



AGENDA ITEM: 5(c)

CABINET: 12 January 2016

Report of: Assistant Director Planning

Relevant Managing Director: Managing Director (Transformation)

Relevant Portfolio Holder: Councillor J Hodson

Contact for further information: Mr Peter Richards (Extn. 5046)
(E-mail: peter.richards@westlancs.gov.uk)

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

Wards affected: Borough wide

1.0 PURPOSE OF THE REPORT

- 1.1 To report on the consultation held in autumn 2015 on the options for the CIL Funding Programme 2016/17 and propose a final recommended 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 consultation feedback report and updated Infrastructure Delivery Schedule (IDS) provided at Appendices A and B be noted.
- 2.2 That the allocation of CIL monies be approved for the delivery in 2016/17 of the following projects:
- New Allotments in Skelmersdale (£20,000)
 - Improvements to Public Open Space and associated car parking at Station Approach, Ormskirk (£15,000)
 - Haskayne Cutting Nature Reserve (£8,000)
-

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 follows up on the public consultation held in autumn 2015 on the options for the CIL Funding Programme 2016/17. It reports back on the responses received and recommends which schemes should be incorporated into the 2016/17 CIL Funding Programme.
- 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 on the IDS 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. As a result, one new project was put forward in the recent public consultation on the options for the CIL Funding Programme. As the project was an appropriate suggestion, it was added to the IDS.
- 3.7 The IDS has been updated to reflect the additional information provided by stakeholders (see Appendix B) and then the proposed schemes have been ranked to inform recommendations on how CIL monies could be spent. The full review of the feedback received as part of the public consultation on the CIL

Funding Programme is set out in the Consultation Feedback Report at Appendix A.

- 3.8 In terms of CIL monies collected thus far or anticipated to be collected by 31 March 2016:
- £45,703 was collected in 2014/15
 - £96,496 has thus far been collected in 2015/16 (at the time of writing this report)
 - A further £42,463 is anticipated to be collected by 31 March 2016
- 3.9 This therefore provides an anticipated total income from CIL by 31 March 2016 of £184,662. This total is slightly higher than that anticipated in August, when preparing the options for the CIL Funding Programme. However, this figure may increase slightly if a development comes forward sooner which was not anticipated to come forward this year or it may decrease if a developer fails to pay the required CIL charge when it is due.
- 3.10 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 (this is referred to as the "neighbourhood" portion in the CIL Governance Framework). If a CIL-chargeable development is in a non-parished area the "neighbourhood" portion is retained by the Borough Council to spend within that non-parished area.
- 3.11 Therefore, based on the current anticipated total, **£147,730** 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 RECOMMENDED 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 larger (and so more costly) and 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 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 effectively ruled out all infrastructure projects from further consideration for the CIL Funding Programme 2016/17 which would not need or be eligible to 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 was concluded that the following five projects on the IDS should be included as options for inclusion in the CIL Funding Programme 2016/17 as part of the consultation in autumn 2015:
- 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)

4.8 Looking further ahead to projects on the IDS in the medium-term delivery category (1-5 years) that were found to 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)
- Investment in health facilities in Burscough (unknown)
- Investment in health facilities in Northern Parishes (unknown)
- 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 deliver significant stretches of the Linear Park)

4.9 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 80m², 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.

4.10 Taking into account all of the above information, the Council consulted 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.

4.11 Following the consultation feedback on these three options, officers recommend a final, preferred option that is most similar to option 2 above and that allocates CIL monies to three projects for spend in 2016/17:

- *New Allotments in Skelmersdale (£20,000)*
This project already has £50,000 of funding allocated to it from the Council’s Capital Programme to deliver 35 allotment plots, 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. This would be achieved by delivering a further 15 plots at a new site in a different part of Skelmersdale. 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.
- *Improvements to Public Open Space and associated car parking at Station Approach, Ormskirk (£15,000)*
This project already benefits from £45,000 of Section 106 funding for the improvement of the public open space, 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 (£8,000)*
This project from the Wildlife Trust is already being supported by Downholland Parish Council which 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.

4.12 These three projects require a total CIL contribution of **£43,000** which, together with funding towards those projects from other sources, will enable delivery of £141,700 worth of new infrastructure in West Lancashire.

- 4.13 It is recommended that the remaining “strategic” CIL monies received by 31 March 2016 (estimated to be in the region of £105,000) should be saved and rolled forward to contribute towards more significant infrastructure projects in the future, when they are ready to be delivered.
- 4.14 The two shortlisted projects included in the consultation options that are not recommended for taking forward with “strategic” CIL funding at this time are:
- New Allotments in Burscough
 - Halsall Memorial Hall Extension
- 4.15 The new allotments in Burscough project currently requires the allocation of £30,000 of CIL monies to deliver 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, subject to deliverability. However, there are two factors that concern officers regarding this project. Firstly, whether the allotments could be delivered in 2016/17, as no site has been identified for the allotments at this stage. Secondly, whether this project could be funded or delivered through alternative means, as there is the possibility that new allotments could come forward as part of the Yew Tree Farm development in Burscough and, even if they do not, that development will generate a significant “neighbourhood” portion of CIL which will be passed to the Parish Council to spend on new infrastructure. In that context, officers feel it wiser to save “strategic” CIL monies for more strategic infrastructure projects, with higher costs that the “neighbourhood” CIL monies could not deliver.
- 4.16 The Halsall Memorial Hall Extension 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, and it is anticipated that the demand for those facilities will increase as the two housing allocations in the Local Plan that are in the Parish, together with recent planning permissions in the Parish, come forward. The Parish Council has informed officers that the total cost of the project has increased, but it is unclear precisely how much CIL funding is now being sought, as they are also pursuing other funding sources. This project would meet all the key criteria (with the exception of being identified within a local strategy) and would likely be deliverable by 31 March 2017, subject to detailed design and any necessary planning permission.
- 4.17 However, this project received by far the least support in the public consultation on the options for the CIL Funding Programme 2016/17 and there was some question as to whether new development really would create the additional demand anticipated. Crucially, the two larger Local Plan housing allocations in Halsall (which are both located on the border with Sefton) are not yet the subject of planning applications, and so it may be premature to consider this extended facility as being necessary to support new development at this time. In addition, those housing allocations, when they come forward, will generate a not insignificant “neighbourhood” CIL portion, which the Parish Council may choose to spend on this project, allowing “strategic” CIL monies to be saved toward more strategic infrastructure projects in the future.

5.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

- 5.1 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. The three projects recommended at paragraph 2.2 will contribute towards various objectives of the Council's Sustainable Community Strategy.

6.0 FINANCIAL AND RESOURCE IMPLICATIONS

- 6.1 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, by match-funding 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.

7.0 RISK ASSESSMENT

- 7.1 There are no significant risks related to this report.

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 – Consultation Feedback Report on Options for CIL Funding Programme
2016/17

Appendix B – Infrastructure Delivery Schedule

Appendix C – Equality Impact Assessment