



CABINET: 8 September 2020

Report of: Corporate Director of Place and Community

Relevant Portfolio Holder: Councillor David Evans

Contact for further information: Peter Richards (Extn. 5046)
(Email: peter.richards@westlancs.gov.uk)

SUBJECT: CIL FUNDING PROGRAMME 2021/22

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 2021/22, including options regarding which infrastructure projects might be prioritised to receive CIL funding in 2021/22.

2.0 RECOMMENDATIONS

- 2.1 That the public consultation on a Draft CIL funding programme for 2021/22 be approved, and that the shortlist of infrastructure projects identified at paragraph 4.5 and 4.6 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 4.3 of this report be included in that consultation.

3.0 BACKGROUND

CIL Funding Programme 2021/22

- 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.

- 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 project fall under an appropriate infrastructure type?
 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 and Transport Masterplan or 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 appropriate types of infrastructure. In previous years, projects were deemed 'appropriate infrastructure' if they matched an infrastructure type listed on the Regulation 123 list, but from September 2019 a requirement for a Regulation 123 list is no longer in effect. Instead, Councils must, from December 2020, publish an Infrastructure Funding Statement (IFS) which details infrastructure types/projects that CIL will be used to fund. As this is the first year in which an IFS is required, and there is a current lag between the Regulation 123 list ending and the IFS being introduced, schemes continue to be assessed as to whether they are an appropriate infrastructure type – based on those types listed in the Regulation 123 list and which are expected to be carried forward into the IFS.
- 3.4 At this stage, we have effectively ruled out all infrastructure projects from further assessment that do not meet the first three key criteria, and which make them ineligible to receive CIL monies based on current information.
- 3.5 The fourth criterion is necessary to understand whether the project is technically deliverable within two years of the funding being allocated, to ensure CIL funding is only allocated through the annual CIL Funding Programme to those projects likely to come forward in the near future.

- 3.6 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.
- 3.7 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.
- 3.8 The sixth criterion allows the Council to consider whether a project might be more suitably funded by 'Neighbourhood' CIL monies (NCIL) that are available in an area in order to save "strategic" CIL monies for the larger projects that serve a wider area. NCIL is 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. This figure will, moving forward, be 25% for the Parish of Burscough due to the fact it now has a Neighbourhood Plan.
- 3.9 The seventh and eighth 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.
- 3.10 Appendices A and B set out the schemes in the IDS this year and how they have been assessed against the key criteria. Appendix A lists all the projects that have been deemed not to fulfil one or more of the first three assessment criteria and so have been ruled out from further consideration for spending CIL at this time. 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 and fifth criteria in particular 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 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, and this would include reference to the remaining criteria.
- 3.11 In preparing the assessment of IDS projects as to their suitability for receiving CIL funding in 2021/22, 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 assessments to officers. One comment was received with regard a shortlisted proposal that would use CIL monies to help fund the demand responsive transport service "Dial-a-Ride". It cited concerns in relation to whether a need for the service directly arises as a result of new development. This is discussed at 4.1 below. Support was given to the Ormskirk recommendations and the canal towpath improvements between Parbold and Appley Bridge.

- 3.12 In July 2020, Council resolved to make changes to the CIL Governance Framework so that, of the 80% of CIL monies (the "strategic" portion) collected each financial year from 1 April 2020 onwards, up to a maximum of £200,000 will be allocated through the CIL Funding Programme each financial year towards projects requiring £100,000 of CIL funding of less, and that the remainder of the 'strategic' CIL monies collected each financial year (i.e. those funds over and above that allocated in the annual CIL Funding Programme) will 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.
- 3.13 More than £200,000 of 'strategic' CIL monies has already been collected by the Council this financial year, and so the CIL Funding Programme for 2021/22 will be able to allocate the maximum £200,000 if Members wish to do so.

Spending Neighbourhood CIL monies in Ormskirk and Skelmersdale

- 3.14 In addition, there are neighbourhood CIL monies available in the non-parished areas of Ormskirk (c. £348,000) and Skelmersdale (c. £16,000). These monies are held by the Council who must consult with residents and businesses of those areas on how best to spend the funding.
- 3.15 Therefore, alongside the CIL Funding Programme for 2020/21, the Council will need to consult on how best to spend any 'neighbourhood CIL' monies in Ormskirk and Skelmersdale. Those projects shortlisted for NCIL monies are detailed below.

The Infrastructure Funding Statement

- 3.16 In September 2019, amendments were made to the CIL Regulations 2010 to change how CIL receipts and expenditure are reported and how infrastructure needs are identified and managed. From December 2020 the Council are required to produce an Infrastructure Funding Statement (IFS) to set out details of the Council's annual CIL receipts and expenditure, along with similar information relating to Section 106 planning obligations. To that extent, the IFS now replaces the Council's CIL Annual (financial) Report which the Council were required to publish each December for the previous financial year. The CIL annual reports had been published as individual documents on the Council's website, but also comprised part of the Council's Annual Monitoring Report (AMR). The AMR also included information relating to infrastructure delivery, and so these updates will now also be transferred to the IFS.
- 3.17 To show we are planning infrastructure appropriately, the IFS should identify infrastructure needs, the total cost of this infrastructure, anticipated funding from

developer contributions, and the choices the authority has made about the how these contributions will be used.

- 3.18 The Council's Infrastructure Delivery Schedule (IDS) already identifies our infrastructure needs, and known delivery and costs of those projects listed within it, and these are used to form the basis of our CIL Funding assessments and shortlisting. Therefore, the new IFS requirements effectively become a hybrid of our existing approaches - the IDS and annual financial CIL report. The decisions on the CIL Funding programme will also feed into the IFS, supporting an iterative annual process of project identification and CIL allocation.
- 3.19 The first IFS is scheduled to be reported to Cabinet in November 2020, alongside the recommendations for the final CIL Funding Programme.
- 3.20 The 2019 amendments also removed the requirement for a Regulation 123 (R123) list. The R123 list set out the types of infrastructure that CIL would be used to fund and was designed to stop double-charging of developers for the same infrastructure items. As a result of the abolition of the R123 requirement, Councils are instead encouraged to identify those infrastructure projects / types that we may want to spend CIL on going forward.
- 3.21 Officers do not foresee any necessary major changes to the infrastructure types that can be funded through CIL, and envision this will still be centred around the following types:
- Strategic transport and highways improvements or provision (including cycle networks, footpaths and bus stops), but excluding any works that should form part of a S278 agreement
 - Strategic green infrastructure, including strategic public open spaces
 - Community facilities, including libraries, health facilities, community centres, public realm and leisure centres

Affordable housing, education provision, provision of on-site public open space and its future maintenance, and flood alleviation measures will continue to be secured by Section 106 obligations or planning conditions on a site by site basis.

- 3.22 In terms of specific projects, it is anticipated that the following schemes may be allocated significant amounts of strategic CIL monies in the future, based on the plans of the Council and its partners:
- **New leisure centre(s)** - New health and leisure hubs are one of the Council's key priorities. The building of replacement leisure centres in Skelmersdale and Ormskirk was set out in the Leisure Facility and Contract Procurement report to Council in July 2018.
 - **Green infrastructure and cycling provision and improvements**, including the 'West Lancs Wheel'; canal towpath improvements on the Leeds-Liverpool canal; the River Douglas Linear Park; the Ormskirk-Burscough Linear Park; and the Skelmersdale-Ormskirk Linear Park.

Both types of infrastructure are considered key to delivering the Council's ambition relating to ensuring people in the Borough can live healthy and fulfilling

lives, by delivering tangible and visible improvements, improving health, and promoting the Borough as a great place to live, work, visit and invest. The development of new leisure facilities as health and leisure hubs is one of the Council's key priorities, whilst the provision and improvement of green infrastructure and cycling networks is a key strategy which can make improvements to active health and sustainable travel for all our residents. Much of this strategic green infrastructure provision will be delivered through component schemes, for example canal towpath improvements, which collectively will help improve the borough's cycling and walking networks.

3.23 However, any final decision on whether to allocate strategic CIL Funding to any projects in these categories will require a specific decision to do so and the types of infrastructure may change over time, as the IFS is updated each year, as new opportunities present themselves.

4.0 PROPOSALS

4.1 The eight shortlisted projects for CIL monies are:

- **Cheshire Lines Path, Western Parishes** - access and signage improvements to this cyclepath and footpath through the Western Parishes (£40,000 of CIL sought)

This project is not located in an area where there is any significant neighbourhood portion of CIL held by Parish Councils or where Parish Councils are likely to receive some, but the Cheshire Lines path is a strategic green infrastructure and cycling / walking route through the western part of the borough that it would be beneficial to improve access to and encourage use of by residents from across West Lancashire.

- **Long Heyes Play Area, Ashurst** – extension of play area (£30,000 of CIL sought)

This proposal would extend the current play development to allow it to provide play facilities for the under-six age group, with associated seating facilities for parents. The scheme would complement the current play development for six to fourteen years olds which is currently being funded by Council Play Capital and HRA funding. Significant residential development is taking place in Ashurst (Whalleys/Cobbs Clough) which this project would help support. Although NCIL monies are available in Skelmersdale, they are not at sufficient level to be allocated to this scheme and so it is recommended that CIL strategic monies should be used.

- **Clough Valleys, Skelmersdale** – Environmental improvements (£50,000 of CIL sought)

This proposal would seek to upgrade the environment and develop the recreational and ecological potential of the three main valleys – Delph Clough, Elmers Clough and Westheads Clough. Works will include routine cleansing and vegetation clearance using community based volunteers and trainees, managed by the Council's Ranger service. The project will also provide access improvements, woodland management and drainage works to improve public accessibility and use of these natural spaces. Each clough has different works

required, but the total cost across all three cloughs is c.£50,000. There has been development across Skelmersdale, including that at Delph Clough (west of Evenwood Court), and so this scheme would provide central improvements to support that new development. Again, NCIL monies are available in Skelmersdale but are not at sufficient levels to deliver this scheme so use of strategic CIL monies are proposed instead.

- **Helmsdale play area, Skelmersdale** – replacement play area (£19,000 of CIL sought, with £29,000 of match funding)

This proposal is a community project to replace the existing play facility serving the Birch Green area. The play area serves a whole estate and is therefore an important facility to reinstate. There has been sufficient development within Birch Green to justify improvement of the site, which is currently degraded and without play equipment. Friends of Helmsdale Park community group was established by local residents and has sought to secure external funding to provide a new play area but this has proven unsuccessful. WLBC Housing have been working with the community group to try and reinstate and improve the playground, and will provide an additional £20,000 to match fund CIL monies, with a further £9000 provided from the WLBC Playground Capital programme. The community group would then help deliver and manage it. Whilst NCIL monies are available in Skelmersdale, they are not at a sufficient level to be allocated to this scheme, and so it is proposed that CIL strategic monies are awarded to enable the delivery of the replacement play area.

- **Dial-a-Ride, Borough-wide** – demand responsive transport service for West Lancashire (£31,555 of CIL sought to help fund the service for one year, with c.£154,700 of match funding)

This already established scheme provides accessible transport, particularly for elderly and disabled residents, covering those areas of the borough not well-served by public transport. Dial-a-Ride have already secured the majority of funding from Lancashire County Council (LCC) and other assured sources, and raise further significant income through fares and subscriptions for the service. West Lancashire Borough Council had been a valued funder of this scheme, but those funding sources had recently stopped and so CIL provides an opportunity to again fund this valued transportation service. Whilst a bid was originally received from Dial-a-Ride to fund the service for three years, the allocation of CIL monies to fund the scheme for one year would support the future of Dial-a-Ride in the immediate future, whilst still keeping available CIL monies for use on other projects. Should further monies be required in future years, new bids for CIL monies can be submitted. In consideration of this project, it has been acknowledged that CIL monies must be used to support new, not existing, development. Therefore, whilst CIL monies will go some way to supporting the continuation of the Dial-a-Ride scheme, and preventing cuts to the existing service, any award of funding will also be able to support changing needs and increased demand for the scheme that may be created as a result of new development.

- **Parbold-Appley Bridge towpath improvements, Eastern Parishes** – towpath enhancements along the Leeds to Liverpool canal including improved surfacing to aid accessibility for all (£385,000 of CIL sought, with c.£45,000 of match funding)

This project requires over £100,000 of CIL, and so would need to be funded through the saved strategic CIL funds that the Council holds. As such, while the Council will seek the public's views on this proposal through the CIL Funding Programme consultation process, whether to allocate CIL funding to it will be considered by Cabinet separately, but alongside the CIL Funding Programme, to decide whether to spend any of the saved strategic CIL funds on this project.

- **West End Playing field, Ormskirk** - access and environmental improvements, (£58,000 of NCIL sought)

CIL would provide significant investment to this area of open space to deliver improvements including footpath resurfacing, seating bays, picnic areas, fencing improvements, tree management and signage. The site is located in the Scott ward, and is within distance of the housing development at Grove Farm to justify a need for these improvements.

- **Halsall Lane Park, Ormskirk** – play area extension (£10,000 of NCIL sought)

Halsall Lane Park has been identified within the Council's playground improvement programme as a facility in need of investment. This project requires a relatively small amount of NCIL monies to extend the existing play area to include new swings and access. There has been sufficient development in Ormskirk to justify this need and the project helps improve the health and wellbeing of local residents.

Shortlist for Neighbourhood CIL (Ormskirk) monies

- 4.3 Given the availability of NCIL monies in Ormskirk, it is recommended that the West End and Halsall Lane projects in Ormskirk be consulted upon as to whether to spend some of the Ormskirk NCIL monies on them. Following the consultation, Cabinet would then need to decide whether to allocate NCIL monies to those projects, unless a better option(s) is put forward through the consultation process, or to save those monies for a later date to spend on future projects in Ormskirk.
- 4.4 Whilst NCIL monies are available in Skelmersdale, they are not at sufficient levels to be able to deliver the shortlisted Helmsdale, Long Heyes or Clough Valleys projects, and therefore it is proposed that those schemes are included within the CIL Funding Programme for funding through strategic CIL, allowing the Skelmersdale NCIL funds to build to higher, more usable amounts and go towards other projects in the future.

Shortlist for strategic CIL monies – projects costing less than £100,000

- 4.5 It is recommended that the Cheshire Lines, Long Heyes, Clough Valleys, Helmsdale and Dial-a-Ride projects shortlisted above are consulted upon as part of the Draft CIL Funding Programme 2020/21. Based on the £200,000 allocation allowance, all five projects could ultimately be awarded funding, with the remaining monies saved to the 'strategic' pot. Additional, alternative options may also be put forward through the consultation process.

Shortlist for strategic CIL monies – projects costing more than £100,000

- 4.6 It is recommended that the Parbold-Appley Bridge towpath improvement project is consulted upon as part of the Draft CIL Funding Programme 2020/21. Whilst not forming part of the annual CIL Funding Programme itself (i.e. that which seeks to allocate the £200,000 to smaller schemes), it does no harm to include it in the CIL Funding Programme in the interests of public transparency and to seek the public's views with regard how CIL is spent.

Table 1. Summary of shortlisted projects / proposed funding sources

CIL Funding Source	Shortlisted Projects	CIL	NCIL
Neighbourhood CIL (Ormskirk)	West End playing fields Halsall Lane play area		£58,000 £10,000 Total £68,000
Neighbourhood CIL (Skelmersdale)			Save and allow funds to build-up
Strategic CIL (Projects below £100,000)	Cheshire Lines Long Heyes play area Clough Valleys Helmsdale play area Dial-a-Ride transport	£40,000 £30,000 £50,000 £19,000 £31,555 Total £170,555	
Strategic CIL (Projects above £100,000)	Parbold-Appley Bridge towpath improvements	£385,000	

Public Consultation

- 4.7 Should Cabinet resolve in accordance with the recommendations at paragraph 2.1 and 2.2 of this report, the projects 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.
- 4.8 The consultation on strategic CIL monies 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 2021/22 to Cabinet later in the year.
- 4.9 With regards the Ormskirk NCIL 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 responses will be required to provide their Ormskirk address (residential or business) 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 to Cabinet on whether to spend any of the Ormskirk NCIL monies.

- 4.10 Consultation by the Council on the use of CIL monies is not a mandatory requirement of the CIL regulations, however a commitment to consultation is set within the Council's Statement of Community Involvement, and within the CIL Governance and Expenditure Framework. The Council are keen to encourage digital engagement and therefore consultation will be online-based, with digital publicity and online response forms. Where necessary, paper responses may be accepted but we will strongly encourage engagement to be made online.

The Council will publicise and consult through the following methods:

- Information on the Council's CIL webpages and consultation webpages
- E-mail to all consultees registered on the Council's "electronic" consultation database
- E-mail to all Parish Councils and Members
- E-mail to all infrastructure providers
- Press release / publicity through Councils' social media
- Electronic online response form to complete
- Advert in the Champion newspaper
- Printed information available at libraries and Council customer service points (where possible)

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 Lancashire 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 NCIL 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 Growth and Development 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 A more general risk, in terms of allocating CIL funding to projects, is the availability of CIL funds given that due payments may not always be received on time because developers may default on their CIL payments, ultimately delaying collection of those monies, and that those developments anticipated to commence in a financial year may not do so. These risks are of particular significance in 2020/21 as the economic effects of the coronavirus lockdown play out. Acknowledging that some developers may now be in financial difficulties, the Government are introducing payment deferrals on CIL for small-medium

businesses to allow payment pauses for up to 6 months. This may have some impact on the receipts the Council can expect in 2020/21.

- 7.3 However, a total of £1.15 million has already been collected in the first half of the 2020/21 financial year, giving £924,000 of strategic CIL. A further £2.1million is due by March 2021. There are therefore no concerns regarding CIL income to meet the £200,000 cap for the 2021/22 funding programme.

8.0 HEALTH AND WELBEING IMPLICATIONS

- 8.1 The delivery of any of the projects proposed through this CIL funding programme, will have a positive impact on health and wellbeing. The majority of the schemes propose either improvements to outdoor play areas or improvements to active travel routes (cycling/walking) to support health, and each of those, in turn, also provides environmental improvements to help boost wellbeing. Dial-a-ride provides a demand-led transport service to support resident's access to key facilities, including GPs and hospitals, particularly for those areas currently not well-served by public transport.

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