



CABINET: 11 September 2017

Report of: Director of Development and Regeneration Services

Relevant Portfolio Holder: Councillor J Hodson

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SUBJECT: DRAFT CIL FUNDING PROGRAMME 2019/20

Wards affected: Borough-wide

1.0 PURPOSE OF THE REPORT

1.1 To seek authority to publicly consult on the draft CIL Funding Programme for 2019/20, including options regarding which infrastructure projects might be prioritised to receive CIL Funding in 2019/20.

2.0 RECOMMENDATIONS

2.1 That the public consultation on a Draft CIL funding Programme for 2019/20 be approved, and that the shortlist of infrastructure projects identified at paragraph 4.1 of this report be included in that consultation.

2.2 That the public consultation on the spending of "neighbourhood" CIL monies in Ormskirk be approved, and that the shortlist identified at paragraph 4.2 of this report be included in that consultation.

3.0 BACKGROUND

CIL Funding Programme 2019/20

3.1 Each year the Council goes through a process of updating the Infrastructure Delivery Schedule (IDS) of potential / desired infrastructure projects in West Lancashire and then assessing the projects on the IDS as to their suitability to receive and spend CIL monies from the Council in the following financial year.

Based on this assessment and the CIL monies available to spend in a given year, options for how to spend (or save) the CIL monies are proposed for public consultation in a Draft CIL Funding Programme before the feedback from that consultation is considered in finalising a CIL Funding Programme for the following financial year. The 2018 IDS has been published on the Council's website at <http://www.westlancs.gov.uk/planning/planning-policy/the-local-plan/local-plan-review/evidence-base.aspx>

- 3.2 To assess projects on the IDS for CIL funding, and to assist in prioritising those projects which are suitable, the Council uses the information submitted on each project to assess schemes against eight 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, which sets out what type of infrastructure the Council will spend CIL monies on?
 4. When can the infrastructure be delivered?
 5. Are clear project costs and funding known?
 6. Are there "Neighbourhood" CIL monies available in the Parish / Non-Parished Area the project is located within that could fund the project?
 7. Does the project help meet at least one of the Council's Corporate Priorities?
 8. Is the project identified within a relevant local strategy, e.g. the Local Plan, the Highways & Transport Masterplan and the Leisure Strategy?
- 3.3 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/planning/planning-policy/community-infrastructure-levy/regulation-123-list.aspx>). At this stage, we have effectively ruled out all infrastructure projects from further assessment that do not meet the first 3 key criteria and which make them ineligible to receive CIL monies, based on current information.
- 3.4 The fourth criterion is necessary to understand whether the project is technically deliverable within two years of receiving the funding and so might benefit from having CIL monies allocated to it for spending in the following financial years. The fifth criterion allows us to consider whether there are clear and realistic costs and firm funding proposals (other than a request for CIL monies) in place that would confirm that the project is not only technically deliverable but financially deliverable as well. Where costs are unknown, the assessment assumes the project is not financially deliverable within the next two years as the Council needs to see more robust proposals before allocating CIL monies to a project.

Where a project proposes match-funding from another source, if that match-funding has not been secured, there must also be questions over the deliverability of that project, albeit those questions may not ultimately rule out a project entirely in this assessment, depending on the precise circumstances of the match-funding.

- 3.5 A further consideration within this fifth criterion, but not a definitive one in decision-making, is also whether the project will provide greater value for money by using CIL monies to lever in other funding. While leveraging in match-funding would clearly be a positive, it would not be appropriate to disadvantage a project simply because it does not have access to other funding and would rely solely on CIL monies, hence this factor is not a key criteria.
- 3.6 The sixth criterion allows the Council to consider whether a project might be more suitably funded by "Neighbourhood" CIL monies that are available in an area (the 15% of CIL income from a development which is automatically passed to the local Parish Council or, in a non-parished area, set aside by the Council to spend specifically in that area) in order to save "strategic" CIL monies for the larger projects that serve a wider area.
- 3.7 The seventh and eight criteria are necessary to help differentiate and prioritise between projects that meet all of the first six criteria (i.e. when the assessment produces a fairly long shortlist) by considering whether the projects help meet at least one of the Council's Corporate Priorities and/or are identified within a relevant local strategy as being of strategic importance.
- 3.8 Appendices A and B set out the schemes in the IDS this year and how they have been assessed against the eight key criteria. Appendix A lists all the projects that have been deemed to not fulfil one or more of the first three assessment criteria and so have been ruled out from further consideration for spending in 2018/19. Appendix B lists all the remaining projects and assesses them against the remaining criteria, and then indicating which have been shortlisted for potential inclusion in the options for the Draft CIL funding Programme. The fourth, fifth and sixth criteria have been used to identify those projects which should be shortlisted, i.e. any project which does not appear to be deliverable within two years of receiving the funding or could be funded by "Neighbourhood" CIL monies has not been shortlisted. A project has been ruled not deliverable for the purpose of this year's assessment if it is clearly stated as a longer-term project or there is uncertainty about the costs or match funding (where this is proposed), as a lack of clarity on costs or funding indicates that the project is not currently deliverable. Appendix C provides a more detailed assessment in relation to each of the shortlisted projects, of which there are seven, and this would include reference to the seventh and eighth criteria.
- 3.9 In preparing the assessment of IDS projects as to their suitability for receiving CIL funding in 2019/20, all Council Members have been invited to comment on the draft assessment prior to officers formulating the recommendations in this report. All Members were emailed the draft versions of Appendix A-C and invited to provide written comments on the assessment to officers. No comments were received.
- 3.10 In January 2018, Cabinet resolved that, of the 80% of CIL monies (the "strategic" portion) collected each financial year from 1 April 2018 onwards, up to a

maximum of £100,000 be allocated through the CIL Funding Programme each financial year toward projects requiring £100,000 of CIL funding or less, and that the remainder of the "strategic" CIL monies collected each financial year (i.e. those funds over the £100,000 cap) be saved towards more significant strategic infrastructure projects (requiring more than £100,000 of CIL funding) to be drawn down from as necessary as such significant projects are identified and approved.

- 3.11 At the current time, it is anticipated that more than £100,000 of "strategic" CIL monies will be collected by the Council this financial year, and so the CIL Funding Programme for 2019/20 will be able to allocate the maximum £100,000 if Members wish to do so.

Spending Ormskirk "neighbourhood" CIL monies

- 3.12 In addition, in 2017/18 CIL monies were collected in the unparished area of Ormskirk for the first time, with £115,000 apportioned through the 15% of CIL monies collected in Ormskirk. As such, this £115,000 of CIL monies from developments in Ormskirk is held by the Council who must consult with residents and businesses of Ormskirk on how best to spend these "neighbourhood" CIL monies.
- 3.13 Therefore, alongside the CIL Funding Programme for 2019/20, the Council will need to consult on how best to spend "neighbourhood" CIL monies in Ormskirk. Within the shortlist of projects identified at Appendix C, four are located in Ormskirk.

4.0 PROPOSALS

- 4.1 Of the seven shortlisted projects, of which more details are given in Appendix C, the three which are not located in Ormskirk are (CIL funding sought provided in brackets):

- Improvements to Hunters Hill Country Park, Parbold (£60,000)
- Improvements to the Cheshire Lines Path, Downholland and Great Altcar (£40,000)
- Improvements to Sluice Lane Public Right Of Way (£31,000)

It is recommended that these three projects are consulted upon as part of the Draft CIL Funding Programme 2019/20, with two ultimately being selected after the consultation to be funded from the "strategic" CIL monies collected in 2018/19, unless a better option is put forward through the consultation process.

- 4.2 The remaining four shortlisted projects, which are all within Ormskirk, should be included in the consultation on how best to spend the "neighbourhood" CIL monies collected in the unparished area of Ormskirk, and are (CIL funding sought provided in brackets):

- Coronation Park – environmental and facility improvements (£30,000)
- Thompson Ave – play area improvements (£40,000)
- Ormskirk town centre – improvements to signal co-ordination for gyratory traffic £50,000)

- Ormskirk town centre – cycle and pedestrian link between the rail station and the bus station (£43,000)

Following the consultation, two or three of the above projects could then be selected by the Council to spend the Ormskirk "neighbourhood" CIL monies on, unless a better option is put forward through the consultation process.

- 4.3 Should Cabinet resolve in accordance with the recommendations at paragraph 2.1 and 2.2 of this report, the shortlisted projects identified above will be publicly consulted upon through two parallel consultation exercises. Should Cabinet put forward an alternative resolution, the proposals / options within that resolution would be publicly consulted on instead.
- 4.4 In relation to the Draft CIL Funding Programme 2019/20, the consultation will include all infrastructure providers, as well as the general public and other stakeholders, and comments on the proposals will be welcomed from all. Officers will consider the responses to this consultation (including any suggested alternative projects) before making a final recommendation on the CIL Funding Programme 2019/20 to Cabinet in January 2019.
- 4.5 With regards the Ormskirk "neighbourhood" CIL monies, the CIL regulations require local authorities managing such CIL monies in unparished areas to consult with the local community in that unparished area. Therefore, the consultation must be directed at Ormskirk residents and businesses only, and so respondents will be required to provide their Ormskirk address (residential or business address) in order to ensure that the respondents do have that direct connection to the local Ormskirk community, as only their responses will be taken into account in the consultation on these CIL monies. Officers will consider the responses to this consultation (including any suggested alternative projects) before making a final recommendation on how best to spend the £115,000 of "neighbourhood" CIL monies collected in Ormskirk in 2017/18 to Cabinet in January 2019.
- 4.6 These parallel public consultations will take place for four weeks commencing in mid-October. The Council will publicise and consult through the following methods:
- Press release
 - Advert in the Champion Newspaper
 - 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"

5.0 SUSTAINABILITY IMPLICATIONS

- 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.

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 or how to spend the Ormskirk "neighbourhood" CIL monies given that any projects prioritised for funding will be funded by CIL monies and, in some cases, 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 Development and Regeneration Service's revenue budgets.

7.0 RISK ASSESSMENT

7.1 There are no significant risks related to this report, which is covering the assessment of potential infrastructure projects which the Council may choose to allocate CIL funding to, as a precursor to public consultation on the options arising from that assessment.

7.2 As a more general risk in terms of allocating CIL funding to projects, it is important to note that the CIL funds available to allocate to infrastructure projects in 2019/20 cannot be guaranteed at this time because developers may default on their CIL payments, ultimately delaying collection of those monies, and those developments anticipated to commence this financial year may not do so.

7.3 However, this risk is minimal given that the anticipated CIL income in 2018/19 is anticipated to significantly exceed the £100,000 cap for the CIL Funding Programme. In any event, by January 2019, when a final decision on the CIL Funding Programme is being made, the Council will be able to give a more robust view on how much CIL will be collected by the Council by 31 March 2019, and, in the unlikely event that the £100,000 cap has not been exceeded, this will necessarily influence what the final CIL Funding Programme for 2019/20 proposes to spend on infrastructure projects.

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 – IDS Projects deemed not to fulfil any of Criteria 1-3

Appendix B – Summary Assessment of remaining IDS Projects

Appendix C – Detailed Assessment of Shortlisted Projects

Appendix D – Equality Impact Assessment