



**CORPORATE AND
ENVIRONMENTAL OVERVIEW &
SCRUTINY COMMITTEE:
1 DECEMBER 2016**

**CABINET:
10 JANUARY 2017**

Report of: Director of Development and Regeneration Services

Relevant Portfolio Holder: Councillor J Hodson

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**SUBJECT: COMMUNITY INFRASTRUCTURE LEVY (CIL) FUNDING PROGRAMME
2017/18**

Wards affected: Borough wide

1.0 PURPOSE OF THE REPORT

1.1 To report on the consultation held in autumn 2016 on the options for the CIL Funding Programme 2017/18 and propose final recommendations for the CIL Funding Programme in 2017/18 based on the CIL monies anticipated to have been collected by the Council by 31 March 2017.

2.0 RECOMMENDATIONS TO CORPORATE AND ENVIRONMENTAL OVERVIEW & SCRUTINY COMMITTEE

2.1 That the explanation provided within this report of how recommendations are arrived at by officers for the spending of "strategic" CIL monies be noted.

2.2 That Agreed Comments on the projects recommended at section 6 be referred to Cabinet for its consideration.

3.0 RECOMMENDATIONS TO CABINET

3.1 That the consultation feedback report and updated Infrastructure Delivery Schedule (IDS) provided at Appendices 1 and 2 be noted.

3.2 That the Agreed Comments provided by the Corporate and Environmental Overview & Scrutiny Committee (Appendix 5) be noted and considered.

3.3 That £150,000 of CIL monies be allocated to the delivery of the Canal Towpath Improvements at Burscough (described at paragraph 6.1 below) in 2017/18.

- 3.4 That the remaining “strategic” CIL monies collected by 31 March 2017 (i.e. those not allocated on the projects agreed under recommendation 3.3 or spent on projects in the 2016/17 CIL Funding Programme) be “saved” and allocated toward more significant strategic infrastructure projects to be drawn down from as necessary as such significant projects are identified and approved.
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4.0 BACKGROUND

The Community Infrastructure Levy (CIL)

- 4.1 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. A draft of this CIL Funding Programme must be publicly consulted upon before Cabinet make a final decision on it in January of any given year in readiness for spending the monies from April that year.
- 4.2 This report follows up on the public consultation held in autumn 2016 on the options for the CIL Funding Programme 2017/18. It reports back on the responses received and recommends which schemes should be incorporated into the 2017/18 CIL Funding Programme.

The Infrastructure Delivery Schedule (IDS)

- 4.3 A key document that informs 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 concurrent measuring of how the Local Plan is performing in delivering this key aspect of sustainable development.
- 4.4 Many projects on the IDS 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.
- 4.5 In relation to CIL, therefore, the IDS provides the basis for assessing which infrastructure projects CIL monies should be spent on. Not all projects on the IDS will be eligible for and / or need CIL monies. This is discussed further below.
- 4.6 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 version of the IDS, and to update details of schemes that are already in the IDS. This is a vital part of the process and the more specific and detailed the information provided, the better the Council can

assess the projects. However, ultimately this works both ways, as the Council can only assess a project based on what information is submitted. If the information is inadequate or incorrect, this will inevitably affect the assessment, particularly in relation to deliverability of a project.

- 4.7 To this end, all contributors are invited to comment on the draft CIL Funding Programme when it is published for public consultation and can update the information provided as they see necessary. Further updates have been provided through the most recent consultation exercise, including revised information on costing and delivery, and this has affected the shortlist of projects that officers ultimately recommend in this report. The IDS (Appendix 2) has subsequently been updated to reflect the additional information provided by stakeholders during the consultation.

Consultation

- 4.8 Another key requisite of the governance process is public consultation, which, following Cabinet approval in September 2016, was undertaken between 6 October and 4 November 2016. Following the close of the consultation, the stakeholder updates and all the representations received through the public consultation have been used to further assess the suitability of schemes and inform recommendations as to how CIL monies should be spent. The comments received on the CIL Funding Programme, and the Consultation Feedback Report, can be found at Appendix 1. This report sets out how the final recommendations have been reached, and the justification for them.

Available CIL Funding

- 4.9 In terms of CIL monies collected thus far or anticipated to be collected by 31 March 2017:
- £45,703 was collected in 2014/15
 - £144,959 was collected in 2015/16
 - £400,460 has thus far been collected in 2016/17 (at the time of writing)
 - A further £158,971 is anticipated to be collected by 31 March 2017
- 4.10 This therefore provides a current total CIL income of £591,122 (as of end of October 2016) since CIL began to be collected in 2014, and this is anticipated to rise to £750,093 by 31 March 2017. This anticipated total may however increase if a development comes forward sooner which was not anticipated to come forward this year or decrease if development does not go ahead as expected or a developer fails to pay the required CIL charge when it is due.
- 4.11 Of this total, 5% is allocated to the Council's administrative costs of running CIL and 15% is allocated in accordance with statutory requirements to the Parish Councils in which the developments paying CIL take place. We call this the "Neighbourhood Portion", as it is designed to ensure that some CIL monies are spent directly in those areas where development takes place. Where there is no Parish Council, the Borough Council must spend this neighbourhood portion within the non-parished areas it has derived from, in consultation with local communities. No CIL income has thus far been received from developments in

non-parished areas and none is anticipated by 31 March 2017. The remaining 80% of CIL is retained by the Borough Council for use on strategic infrastructure and we call this the "StrategicPortion". Of the £591,122 of CIL revenue received at the time of writing this report, the 80% "strategic" portion equates to **£473,742**.

- 4.12 Members will recall that in January 2016, Cabinet approval was given for the allocation of £43,000 of CIL monies for expenditure during 2016/17. The three projects to receive funding were: Skelmersdale allotments, Station Approach car park, Ormskirk and Haskayne Cutting Nature Reserve.
- 4.13 Subtracting the £43,000 of strategic CIL monies previously allocated through the 2016/17 CIL Funding Programme means that there is currently **£430,742** of CIL monies available to spend by the Council across the Borough in 2017/18 from the StrategicPortion.
- 4.14 This should rise to over half a million pounds if all that is anticipated to be collected through CIL between now and 31 March 2017 is realised. Table 1 illustrates the actual, and anticipated, CIL revenue.

	CIL collected in period	CIL due in period	Strategic (80%)*	CIL previously allocated	(Cumulative) CIL balance available
2014/15	£45,703	-	£36,562	£43,000	£110,083
2015/16	£144,959	-	£116,521		
2016/17 (Apr-Oct)	£400,460	-	£320,659	-	£430,742
Sub-total	£591,122	-	£473,742		£430,742
2016/17 (Nov-Mar)	-	£158,971	£127,404		£558,146
Total	£750,093		£601,146		£558,146

Table 1 CIL Income by year

* Please note that the figures for the StrategicPortion sometimes come to slightly more than 80% of the CIL collected. This is because the CIL regulations only allow the surcharges collected as a result of missed / late payments to be split between the "strategic" and the administrative portions (95%:5%).

5.0 PROPOSED FUNDING PRIORITIES FOR 2017/18

The Assessment Process

- 5.1 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".

- 5.2 The IDS also serves to function as a “living” evidence base to support monitoring and delivery of the current Local Plan. The IDS will also 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 or mechanism.
- 5.3 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, or been exacerbated by, 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. 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?
- 5.4 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.westlincs.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. However, it must be understood that, while the second criterion appears clear-cut, assessing whether an infrastructure need or demand has arisen from, or been exacerbated by, new development is not always straight forward and so the commentary on shortlisted projects in the CIL Funding Programme reflects this as necessary.
- 5.5 The fourth criterion is necessary to understand whether the project is deliverable by 31 March 2018 and so might benefit from having CIL monies allocated to it for spending in the next financial year. This is important as the Council does not want to allocate much sought after CIL funding to a project only to see it fail to be delivered (and the funding spent) and so many projects on the IDS fail this criterion. The fifth and sixth criteria are necessary to help differentiate and prioritise between projects, where several meet all of the first four criteria.
- 5.6 While not a criterion within the assessment, a further consideration in the judgement that Cabinet must ultimately make should also be 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. This is not a criterion because sometimes an important project simply cannot be funded from another source and it would be inappropriate to limit a project's assessment just because of that, but clearly, where a project essentially uses CIL monies to lever in other funding, this is an efficient use of monies and should be welcomed.

- 5.7 It is also important to consider the availability, or future availability, of neighbourhood CIL funds. 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 lower cost projects. It may therefore be more appropriate for Parish Councils to await such receipts to deliver some lower cost projects. The larger portion of CIL monies that the Council retains can then be spent on costlier, more strategic projects thereby ensuring maximum efficiency and value for money. At the current time, a number of Parish Councils have received CIL receipts although, with the exception of Burscough, these could not yet be described as 'significant'. However, given a number of major housing allocations in the Local Plan that are anticipated 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.
- 5.8 The initial sieving process identified a number of infrastructure projects that have the potential to be delivered in the 2017/18 financial year within available funding levels (supported by any necessary match funding) and which involve infrastructure that is on the Regulation 123 list. The most recent assessment (post-consultation) of these projects (of which there are 24) is provided at Appendix 3.
- 5.9 From the original (pre-consultation) assessment of this list, four projects were shortlisted and included in the draft CIL Funding Programme (draft CFP). The draft CFP proposed four options for the spending of CIL monies in 2017/18. Together, these were:

Option One	Prioritise one project	Canal towpath improvements between Burscough Wharf & Glovers Swing Bridge (£150,000)
Option Two	Prioritise several smaller projects	Stanley Coronation Park Play Area (£20,000) Whittle Drive changing facilities (£60,000) Cheshire Lines cycle/footpath improvements (£40,000)
Option Three	Hybrid of Option One and Two	Combination of projects; cost dependent on those selected
Option Four	Save CIL	All CIL monies received by 31 March 2017 are saved for spending in future years

Table 2 Shortlisted schemes and options proposed through the draft CFP

Public consultation

- 5.10 Public consultation plays an important part in helping to identify those schemes with the greatest priority for local people. The draft CIL Funding Programme was put out to public consultation between 6 October and 4 November 2016. Thirty-three representations were received from the public and stakeholders, and all their comments have been considered in making the final recommendations regarding CIL funding in 2017/18. The CIL Funding Consultation Feedback Report details and summarises the comments received, and explains how the project recommendations have been amended as a result.
- 5.11 Through the consultation, some stakeholders provided additional information on their infrastructure proposals, which have been updated in the IDS. This included information relating to project costs at Mere Sands Wood Visitor Centre, delivery assurance with regard the Burscough canal towpath improvements, updated costs for the Tanhouse Community Leisure Complex and a new proposal for improvements at Hilldale Jubilee playing fields. The agents acting on behalf of the Yew Tree Farm, Burscough strategic site also confirmed their intention to deliver allotments through the development of the site, meaning that CIL monies will not be required for that scheme. This updated information has been considered in making the final recommendations for CIL expenditure in 2017/18.
- 5.12 Through the consultation, the greatest amount of support was received for the canal towpath improvements between Burscough and Glovers Swing Bridge on the grounds that it would encourage use of the canal, promote health and wellbeing, promote sustainable / environmentally friendly transport modes, encourage access of facilities and services within Burscough, would extend those towpath improvements works already undertaken on the Wigan and Sefton stretches of the canal and would support that new development which has occurred, and is due to occur, in Burscough. The Canal and River Trust have confirmed that, should £150,000 of CIL monies be allocated to this scheme, the project would be deliverable by March 2018, with the Canal and River Trust contributing at least £30,000 to the cost of the scheme based on their original cost estimate.
- 5.13 There was also support for the use of CIL monies to deliver a number of projects during 2017/18, with backing for the Cheshire Lines cyclepath/footpath improvements and more limited support for both Whittle Drive changing facilities and Stanley Coronation Park play area. However, some respondents considered that such a split of funding would serve to dilute the benefits of CIL and instead recommended that the Council spend CIL on the Burscough canal towpath improvements with the remainder saved for medium-long term schemes. Lancashire County Council suggested that a long-term strategic approach should be adopted, considering a period at least 3-5 years in the future, whilst allocating some small amounts of money to short-term schemes. It considered this would support constructive discussions on what infrastructure can or should be delivered with this money and would facilitate a discussion on the long-term benefits of saving some or all of the CIL money to deliver larger schemes.

6.0 RECOMMENDATIONS OF THE DIRECTOR OF DEVELOPMENT AND REGENERATION

6.1 Given the feedback from the consultation and the positive assessment of the project by officers even before the public consultation, I recommend at 3.3 above that one project should certainly have CIL monies allocated to it for spending in 2017/18:

- **Canal Towpath Improvements between Burscough Wharf and Glovers Swing Bridge (CIL expenditure: £150,000)**

This project would upgrade a key section of a strategic route for cycling and walking on the Pier-to-Pier route and on the West Lancs Wheel and so sits within wider proposals contained and supported by the Leisure Strategy, Economic Development Strategy and LCC's West Lancashire Highways & Transport Masterplan. The project could be delivered by 31 March 2018 by the Canal and River Trust, who would contribute £30,000 to the project as well. The project received wide support through the consultation responses.

6.2 Given the logic of saving CIL funds to contribute to the significant strategic infrastructure projects on the IDS which are on the horizon and given that the smaller projects gained limited support in the public consultation, I would not recommend allocating any further CIL monies to any other projects at this time, and instead would recommend "saving" the remaining CIL funds towards those more significant projects in the future.

6.3 However, if Cabinet were to disagree with me on this point and would wish to provide support for smaller-scale infrastructure projects as well, I would recommend that Cabinet limit their allocation of CIL monies on smaller-scale projects to a maximum of £60,000 (in total) on one or more of the following shortlisted projects (CIL monies required in brackets):

- **Stanley Coronation Park play area (£20,000)**

The Stanley Coronation Park play area serves a fairly wide part of Skelmersdale (particularly as it sits alongside the Sandy Lane local centre) and development is anticipated in the area in the near future, most notably from the Firwood Road housing allocation in the Local Plan. The project would also enhance a priority site in the Council's Play Area Strategy and could be delivered by 31 March 2018. The CIL monies would be matched by £20,000 of funding from the Council's Capital Programme. The project received a mix of views in the public consultation.

- **Tanhouse Community Leisure Complex (£33,000)**

The Tanhouse Community Leisure Complex involves the upgrade / creation of a leisure complex around the Tanhouse Community Centre, including the construction of a new bowling green, upgrading of outdoor football pitch, skate-park, teenage shelter, MUGA and landscape surrounds. Tanhouse ward has seen the most housing development since 1 April 2012 of all Skelmersdale wards (and over half of all such development in Skelmersdale) but the actual quantum of new housing is not especially large and Tanhouse is not expected to see significantly more housing development in the coming years. The additional information submitted during the public consultation by Tanhouse Community Leisure confirms that CIL monies would be used to lever in £20,000 of match funding to deliver the project by 31 March 2018.

- **Changing facilities at Whittle Drive playing fields, Ormskirk (£60,000)**

This project would deliver new changing facilities to serve well-used playing pitches in an area (Ormskirk) that has seen significant new development and will see more in the coming years. The project could be delivered by 31 March 2018. The project received a mix of views in the public consultation but generally more positive.

- **Mere Sands Wood Visitor Centre Phase 1 (£3,000)**

This project seeks the extension and refurbishment of Mere Sands Wood Visitor Centre to improve public facilities and financial sustainability of attraction. The Wildlife Trust has submitted this project and would deliver it. While little development has been delivered recently in Rufford, a housing development at Sluice Lane is currently under construction, but, in any event, Mere Sands Wood Nature Reserve is a strategic facility that attracts visitors from across West Lancashire and beyond.

Through the public consultation, the Wildlife Trust submitted more information to support their earlier submissions and have clarified that there are two phases to the project. Phase 1 would be the creation of a “Cabin in the Woods” to be used for education activities, evening talks and other events and would enable parts of the existing Visitor Centre to therefore be re-used. Phase 1 is anticipated to cost £80,000 and the majority of this would be provided through funding from Greenbank Trust, the Lancashire Environmental fund and funds from an appeal and so only £3,000 of CIL monies would be required. Phase 1 would be completed by 31 March 2018.

Phase 2 is the construction of a café and activity room at a cost of £200,000 with £20,000 of CIL monies anticipated to lever in £180,000 from other potential funders. However, given the timescales of Phase 2 and uncertainty over the funding at this time, Phase 2 should be considered next year.

- **Improvements to Cheshire Lines (£40,000)**

This project would invest in improvements to an existing strategic cycle / footpath which provides connections into the wider sub-regional and national cycling network. The project could be delivered by 31 March 2018 and serves a strategic function.

- **Refurbishment of Haskayne Pavilion (£13,500)**

The Haskayne Pavilion project is to refurbish the disused pavilion building to acceptable standards to provide a safe environment for young people’s activities in a very rural area. Part of the proposed usage is a youth club and a rehearsal studio for local musicians. Haskayne has seen some development in recent years (former LO Jeffs site) and there are number of small residential developments with permission in the parish/ward. The Parish Council would deliver the project by 31 March 2018.

6.4 Depending on which (if any) of the above projects Cabinet might choose to allocate funding to, together with the Burscough Canal Towpath project this would provide a total spend of between **£150,000 and £210,000**.

- 6.5 In this way, the Council will ensure a substantial sum from the current and anticipated balance of CIL monies available can be “saved” and set aside for a future significant strategic infrastructure project (likely to be between £250,000 and £350,000 based on anticipated CIL receipts by 31 March 2017). To this end, I make recommendation 3.4 above, which would see the remaining “strategic” CIL monies received as of 31 March 2017 (and not required to fund recommendations 3.3 above) allocated to a separate fund for significant strategic infrastructure projects.
- 6.6 Looking further ahead, predicting exactly 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 2021 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.
- 6.7 If the majority of this were to be “saved” and allocated for significant strategic infrastructure projects (in the same way I am recommending should be done in this report for the 2017/18 CIL Funding Programme), it can be seen that a reasonably large capacity will hopefully be built-up to contribute to one or more significant strategic infrastructure project. Some of the more significant projects in the medium-term delivery category of the IDS that the Council may ultimately wish to allocate some of this funding to are (total estimated project cost in brackets):
- A new Skelmersdale Leisure Centre (£12million, CIL funding could only provide a small proportion of this)
 - Improvements to, or replacement of, Park Pool, Ormskirk (£12million, CIL funding could only provide a small proportion of this)
 - Improvements to Burscough Sports Centre (£5million, CIL funding could only provide a small proportion of this)
 - 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 majority of funds)
 - Investment in health facilities in Burscough (unknown, but Health funding likely to provide majority of funds)
 - Investment in health facilities in Northern Parishes (unknown, but Health funding likely to provide 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 some of the funding needed)

7.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

7.1 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 projects recommended in this report will contribute towards various objectives of the Council's Sustainable Community Strategy.

8.0 FINANCIAL AND RESOURCE IMPLICATIONS

8.1 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-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.

9.0 RISK ASSESSMENT

9.1 There are no significant risks related to this report, but it must be stressed that the availability of CIL funds towards projects in 2017/18 beyond that currently collected and available to allocate cannot be guaranteed at this time because the Council does not control when development that has permission will commence (and so be required to pay their CIL liability) or that payments will be received on time. There are however various enforcement routes permitted through the CIL Regulations to pursue a timely recovery of any such receipts that are not paid in line with payment due dates.

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 1 – Consultation Feedback Report on the draft CIL Funding Programme 2017/18

Appendix 2 – Infrastructure Delivery Schedule

Appendix 3 – Assessment Matrix for Projects for infrastructure on R123 list and potentially deliverable in 2017/18

Appendix 4 – Equality Impact Assessment

Appendix 5 – Minutes from Corporate and Environmental Overview & Scrutiny Committee on 1 December 2016 (*Cabinet only*)