



CABINET:

9 JANUARY 2018

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 2018/19

Wards affected: Borough wide

1.0 PURPOSE OF THE REPORT

1.1 To report on the consultation held in autumn 2017 on the options for the CIL Funding Programme 2018/19 and propose final recommendations for the CIL Funding Programme in 2018/19 based on the CIL monies anticipated to have been collected by the Council by 31 March 2018.

2.0 RECOMMENDATIONS

2.1 That the consultation feedback report provided at Appendix 1 be noted.

2.2 That £125,000 of CIL monies be allocated to the delivery of the following projects in 2018/19:

- Chequer Lane Playing Fields (£60,000)
- Whittle Drive Playing Fields (£40,000)
- Mere Sands Wood Visitor Centre Phase II (£25,000)

2.3 That the remaining “strategic” CIL monies collected by 31 March 2018 (i.e. those not allocated on the projects agreed under recommendation 2.2) 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.

- 2.4 That £300,000 of the "strategic" CIL monies saved from previous years be allocated to the implementation of actions in the Tawd Valley Park Masterplan in order to help lever in match-funding from other sources to complete all actions in the Masterplan.
 - 2.5 That for all CIL monies collected each financial year from 1 April 2018 onwards, up to a maximum of £100,000 be allocated through the CIL Funding Programme each financial year toward projects requiring £100,000 of CIL funding or less, and that the remainder of "strategic" CIL monies collected each financial year 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.
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3.0 BACKGROUND

The Community Infrastructure Levy (CIL)

- 3.1 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.
- 3.2 This report follows up on the public consultation held in autumn 2017 on the options for the CIL Funding Programme 2018/19. 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)

- 3.3 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.
- 3.4 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.

- 3.5 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.
- 3.6 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. 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.

Consultation

- 3.7 Another key requisite of the governance process is public consultation, which, following Cabinet approval in September 2017, was undertaken between 5 October and 3 November 2017. 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 Cabinet report sets out how the final recommendations for the CIL Funding Programme have been reached, and the justification for them.

Available CIL Funding

- 3.8 In terms of the CIL monies anticipated to have been collected in 2017/18 by 31 March 2018, assuming liable parties make the payments they are due to do so this year, the Council will collect **£1,054,789** in 2017/18. 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.
- 3.9 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. The remaining 80% of CIL is retained by the Borough Council for use on strategic infrastructure and we call this the "Strategic Portion". Of the CIL revenue anticipated to be received at the time of writing this report, the 80% "strategic" portion equates to **£844,077**.
- 3.10 Members will recall that, as part of the CIL Funding Programme for 2017/18, it was decided to "save" £420,743 of the "strategic portion" collected between 1

September 2014 and 31 March 2017 and allocate it toward more significant strategic infrastructure projects to come forward in the future, having already allocated £216,000 of the "strategic portion" to specific projects in the CIL Funding Programmes for 2016/17 and 2017/18.

4.0 PROPOSED FUNDING PRIORITIES FOR 2018/19

The Assessment Process

- 4.1 The IDS now contains over 100 potential projects but the vast majority are not deliverable within the next couple of years. 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".
- 4.2 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.
- 4.3 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 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?

- 4.4 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.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.
- 4.5 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.
- 4.6 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.
- 4.7 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.
- 4.8 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.
- 4.9 As a result of this assessment process, nine projects were shortlisted and included in the draft CIL Funding Programme (draft CFP) for consultation (CIL funding sought provided in brackets):
- Tawd Valley Park Masterplan, 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)

4.10 The draft CFP also proposed four options for the spending of CIL monies in 2018/19:

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.

Public consultation

- 4.11 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 5 October and 3 November 2017. 65 responses to the consultation were received from the public and stakeholders, and all their comments have been considered in making the final recommendations regarding CIL funding in 2018/19. The Consultation Feedback Report at Appendix 1 details and summarises the comments received, and provides a Council response to each comment.
- 4.12 Through the consultation, no new information was provided on existing infrastructure proposals on the IDS, but several new projects were suggested, of which one is deemed appropriate to include in the IDS (a proposal to complete a footpath/cycleway from the Whalleys 4 development currently under construction to Elmers Green Lane). This will be included in the next iteration of the IDS and assessed fully alongside all other projects as part of next year's CIL Funding Programme but it was not deemed deliverable at the current time to be considered for inclusion in the current CIL Funding Programme.
- 4.13 As summarised below, through the consultation Options 1 and 3 gained the most support in terms of how, generally, to spend the CIL monies.

Option		No of responses registering support
1	Allocate funds to 1 large project and several smaller projects	14
2	Allocate funds to 1 large project only	0
3	Allocate funds to a number of smaller projects	20
4	Save CIL monies	1

4.14 In terms of the specific projects, four appeared to gain more support than the other five. However, three of these four gained the majority of their support via a standard response which had clearly been circulated between a group of individuals / organisations who support the TransPennine Trail and which was submitted in all but one case by individuals who are not residents of West Lancashire (indeed some of the responses came from as far away as South and West Yorkshire).

Project	No of responses registering support	No of responses registering support counting standard responses as one
Hunters Hill Country Park	29	15
Tawd Valley Park	20	6
Cheshire Lines	19	5
Mere Sands Wood	18	18
Martin Mere	3	3
Ormskirk Allotments	4	4
Whittle Drive	2	2
Chequer Lane	2	2
Thompson Ave Play Area	0	0

5.0 RECOMMENDATIONS OF THE DIRECTOR OF DEVELOPMENT AND REGENERATION

5.1 Given the feedback from the consultation and the positive assessment of the project by officers even before the public consultation, I recommend at 2.2 above that three projects should have CIL monies allocated to it for spending in 2017/18:

- ***Chequer Lane Playing Fields (CIL expenditure: £60,000)***

This project is for a much-needed upgrade of the playing field facilities for extensive use by a local club. The project has secured £60,000 of match-funding from the FA and there is the risk that this match-funding may be lost if the project is not progressed in 2018/19. There has been residential development recently very close to the playing fields on an allocated housing site, with further residential development on the same allocated site expected in the near future. Open space and recreation infrastructure is included on the Regulation 123 list. The project is strongly supported by the Council's Leisure Services, who will ensure the project is delivered within the next two years. As such, while this project gained only limited support in the public consultation, it would represent an excellent use of CIL monies and deliver a significant upgrade in playing field facilities in Up Holland.

- **Whittle Drive Playing Fields (CIL expenditure: £40,000)**

This project is for a much-needed upgrade of the playing field facilities for extensive use by a local club. The project has secured £40,000 of match-funding from the FA and there is the risk that this match-funding may be lost if the project is not progressed in 2018/19. There has been extensive residential development in Ormskirk in recent years, with further residential development on a large allocated site under construction now nearby. Open space and recreation infrastructure is included on the Regulation 123 list. The project is strongly supported by the Council's Leisure Services, who will ensure the project is delivered within the next two years. As such, while this project gained only limited support in the public consultation, it would represent an excellent use of CIL monies and deliver a significant upgrade in playing field facilities in Ormskirk.

- **Mere Sands Wood Visitor Centre Phase II (CIL expenditure: £25,000)**

The project is for further renovation and extension of the Visitor Centre at this sub-regional visitor attraction and nature reserve. The project has secured £225,000 of its costs from other sources, meaning CIL would lever in 90% of the costs as match-funding investment. Should the project be delayed, there is significant risk that the offer of match-funding would be withdrawn. Given the nature reserve is a sub-regional attraction, it justifies the use of CIL monies due to level of new development we have seen in the Borough and would be consistent with the Regulation 123 list as it is strategic green infrastructure. The project was widely supported in the public consultation and so it is eminently appropriate to support this project that will improve such a key facility and lever in significant match-funding investment.

5.2 Given the logic of saving CIL funds to contribute to the significant strategic infrastructure projects on the IDS which are on the horizon, as per recommendation 2.3 above, I would recommend "saving" all further CIL monies collected this year to be allocated towards those more significant projects in the future. Based on the projected CIL income for this year and subtracting the CIL funding proposed to be allocated at 2.2, **£719,077** of the "strategic portion" would be saved, joining the £420,743 of CIL funding saved last year.

5.3 Further to this, as per recommendation 2.4 above, I recommend that funds be drawn down from the CIL monies "saved" towards significant strategic infrastructure projects in previous years to be spent on:

- **Tawd Valley Park Masterplan, Skelmersdale (CIL expenditure: £300,000)**

The Tawd Valley Park Masterplan was approved by Cabinet in November and will shortly proceed to the next phase of design and costing of proposals in the Masterplan. In order for the Council to move quickly to begin implementing those proposals once costs and designs are finalised, I recommend allocating £300,000 to this strategic project. The CIL funding will also provide security for leveraging in match-funding from other funding sources and enable projects within the masterplan to start to be delivered within the next couple of years. The Tawd Valley is a fantastic asset for Skelmersdale and West Lancashire and the improvement of it to create a significant visitor attraction and facility for local people is in line with the increased demands for

open space, recreation and green infrastructure facilities in Skelmersdale due to the recent and proposed development in the town.

5.4 In relation to the other shortlisted projects, I would comment the following:

- **Hunters Hill Country Park, Parbold (CIL funding sought: £60,000)**

This project was supported in the public consultation, even after factoring out the standard representations received from outside West Lancashire, and it is a long-standing aspiration of the Council to improve this attractive Country Park to form a well-used visitor destination. However, in the context of wishing to save a significant proportion of CIL income towards larger-scale projects and given the need to retain the match-funding offered in the three selected projects at 2.2, I recommend that this project not be funded this year, but be reconsidered again next year. In addition, while it would be hoped this Country Park would become a sub-regional (or at least Borough-wide) visitor destination, there has not been much development in the Eastern Parishes that would justify the need for these improvements based upon increased local demand alone.

- **Cheshire Lines Path, Downholland and Great Altcar (CIL funding sought: £40,000)**

This project received some support in the public consultation (once standard representations from outside the Borough were considered as one) and it does propose the long-held aspiration of the Council to upgrade a part of a key national cycling route that runs through the Borough. However, in the context of wishing to save a significant proportion of CIL income towards larger-scale projects and given the need to retain the match-funding offered in the three selected projects at 2.2, I recommend that this project not be funded this year, but be reconsidered again next year.

- **New Allotments in Ormskirk (CIL funding sought: £40,000)**

This project received some support in the public consultation and the Council recognises the local demand for improved allotment provision in the Ormskirk area. However, there is some uncertainty as to whether a more suitable access can be achieved that would enable the expansion of the Tower Hill allotments (the most logical place for additional allotment plots in Ormskirk) at the current time and, compared to the benefits derived from funding the three selected projects at 2.2, this project does not currently rate as highly. However, there will be significant "neighbourhood portion" CIL revenue over the coming years as the Grove Farm development progresses, and so this project could be one that is reconsidered for the use of that "neighbourhood portion" in due course.

- **Thompson Avenue Play Area Improvements, Ormskirk (CIL funding sought: £60,000)**

This project received no support in the public consultation and, while there has been residential development fairly close to this open space in recent times, it is questionable whether this play area would be one that is

frequented by residents of those new developments. However, it is a site earmarked for improvement in the Council's Play Area Assessment and so it should be considered again in the future, possibly for the use of the "neighbourhood" portion discussed above.

- **Martin Mere Filtration Reed Beds (CIL funding sought: £200,000)**

This project received some support in the public consultation and the Council recognises the great value that Martin Mere brings to the Borough and the fact that this project could potentially be of benefit in addressing water treatment constraints at the nearby New Lane WWTW. However, when considering the financial details of the proposal I have a concern that a substantial part of the project costs are made up of the land value of the land where the filtration reed beds would be created and so the CIL funding sought would solely be going towards those land costs and to the landowner of the site, which is Martin Mere Wildfowl and Wetlands Trust. This does not strike me as a prudent use of CIL monies given that the project would be implemented by the landowner.

5.5 Further to all of the above, I make a further recommendation at 2.5 above in relation to CIL Funding Programmes in the future, whereby, if Cabinet agree to my recommendation, the CIL Funding Programmes in future years would focus on smaller-scale projects (requiring £100,000 of CIL funding or less) and limit expenditure of CIL on those projects through the CIL Funding Programme to £100,000 each year. In this way, the vast majority of the "strategic portion" collected each year through CIL would be saved and allocated towards the larger-scale projects (requiring more than £100,000 of CIL funding) which will be coming forward in the coming years, whilst still allowing infrastructure projects to have CIL funding allocated to them and be taken forward in the current year through the usual decision-making process. Examples of large-scale projects include possible new leisure centres in Skelmersdale and Ormskirk, an improved sports centre in Burscough, Linear Parks and many other key infrastructure projects. I believe this would be the best use of CIL funding and strike an appropriate balance between delivering some smaller-scale projects each year (in addition to those funded by the neighbourhood portion of CIL) and collecting sufficient CIL funding to make a meaningful contribution to the delivery of larger infrastructure projects.

6.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

6.1 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.

7.0 FINANCIAL AND RESOURCE IMPLICATIONS

7.1 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.

8.0 RISK ASSESSMENT

8.1 There are no significant risks related to this report.

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
2018/19

Appendix 2 – Equality Impact Assessment