.4 The first criterion ensures that all infrastructure projects on the IDS which do not require CIL monies are separated off at the outset, reducing unnecessary assessment of projects. The second and third criteria are essential as CIL monies can only be spent on infrastructure that meets a local need or demand that has arisen from new development and on types of infrastructure that are on the Regulation 123 list (<http://www.westlancs.gov.uk/media/132578/Regulation-123-list.pdf>). At this point, we have effectively ruled out all infrastructure projects from further assessment which would never receive CIL monies based on the current information.
- 4.5 The fourth criterion is necessary to understand whether the project is deliverable by 31 March 2017 and so might benefit from having CIL monies allocated to it for spending in the next financial year. The fifth and sixth criteria are necessary to help differentiate and prioritise between projects, where several meet all of the first four criteria.
- 4.6 A further consideration is also the cost of the project and what CIL monies are required to deliver it, so as to encourage greater value for money by using CIL monies to lever in other funding.
- 4.7 When applying the above criteria, it has been concluded that at the current time there are only five projects on the IDS that are eligible for and have a need for funding and which appear at this stage to have the potential to be delivered by 31 March 2017. The projects are:
- *New Allotments in Skelmersdale*

This project already has £50,000 of funding allocated to it from the Council's Capital Programme, but further funding would enable the delivery of much-needed further allotment provision in Skelmersdale, especially in light of the planned numbers of new houses in the Skelmersdale area in the Local Plan. Supplementing the Council's Capital Programme allocation of £50,000 with £20,000 of CIL monies would enable the delivery of 50 new allotment plots in total. As such, this project would meet all the key criteria. Delivery of this project is dependent upon planning permission but, should that be granted, the project could be delivered by 31 March 2017.
  - *New Allotments in Burscough*

This project requires the allocation of £30,000 of CIL monies to deliver much-needed and much sought-after allotments in the Burscough area (approximately 20 plots), where 850 new homes are planned over the Local Plan period. As such, this project would meet all the key criteria. Delivery of this project is dependent upon identifying a suitable site and any necessary planning permission but, should one be found and planning permission granted, could be delivered by 31 March 2017.

- *Improvements to Public Open Space and associated car parking at Station Approach, Ormskirk*

This project already benefits from £45,000 of Section 106 funding, but requires £15,000 of CIL monies to enable the delivery of the associated car park improvements to encourage people to use the open space. The car parking may also serve a dual function as time goes on to provide additional car parking for Ormskirk train station as increased development of homes in Ormskirk and surrounding areas increases demand for the train services. As such, this project would meet all the key criteria and, subject to any requirement for planning permission, is deliverable by 31 March 2017.

- *Haskayne Cutting Nature Reserve*

This project from the Wildlife Trust is already being supported by Downholland Parish Council who has committed £3,700 to install a boardwalk to allow people to access the wet woodland. Up to £8,000 additional funding is being sought to be able to extend the boardwalk further into the woodland. Given recent development in Haskayne and the fact that this is one of only three nature reserves in the Borough, this project would meet all the key criteria (with the exception of being identified within a local strategy) and would be deliverable by 31 March 2017.

- *Halsall Memorial Hall Extension*

This project was submitted by Halsall Parish Council and is to provide additional facilities at Halsall Memorial Hall where the current facilities are insufficient and too small to satisfy the community demands, which will only increase given recent development in Halsall and the two housing allocations in the Parish in the Local Plan. The Parish Council have sought £30,000 of funding from other sources and so is seeking £30,000 of match funding from CIL monies. This project would meet all the key criteria (with the exception of being identified within a local strategy) and would be deliverable by 31 March 2017, subject to detailed design and any necessary planning permission.

- 4.8 All of these projects require fairly small sums of CIL monies. As time progresses, and development occurs throughout the Borough, then the 15% “neighbourhood” portion of CIL that Parish Councils hold (or that the Council holds in unparished areas to be spent in that area) will grow and could be utilised on low cost projects such as these, where sufficient funding is available, or expected to be available, from the “neighbourhood” portion. That being the case, the larger portion of CIL monies that the Council retains can instead be spent on larger, more strategic projects. At the current time, the 15% “neighbourhood” portion has not raised significant funds within the areas that the above projects are located but given major housing allocations in the Local Plan that are due to come forward through the planning process shortly, it is reasonable to assume

that the areas of Burscough, Ormskirk and Halsall may have “neighbourhood” portion CIL monies available in the next few years.

4.9 Looking further ahead to projects on the IDS in the medium-term delivery category (1-5 years) that would be unlikely to be delivered by 31 March 2017, there are a great many projects that the Council could choose to save CIL monies toward, some of which are very significant. Some of the more significant projects in the medium-term delivery category that may require some level of CIL funding (total estimated cost in brackets) are:

- A new Skelmersdale Sports Centre (£12million)
- Improvements to Park Pool, Ormskirk (£5million)
- Improvements to Burscough Sports Centre (£5million)
- Improvements to enhance open space provision in the Tawd Valley in Skelmersdale (£300,000)
- Redevelopment of Birleywood Health Centre, Skelmersdale (unknown, but Health funding likely to provide vast majority of funds)
- Investment in health facilities in Burscough (unknown, but Health funding likely to provide vast majority of funds)
- Investment in health facilities in Northern Parishes (unknown, but Health funding likely to provide vast majority of funds)
- Ormskirk to Skelmersdale Linear Park (unknown)
- River Douglas Linear Park, Tarleton / Hesketh Bank (unknown, but Section 106 funding and on-site delivery within a development site will provide much of the funding needed)
- Provision of a new library in Burscough (unknown)

4.10 Predicting how much CIL income may be collected in future years is extremely difficult given the number of variables involved, not least uncertainty over when sites will actually commence on site (which is when CIL can begin to be collected). However, based on the anticipated delivery of CIL-chargeable housing to 2020 in West Lancashire and a conservative average house size of 80m<sup>2</sup>, a rough estimate of income over the next five years would be in excess of £3million. This is important to consider if the Council is to think about saving CIL monies towards a larger project to be delivered in the next five years.

4.11 Taking into account all of the above information it is therefore recommended that the Council consult on three options for spending CIL monies in 2016/17:

- 1) That the following five projects have CIL monies allocated to them for spending in 2016/17 (with the remaining “strategic” CIL monies saved for spending in future years):

- New Allotments in Skelmersdale (£20,000)
- New Allotments in Burscough (£30,000)
- Improvements to Public Open Space and associated car parking at Station Approach, Ormskirk (£15,000)
- Haskayne Cutting Nature Reserve (£8,000)
- Halsall Memorial Hall Extension (£30,000)

2) That fewer projects are prioritised and have CIL monies allocated to them for spending in 2016/17, so that a greater portion of the “strategic” CIL monies can be saved for spending on projects in future years. For example, this could be done on the basis that the “neighbourhood” portion anticipated to be raised in future years is spent on the smaller projects in those areas. This example would leave two projects being funded from CIL monies in 2016/17 (because those projects are in areas where little or no “neighbourhood” portion is anticipated to be raised in the next few years):

- New Allotments in Skelmersdale (£20,000)
- Haskayne Cutting Nature Reserve (£8,000)

3) That all “strategic” CIL monies raised by 31 March 2016 are saved for spending on projects in future years.

4.12 Under Option 1, the projects together require £103,000 of CIL monies, although some may well drop out of the shortlist after public consultation if they are not able to show they are deliverable by 31 March 2017. Therefore, any “strategic” CIL monies raised above this figure would not be allocated and can be rolled forward and saved toward projects for delivery in future years. Under Option 2, the amount of CIL monies allocated to spend on projects in 2016/17 would decrease (allowing more CIL monies to be saved) with the exact value depending on which projects are prioritised. Option 3 would see all “strategic” CIL monies raised by 31 March 2016 saved and rolled forward for spending in future years, so no CIL monies would be spent in 2016/17.

## **5.0 NEXT STEPS**

5.1 Should Cabinet resolve in accordance with the Recommendation at paragraph 2.2 above, the options set out at paragraph 4.11 will be publicly consulted upon. This consultation will include all infrastructure providers, as well as the general public and other stakeholders, and will seek views on the options for spending

CIL monies in 2016/17 put forward or whether other projects in the IDS should be prioritised instead or whether entirely new projects should be considered by the Council.

5.2 The Council will publicise and consult through the following methods:

- Press release
- Information on the Council's CIL webpages and consultation webpages
- Electronic / paper mail out to all consultees registered on the Local Plan consultation database, parish councils and Members
- Electronic mail out to all infrastructure providers
- Printed information available at libraries and council offices
- Electronic and paper based survey forms will be available to complete
- "West Lancs Now"

## **6.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY**

6.1 The delivery of new infrastructure funded by CIL monies will have positive implications for sustainability and contribute to the delivery of the development allocated in the West Lancs Local Plan 2012-2027 in a sustainable manner. Depending on which projects are ultimately selected for spending CIL monies on, various objectives of the Council's Sustainable Community Strategy will be contributed towards by these decisions.

## **7.0 FINANCIAL AND RESOURCE IMPLICATIONS**

7.1 There is no additional cost to Council resources of preparing and consulting on a CIL Funding Programme given that any projects prioritised for funding will be funded by CIL monies and, in some cases, match-funded identified by the infrastructure provider from other sources; the administration of CIL (including the CIL Funding Programme) is covered by the 5% administration fee retained by the Council from CIL receipts together with the Planning Services revenue budgets.

## **8.0 RISK ASSESSMENT**

8.1 There are no significant risks related to this report.

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## **Background Documents**

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

## **Equality Impact Assessment**

There is a direct impact on members of the public, employees, elected members and / or stakeholders. Therefore, an Equality Impact Assessment is required. A formal equality impact assessment is attached as an Appendix to this report, the results of which have been taken into account in the Recommendations contained within this report.

## **Appendices**

Appendix A – Infrastructure Delivery Schedule

Appendix B – Equality Impact Assessment