



## PLANNING

### MEMBERS UPDATE 2019/20

#### ISSUE: 3

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**Article of: Director of Development and Regeneration Services**

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**SUBJECT: CIL Annual Report 2019**

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Wards affected: Borough wide

#### **1.0 PURPOSE OF THE REPORT**

1.1 To update Members on the performance of the Community Infrastructure Levy.

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#### **2.0 INTRODUCTION**

- 2.1 The Community Infrastructure Levy (CIL) allows local authorities to raise funds from new developments in their area. The charge liable to each development is dependent on the use, size and location of the proposal and the imposition of a CIL charge is non-negotiable. CIL revenue can then be used to pay for a wide range of infrastructure that is needed to support new development. The types of infrastructure CIL can fund are listed on the Council's Regulation 123 list and can include transport schemes, green spaces, community facilities and the maintenance of new infrastructure.
- 2.2 CIL is liable on all developments granted consent from the 1 September 2014, where the development proposes the creation of a dwelling or the creation of more than 100 square metres of new build internal floorspace. To date, there are now almost 300 CIL chargeable developments in the Borough.
- 2.3 CIL must be administrated in direct accordance with the Community Infrastructure Regulations 2010 (as amended) and the Council can have no discretion in their application.

### **3.0 CURRENT POSITION (at year end 2018/19)**

3.1 CIL monies are due upon the commencement of a chargeable development or agreed phase and, providing all administration requirements are adhered to, can be paid in line with an instalments policy. The instalments patterns vary, between 3 and 30 months, dependent on the CIL value of the development or phase.

3.2 In accordance with the CIL Regulations 2010 (as amended) CIL receipts must be (as a general rule) apportioned as follows:

- 5% retained by the Borough Council for CIL administrative costs
- 15% passed to local (Parish) Councils for local infrastructure
- 80% retained by the Borough Council for strategic infrastructure

3.3 To ensure that CIL is transparent, CIL Regulation 62 requires the Council, as the CIL Charging and Collecting Authority, to publish an annual report detailing CIL revenue. The report must provide:

- CIL receipts for the reported year
- CIL expenditure for the reported year
- Details of the items any CIL has been spent on
- The amount of CIL passed to Parish Councils through neighbourhood CIL
- The amount of CIL retained for CIL administration costs
- Any CIL monies recovered from local councils under Regulation 59E or 59F
- Details of any CIL paid through Payment in Kind (land or infrastructure)

3.4 The CIL Annual Report can be found in full in Appendix 1, and will be publically available at [www.westlancs.gov.uk/CIL](http://www.westlancs.gov.uk/CIL). Table 1 (overleaf) shows that;

- During the 2018/19 financial year, the Council:
  - collected over £2.15 million in CIL revenue (£2,150,247)
  - retained £107,512 towards administrative costs
  - passed £308,627 to local councils for use on local infrastructure projects
  - retained £1,734,107 for use on strategic infrastructure projects
  - allocated £91,000 to two infrastructure projects
  - spent £61,105 of previously allocated monies on infrastructure projects
- Since CIL began in 2014, the Council have:
  - collected over £5.2 million in CIL (£5,201,781)
  - passed £764,964 to local councils for use on local infrastructure projects
  - retained £4,176,727 for use on strategic infrastructure projects
  - allocated £732,000 to twelve infrastructure projects
  - spent £257,105 of allocated monies on infrastructure projects

Table 1: CIL receipts and allocations 2014-2019

Year	Total CIL receipts collected	Admin portion (5%)	Meaningful proportion (15%)	Strategic portion (80%)	Cumulative strategic collected	Strategic allocated	Allocated monies spent at 1 April 2019	Allocated monies unspent	Cumulative Strategic available (unallocated)
2014/15	£45,703	£2,285	£6,855	£36,562	£153,083	£43,000	£43,000	£0	£110,083
2015/16	£144,959	£7,247	£21,190	£116,521					
2016/17	£603,834	£30,191	£89,982	£483,660	£636,743	£173,000	£173,000	£0	£420,743
2017/18	£2,257,038	£112,852	£338,310	£1,805,877	£2,442,620	£425,000	£41,105	£383,895	£1,801,620
2018/19	£2,150,247	£107,512	£308,627	£1,734,107	£4,176,727	£91,000	£0	£91,000	£3,444,727
<b>Total</b>	<b>£5,201,781</b>	<b>£260,087</b>	<b>£764,964</b>	<b>£4,176,727</b>	<b>£4,176,727</b>	<b>£732,000</b>	<b>£257,105</b>	<b>£474,895</b>	<b>£3,444,727</b>

Note: Figures may not sum due to rounding

## CIL Strategic monies

- 3.5 The CIL Annual Report details that information specifically required by Regulation 62, and relates to those CIL monies received and spent. The annual report is not required to provide details of those monies which may have been allocated. It is therefore considered appropriate to set out such allocations through this report to clarify that the Council are actively working to spend CIL receipts and that CIL is achieving its aims in delivering required infrastructure.
- 3.6 Each year, the Council seeks to identify how strategic receipts should be spent in the following financial year. In accordance with the CIL Governance and Expenditure Protocol, the Council works to identify and prioritise a number of infrastructure schemes as suitable to receive CIL funding. These projects are drawn from the Infrastructure Delivery Schedule (IDS); a database of approximately 100 infrastructure schemes that have been identified as necessary to support new development in the Borough. Officers assess the projects against a series of criteria, examining deliverability, need, appropriateness and priority, and a number of projects are then shortlisted through a draft CIL Funding Programme. Members are then invited to comment, at this relatively early stage, on the shortlisted projects and priorities. The draft CIL Funding Programme then undergoes public consultation in the autumn before final recommendations are made to Cabinet in the January for a final decision on expenditure of the monies received.
- 3.7 In January 2018, Cabinet agreed that for all CIL monies collected each financial year from 1 April 2018 onwards, a maximum of £100,000 will be allocated through the CIL Funding Programme each financial year towards projects requiring £100,000 of CIL funding or less. The remainder of “strategic” monies collected each financial year will be saved towards more significant strategic infrastructure projects (requiring more than £100,000 of CIL funding) to be drawn down as necessary as such significant projects are identified and approved.
- 3.8 The 2019 report to Cabinet considered those monies received, or anticipated to be received, in 2018/19, up to a total value of £100,000. In January 2019, Cabinet approved expenditure of £91,000, from April 2019, for the following schemes:
- £60,000 – Hunters Hill Country Park access improvements
  - £31,000 – Sluice Lane Public Right of Way improvements
- 3.9 Subsequently, of the £5.2 million CIL strategic monies, collected by the Council since CIL was introduced in 2014, the Council have already allocated £732,000 towards twelve projects. A number of those projects have now been delivered, with delivery of all other projects in progress.
- 3.10 A total of £3,444,727 now remains available from the CIL strategic receipts.

Table 2 shows the current status of CIL funded projects.

*Table 2: Status of CIL funded projects*

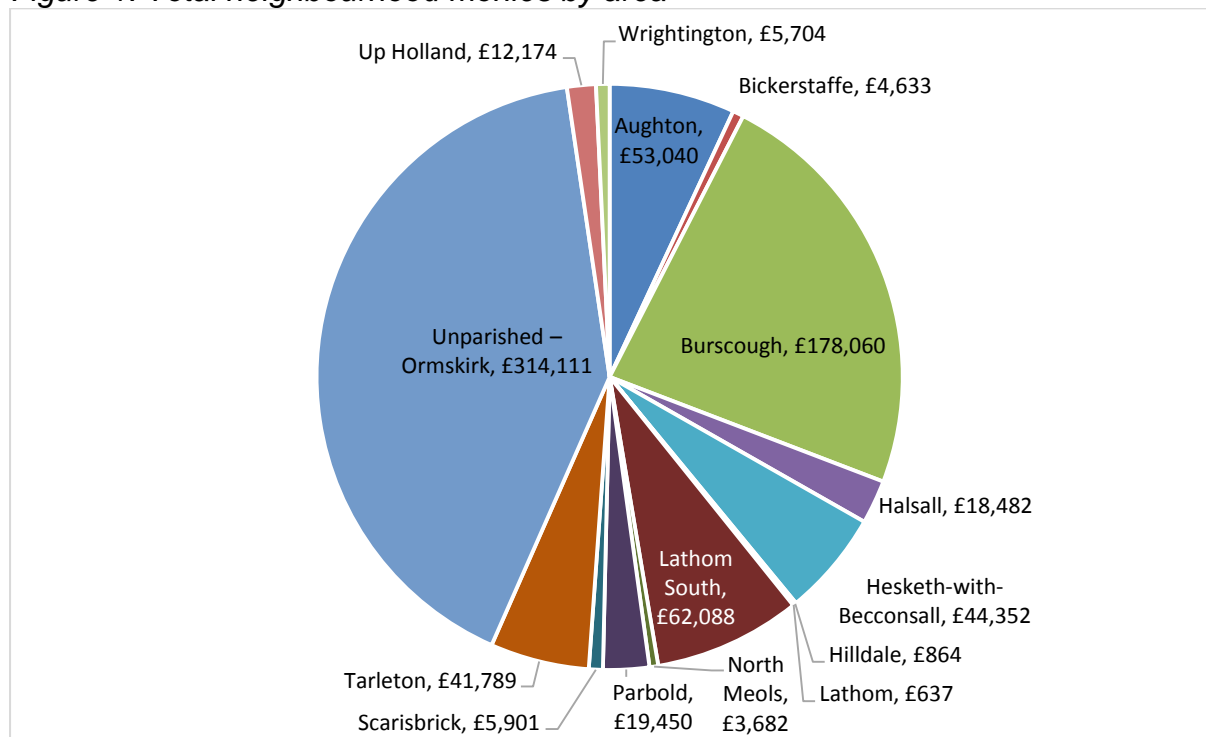
Project	Amount	Year allocated	Amount allocated	For use in	Spent	Amount spent	Amount allocated & unspent
Station Approach car park	£15,000	2015/16	£43,000	2016/17	2016/17	£15,000	-
Haskayne Cutting Nature Reserved boardwalk	£8,000	2015/16		2016/17	2016/17	£8,000	
Skelmersdale allotments (Tawd Valley)	£20,000	2015/16		2016/17	2016/17	£20,000	-
Burscough towpath improvements	£150,000	2016/17	£173,000	2017/18	2017/18	£150,000	-
Stanley Coronation Park, Skelmersdale	£20,000	2016/17		2017/18	2018/19	£20,000	-
Mere Sands Wood Visitor Centre (Phase 1)	£3,000	2016/17		2017/18	2017/18	£3,000	-
Mere Sands Wood Visitor Centre (Phase 2)	£25,000	2017/18	£425,00	2018-20	2018/19	£25,000	-
Chequer Lane playing field facilities	£60,000	2017/18		2018-20	-	-	£60,000
Whittle Drive playing field facilities	£40,000	2017/18		2018-20	2018/19	£2,094	£37,906
Tawd Valley Masterplan	£300,00	2017/18		2018-20	2018/19	£14,011	£285,989
Hunters Hill Country Park Improvements	£60,000	2018/19	£91,000	2019-21	-	-	£60,000
Sluice Lane Public Right of Way improvements	£31,000	2018/19		2019-21	-	-	£31,000
<b>Total</b>	<b>£732,000</b>	<b>-</b>	<b>£732,000</b>	<b>-</b>		<b>£257,105</b>	<b>£474,895</b>

3.11 Whilst CIL monies may be allocated in any given year, inevitably there will be a natural delay in expenditure caused by the time taken to assess, approve, fund, monitor and report on CIL funded projects. This time lag cannot necessarily be identified through the annual report and so it is important that it is understood that a significant level of work is being undertaken by officers on an on-going “behind the scenes” basis to deliver infrastructure through CIL.

## CIL Neighbourhood monies

- 3.12 The CIL Annual Report also details those monies which have been passed to local councils for use on local infrastructure in the area from which receipts stemmed. In those parished areas with local receipts, the Parish Council will be responsible for determining how their CIL monies are spent. Where no parish council exists, such as Ormskirk and Skelmersdale, the Borough Council will retain the monies and spend in consultation with the local community for that area. The local portion therefore always remains separate to strategic monies.
- 3.13 Note that in accordance with the Council's adopted Charging Schedule, developments in most parts of Skelmersdale and some parts of Up Holland fall under Zone B, which has a zero CIL charge for all types of development. It is therefore unlikely that any CIL funds will be raised from the Skelmersdale area. Whilst strategic monies, collected from elsewhere in the Borough, can be spent in Skelmersdale and Up Holland, it is unlikely that there will be any local monies collected from, or available within, Skelmersdale.
- 3.14 A total of £308,627 was received in 2018/19 as the local portion. To date, parish councils (or the Borough Council in lieu of) have received a total of £764,965 of CIL monies.

*Figure 1: Total neighbourhood monies by area*



### Ormskirk local CIL monies

- 3.15 To date, Ormskirk has received a total of £314,111 of CIL local monies. In the absence of a local council, the Borough Council must publicly consult on how the neighbourhood portion of the CIL monies collected in Ormskirk should be spent. Following consultation alongside the draft CIL Funding Programme in autumn 2018, in January 2019 Cabinet approved the use of £50,000 of local Ormskirk CIL monies to be used on improving the traffic signals for Ormskirk gyratory traffic, and £53,000 for cycle and pedestrian link improvements between Ormskirk bus station and Ormskirk rail station. There remains a balance of £211,111 available for allocation to appropriate projects. Consultation on Ormskirk monies will be undertaken again in autumn 2019.

*Table 3: Ormskirk local monies*

	2017/18	2018/19	2019/20	Total	Allocated	Balance
	(Current reporting year)		(To date)			
Local CIL	£8,665	£117,948	£187,497	£314,111	£103,000	£211,111

- 3.16 The appended report details those Ormskirk CIL monies for the 2018/19 reporting year, but does not reflect those monies received since but that need only be formally reported in the following year (as per the table above).

### Parish Reports

- 3.17 Regulation 62A requires local councils to report on their receipts and expenditure, and these reports are due by 31 December each year. They must be published on the parish council website, and copies, or links, are also made available on the Council's CIL webpages at [www.westlancs.gov.uk/CIL](http://www.westlancs.gov.uk/CIL) and 'Annual Reports'.
- 3.18 A number of parish councils are progressing to deliver infrastructure in their local area using CIL neighbourhood monies – schemes have included improvements to public open space and linear parks. Officers are continuing to liaise with all parish councils with CIL receipts to help them identify suitable schemes for the use of monies. The CIL Regulations require parish councils to spend their CIL monies within five years of receipt, or else the Council can request that those monies are paid back and will then spend the monies on their behalf. The Council are monitoring parish council's expenditure.

## **4.0 FUTURE POSITION**

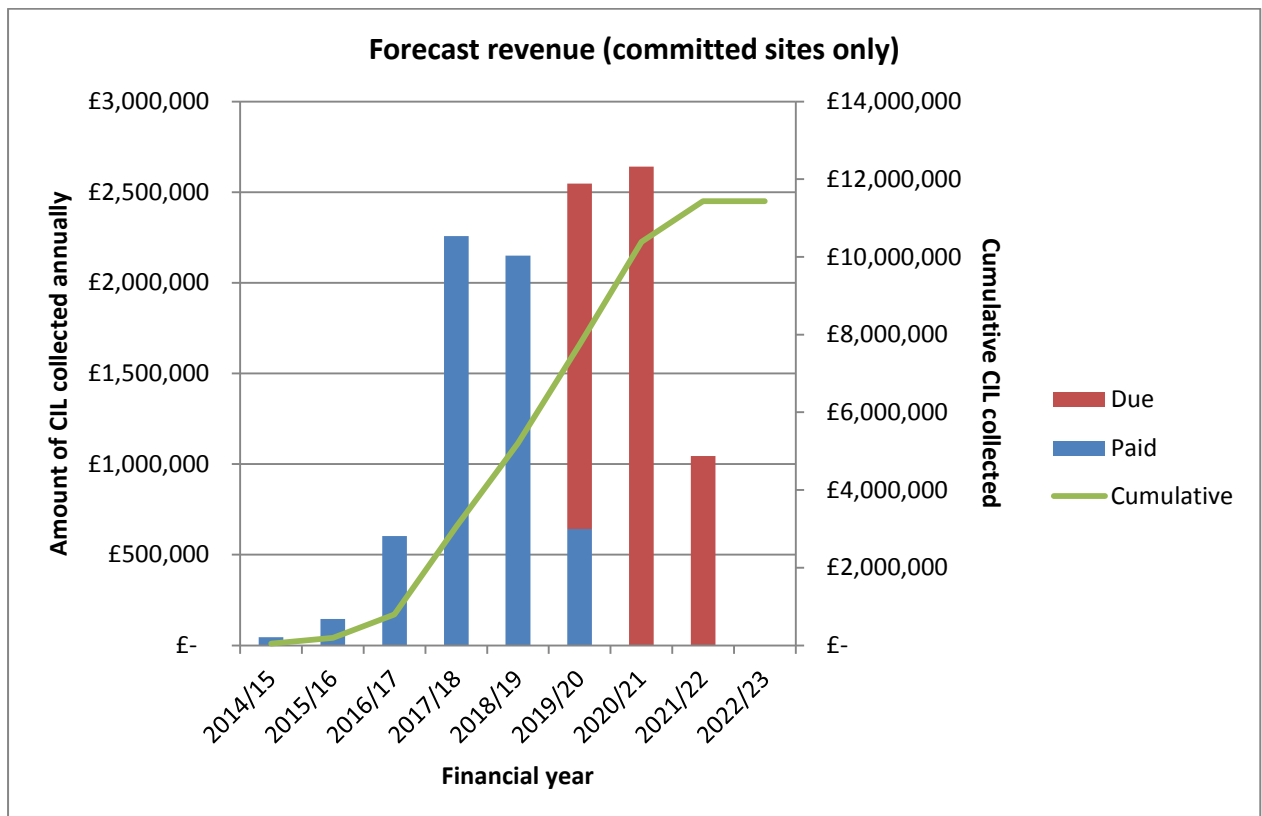
- 4.1 For the fifth consecutive year, the Council have again commenced the process of identifying which projects should receive CIL funding in 2020/21. Infrastructure providers have been contacted to provide updates to existing schemes, or suggestions of new schemes for inclusion, on the IDS and officers will shortly assess all the projects and prepare recommendations to

Cabinet for options for spending CIL funding through a draft CIL Funding Programme. Subject to Cabinet approval, the draft CIL Funding Programme will go out to public consultation in autumn. The results of the consultation exercise and the recommendation of officers on which schemes should be supported by CIL monies, will then form the basis of a report to Cabinet in January 2020.

4.2 Based on that money already committed (where development has commenced and payment is due in line with instalments), the Council expect £2.5 million to be received in 2019/20. Figure 2 shows the CIL revenue received, and that forecasted, as well as a cumulative forecast. Revenue in later years will be expected to increase as new sites commence in future. The only revenue indicated for 2021/22 is that belonging to current, large sites with long instalment periods. By 2022, the Council expect to have collected over £11 million of CIL.

4.3 With regards Ormskirk local monies, and based on those sites committed, the Council expect to collect a further £134,689 of local CIL monies (15% of a total of £897,927) by 2021.

Figure 2: Forecast revenue



4.4 The Council expect that a significant proportion of the available strategic monies will be used to help support the building of replacement leisure



centres, as set out in the Leisure Facility and Contract Procurement report to Council in July 2018.

## **5.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY**

5.1 There are no significant sustainability effects associated directly with this article. Use of CIL monies have some implications on sustainability because they are used to provide public open space, environmental and transport improvements that can encourage healthier, fitter, more sustainable lifestyles and support access to employment. This article reports on the status of CIL receipts, but does not seek to make any recommendations as to their use. Such recommendations will be made, and approved by Cabinet, at the appropriate time.

## **6.0 FINANCIAL AND RESOURCE IMPLICATIONS**

6.1 This update provides an overview of CIL monies and does not seek to make recommendations for their use. This will be done through appropriate Cabinet reports at the relevant times. Therefore, there are no financial and resource implications to note through this article.

## **7.0 RISK ASSESSMENT**

7.1 This item is for information only and makes no recommendations. It therefore does not require a formal risk assessment and no changes have been made to risk registers as a result of this article.

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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**

This report does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

### **Appendices**

1. CIL Annual Report 2019 (covering 2018/19)
2. Ormskirk Annual Report 2019 (for 2018/19)