



CABINET: 12 September 2017

Report of: Director of Development and Regeneration Services

Relevant Portfolio Holder: Councillor J Hodson

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

SUBJECT: DRAFT CIL FUNDING PROGRAMME 2018/19

Wards affected: Borough-wide

1.0 PURPOSE OF THE REPORT

- 1.1 To authority to publicly consult on the draft CIL Funding Programme for 2018/19, including options regarding which infrastructure projects might be prioritised to receive CIL Funding in 2018/19.

2.0 RECOMMENDATION

- 2.1 That the public consultation on the options identified at paragraph 4.2 of this report and the shortlist of infrastructure projects identified at paragraph 4.1 be approved.
-

3.0 BACKGROUND

- 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 2017 IDS has been published on the Council's website as an

- 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 criteria 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 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 of the details in relation to each of the shortlisted projects, of which there are nine, and this would include reference to the seventh and eighth criteria.
- 3.9 This year, in preparing the assessment of IDS projects as to their suitability for receiving CIL funding in 2018/19, all Council Members have been invited to comment on the draft assessment prior to officers formulating the recommendations in this report. An All-Member Briefing on the assessment was held on 10 July 2017 and following this all Members were emailed the draft versions of Appendix A-C and invited to provide written comments on the assessment to officers by 31 July 2017. One Councillor provided comments in relation to a specific project that was not shortlisted and these comments have been considered by officers in finalising the assessment, but did not affect the conclusion of officers. These comments are provided at Appendix D, together with the officer response to those comments.
- 3.10 In relation to the anticipated quantum of CIL monies available for the Council to spend in 2018/19, it is anticipated that the Council should collect at least

£700,000 in CIL monies in 2017/18 based on the CIL payments committed for payment this year, although it must be stressed that the Council cannot guarantee that this much would be collected by the end of the financial year as developers may default on their committed payments. However, there may well be other developments that commence and are required to pay CIL this year that are not currently “committed”, and so this figure may increase. 80% of CIL monies collected is earmarked for spend by the Council. Therefore, the Council may have more than £560,000 available to spend. In addition, the Council last year saved and set aside £420,743 of CIL monies for large, strategic infrastructure projects.

4.0 PROPOSALS

4.1 The nine shortlisted projects, of which more details are given in Appendix C, are (CIL funding sought provided in brackets):

- Tawd Valley Improvements, Skelmersdale (£300,000)
- New Changing Facilities at Chequer Lane, Up Holland (£60,000)
- New Changing Facilities at Whittle Drive Playing Fields, Ormskirk (£40,000)
- Thompson Avenue Play Area Improvements, Ormskirk (£60,000)
- New Allotments in Ormskirk (£40,000)
- Martin Mere Filtration Reed Beds (£200,000)
- Mere Sands Wood Visitor Centre Phase II (£25,000)
- Hunters Hill Country Park, Parbold (£60,000)
- Cheshire Lines Path, Downholland and Great Altcar (£40,000)

4.2 Based on the above, it is recommended that four options are consulted upon for the Draft CIL Funding Programme:

Option 1: Allocate funds to one large project (>£100,000) and, in addition, a number of smaller projects from the shortlist up to a maximum total spend of £100,000, and save any surplus funding.

Option 2: Allocate funds to one large project (>£100,000) only, and save any surplus funding.

Option 3: Allocate funds to a number of smaller projects from the shortlist up to a maximum total spend of £100,000, and save any surplus funding.

Option 4: Save the CIL monies collected in 2017/18 for larger infrastructure projects in the future.

4.3 Should Cabinet resolve in accordance with the recommendation at paragraph 2.1 of this report, the options and shortlisted projects identified above will be publicly consulted upon. Should Cabinet put forward an alternative resolution, the proposals / options within that resolution would be publicly consulted on instead. The consultation will include all infrastructure providers, as well as the general public and other stakeholders, and will seek views on the options for spending CIL monies in 2018/19 put forward or whether other projects in the IDS should be prioritised instead or whether entirely new projects should be considered by the

Council. Officers will consider the responses to this consultation before making a final recommendation on the CIL Funding Programme 2018/19 to Cabinet in January 2018.

4.4 The Council will publicise and consult through the following methods:

- Press release
- 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/COMMUNITY STRATEGY

5.1 The delivery of new infrastructure funded by CIL monies will have positive implications for sustainability and contribute to the delivery of the development allocated in the West Lancs Local Plan 2012-2027 in a sustainable manner. Depending on which projects are ultimately selected for spending CIL monies on, various objectives of the Council's Sustainable Community Strategy will be contributed towards by these decisions.

6.0 FINANCIAL AND RESOURCE IMPLICATIONS

6.1 There is no additional cost to Council resources of preparing and consulting on a CIL Funding Programme given that any projects prioritised for funding will be funded by CIL monies and, in some cases, match-funding identified by the infrastructure provider from other sources. The administration of CIL (including the CIL Funding Programme) is covered by the 5% administration fee retained by the Council from CIL receipts together with the Planning Services revenue budgets.

7.0 RISK ASSESSMENT

7.1 There are no significant risks related to this report, 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. As a more general risk in terms of allocating CIL funding to projects, it is important to note that the availability of CIL funds towards projects in 2018/19 may not reach the £560,000 anticipated to be collected by 31 March 2018 and so the funds available to allocate to infrastructure cannot be guaranteed at this time because developers may default on their CIL payments, ultimately delaying collection of those monies. However, this risk is fairly minimal given that any default in payment would likely be offset by new commitments that will arise over the coming months with CIL payments due this year and, in any event, by January 2018, 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 2018, and this will necessarily

influence what the final CIL Funding Programme 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 – Member Comments on draft Assessment and Officer response

Appendix E – Equality Impact Assessment