
Proposals for future Community Infrastructure Levy spending

Committee considering report:	Executive
Date of Committee:	15 October 2020
Portfolio Member:	Councillor Ross Mackinnon
Date Portfolio Member agreed report:	3 September 2020
Report Author:	Joseph Holmes
Forward Plan Ref:	EX3965

1 Purpose of the Report

The purpose of this report is to reshape the priorities that CIL income is used to support. The reports seeks to review CIL income to provide further support for community led schemes as well as reshape support so that it is more closely aligned to the Council Strategy approved last year, which in turn reflects the Adopted Local Plan.

2 Recommendations

- 2.1 To approve the continued focus on the Adopted Local Plan and Infrastructure Delivery Plan and schemes highlighted in the Council Strategy (2019-23) & Recovery Strategy that support this to be included in the Capital Strategy 2021 onwards.
- 2.2 To approve a continued profiling of CIL funds of 35% education, 35% transport, 10% other services, with 15% to parishes (or 25% if they have a neighbourhood plan) and 5% for administration.
- 2.3 To approve a one off sum of up to £500k to be used to “ensure sustainable services through innovation and partnerships” by allocating funding for community groups to bid to support the Adopted Local Plan and Infrastructure Delivery Plan Implications and Impact Assessment

Implication	Commentary
Financial:	Utilising the CIL receipts more quickly will reduce the immediate financial pressure on revenue and capital within the MTFS, though will just reshape the profiling of spend. The overall quantum of CIL is not proposed to change through this scheme.

Proposals for future Community Infrastructure Levy spending

	<p>The reviewing of CIL receipts for community groups could mean less funding for education and highways specific schemes which will put greater pressure on the capital strategy, though does open up other opportunities as more ideas will be brought forward from the community to improve local infrastructure in line with the Adopted Local Plan. Future CIL receipts will be closely monitored to ensure the affordability of this proposal. In practice it means that the 10% CIL will be utilised for wider infrastructure schemes.</p> <p>A scheme identified in the future may provide greater service delivery or further savings opportunities through more effective engagement with communities to deliver services.</p>			
Human Resource:	None			
Legal:	<p>The CIL charge was set following a Public Examination into the shortfall for infrastructure provision caused by new development and was directly linked to the West Berkshire Core Strategy 2012 – 2036. This examination showed a significant shortfall in the amount of council income, grant availability and infrastructure requirement – £163M in order to provide the infrastructure needed to support the Adopted Local Plan.</p> <p>The Council also has a duty under the CIL Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019 to publish in detail by individual site, how much CIL has been collected from a development and how it has been spent to meet the authority's Infrastructure Delivery Plan.</p>			
Risk Management:	Risks associated with competing bids are proposed to be mitigated through a bidding round against key priorities and recommendation to the Executive.			
Property:	None directly			
Policy:	Relates to the Council Strategy and the Adopted Local Plan – see section below			
	Positive	Neutral	Negative	Commentary

Proposals for future Community Infrastructure Levy spending

Equalities Impact:				
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		None directly; some of the schemes may have an impact and these would need to be considered as part of the budget setting process in Feb/March 2021
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		
Environmental Impact:		X		None above the existing programme
Health Impact:		X		None
ICT Impact:		X		None
Digital Services Impact:		X		None
Council Strategy Priorities:	X			This paper should have a positive impact by providing funding to support priorities 4 and 6 of the Council Strategy
Core Business:		X		None directly
Data Impact:		X		none
Consultation and Engagement:	This report has been considered by the Capital Strategy Board			

3 Executive Summary

- 3.1 The Council receives significant sums of Community Infrastructure Levy (CIL) annually. To date, this amount has been applied to schemes in the capital programme throughout the life of the strategy. This paper sets out a change in the emphasis of how CIL funding is applied, it does not seek to alter any of the CIL policies themselves, nor to move away from the regulations that ensure this must be spent on infrastructure to support the Local Plan. Its intent is to enhance community engagement in the allocation of schemes and the efficient application of CIL to capital schemes.
- 3.2 To date, the Council has received over £13m of CIL payments. The majority of these have not been spent, though over £8m is currently allocated in the capital strategy. It is important that we spend this money in a timely manner to ensure that communities see the benefit of the CIL payments that have arisen as part of the development across the district.
- 3.3 In summary, the paper proposes:
- For a top slice of up to £500k to be set aside for community groups to support the Adopted Local Plan and Council Strategy theme
 - For the Executive to approve a structure for CIL spending to be focussed on core capital schemes to the Council Strategy

4 Supporting Information

Introduction

- 4.1 The report is seeking to ensure that there is a stronger link between CIL expenditure and the Council Strategy and, following the Covid-19 outbreak, the Covid Recovery Strategy.
- 4.2 CIL expenditure to date and income has been included in the below. This sets out the latest position on CIL.

Table 1.1: CIL spend to date vs income received

Year	Actual income	Spend in the capital strategy
2015/16	254	
2016/17	1,313	
2017/18	1,678	
2018/19	3,711	444
2019/20	6,119	904
Total	13,075	1,348

This leaves £11,727k of CIL to be brought forward

Table 1.2: CIL profiled spend vs forecast income

Year	Latest forecast income	Included in the capital strategy / £000s
CIL carried forward	11,727	
2020-21	3,000	3,005
2021-22	3,000	2,272
2022-23	3,000	2,863
Total	20,727	8,139

4.3 There are a range of areas that CIL can, and cannot be spent upon, the Council's CIL webpages provide a summary <https://info.westberks.gov.uk/article/28517>. This includes that town and parish councils receive 15% or 25% (depending on whether to have a neighbourhood plan in place).

4.4 CIL must be spent on infrastructure and these proposals would continue to support this core principle. Below is a summary of a definition of infrastructure taken from the Government CIL guidance:

Definition of infrastructure¹

"The levy can be used to fund a wide range of infrastructure, including transport, flood defenses, schools, hospitals, and other health and social care facilities (for further details, see [section 216\(2\) of the Planning Act 2008](#), and [regulation 59](#), as amended by the [2012 and 2013 Regulations](#)). This definition allows the levy to be used to fund a very broad range of facilities such as:

- *play areas,*
- *open spaces,*
- *parks and green spaces,*
- *cultural and sports facilities,*
- *healthcare facilities,*
- *academies and free schools,*
- *district heating schemes and*
- *Police stations and other community safety facilities.*

This flexibility gives local areas the opportunity to choose what infrastructure they need to deliver their relevant plan (the Development Plan and the London Plan in London). Charging authorities may not use the levy to fund affordable housing.

Local authorities must spend the levy on infrastructure needed to support the development of their area, and they will decide what infrastructure is needed.

The levy can be used to increase the capacity of existing infrastructure or to repair failing existing infrastructure, if that is necessary to support development"

¹ <https://www.gov.uk/guidance/community-infrastructure-levy#spending-the-levy>

Proposals for future Community Infrastructure Levy spending

- 4.5 The main areas of the capital strategy that have over £8m of CIL applied are the education capital programme and the transport and countryside service (as was and now the 'Environment' service) –and specifically, the largest schemes include:
- (a) £1,060k for new and improved cycle ways
 - (b) £1,543k for a new Pupil Referral Unit in the east of the district
 - (c) £1,402k for secondary school places increases
- 4.6 There have also been significant match-funding schemes using CIL, for example with partners from the Local Economic Partnership (LEP). Appendix A has a summary of the proposed projects in the capital strategy 2020-23 that have CIL allocated towards them.

Background

- 4.7 It is timely to review how the CIL is currently being spent and the implications for the Council's capital strategy following the publication last year of the Council Strategy 2019-23 and the Covid-19 outbreak. The Council is receiving requests for the use of CIL funds and any bids need to be for infrastructure as per the regulations and be seen both in relation to the Council's priorities and in comparison to one another in order to achieve the best outcomes for West Berkshire.
- 4.8 CIL must be spent to provide community infrastructure, see above, and the Council Strategy has a strong focus (priority 6) on working in partnership as well as developing infrastructure for the district (priority 4). It is opportune to review the allocation of CIL to help focus further on these priorities.
- 4.9 As part of the recovery from the Covid-19 outbreak, the Council is increasing its focus on engagement; this theme was also highlighted in the Local Government Association (LGA) peer review that took place in November 2019. The Council is seeking to increase the involvement of its residents more as part of the Council's business.
- 4.10 The Council has seen an increase in community groups emerging as part of the Covid-19 response and is keen to support these where possible to enhance community resilience. The Council, through the Covid-19 outbreak, has also received significant feedback from residents, for example through the residents survey which saw over 3,000 people respond. We want to continue this engagement and use CIL funds to help support this. The proposal below is to re-allocate up to £500k from the CIL 10% pot to support eligible CIL schemes in their local area. The schemes would then be assessed against the criteria below:
- (a) It must be spent on infrastructure that supports the delivery of the Adopted Local Plan
 - (b) Demonstrates how it supports the Infrastructure Delivery Plan
 - (c) Clearly delivers against at least one Council Strategy priority
 - (d) Is match funded
 - (e) Enhances the resilience of communities within West Berkshire

Proposals for future Community Infrastructure Levy spending

- (f) Supports the recovery strategy by delivering at least one of the following benefits:
 - The health of our population
 - The educational success of the district
 - The economic success of West Berkshire
 - An environmentally focussed renewal
- (g) Other criteria can be added if this general approach is supported.

4.11 CIL will only be shown as spent once the organisation has provided sufficient supporting financial information to demonstrate expenditure. It only classifies as being spent once distributed from West Berkshire Council following receipt of this information. Any monies not spent within the agreed timescales will be clawed back from the respective organisation and will be available for redistribution within the CIL funds.

4.12 It is also important to consider the financial impact of CIL. By using CIL more quickly it reduces the time between the CIL being paid and schemes taking place. This is vital to ensure that the community sees the benefit of the CIL funds as quickly as possible. It also reduces the short term expenditure required on schemes from the wider Council taxpayer, but has no overall impact on the existing capital programme as these costs remain in the capital strategy.

Proposals

- (a) One of the key amendments to form a new protocol is to incorporate an additional “bidding” process to be implemented between January and March each year. This bidding process will be for, community groups and other partners, members, town and parish councils² and they will be encouraged to submit detailed proposals for CIL funding in their area of between £10,000 and £100,000. £500k of CIL income in total is proposed to be set aside to support this process between 2020 and 2023. Whilst ultimately it will be for the Executive to approve funding in line with the existing timetable, an informal panel (including the Leader, the Portfolio Holder for Finance, Property & Economic Development & the Portfolio Holder for Planning & Housing plus three officers from the Capital Strategy Board) will be established to review proposals and make recommendations to Executive with the £500k proposed to be set aside for the February budget papers.
- (b) For the Executive to focus some CIL on the new Council Strategy themes and specifically on, for example, the new leisure strategy
- (c) To focus more of CIL on the capital projects in the near future and for this to be reflected in the capital strategy from 2021

² Charging authorities can choose to pass on more than 25% of the levy, although the wider spending powers that apply to the neighbourhood funding element of the levy will not apply to any additional funds passed to the parish. These additional funds can only be spent on infrastructure, as defined in the Planning Act 2008 for the purposes of the levy.

5 Other options considered

- 5.1 The Council could continue as it currently does; this would not have an impact as the CIL forecasts are already included in the financial forecasts. However, it does miss some opportunities as proposed in this paper.
- 5.2 Given uncertainties over future CIL levels, the Council could spread CIL out over an even longer period of time. This has been discounted due to the length of time to deliver schemes the CIL is intended to support.

6 Conclusion

This paper is seeking a way to enable the use of CIL more quickly to deliver schemes for the benefit of West Berkshire and to ensure greater involvement for the community to see infrastructure delivered in their area.

7 Appendices

Appendix A – Proposed CIL spend in the capital strategy 2020-23

Background Papers:

<https://info.westberks.gov.uk/article/28517> and CIL charging scheme

Infrastructure Delivery Plan – 2016 update

Recovery Strategy (Executive - July 2020)

Capital strategy 2020-23 (Council – March 2020)

LGA Peer Review (November 2019)

Subject to Call-In:

Yes: ☒ No: ☐

The item is due to be referred to Council for final approval ☐

Delays in implementation could have serious financial implications for the Council ☐

Delays in implementation could compromise the Council's position ☐

Considered or reviewed by Overview and Scrutiny Management Committee or associated Task Groups within preceding six months ☐

Item is Urgent Key Decision ☐

Report is to note only ☐

Wards affected: All

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Document Control

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Change History

Version	Date	Description	Change ID
1	1.7.20	Initial version	
2	10.7.20	With legal and planning policy comments	

Appendix A – CIL proposed spend 2020-23

Service	Project Title	Description of Project	CIL 20/21	CIL 21/22	CIL 22-23
Education Services	Parsons Down Accommodation Rationalisation	Rationalisation of accommodation to align with reduced admission number due to decline in forecast pupil numbers and to create a viable 2FE school.	£243,700	£0.00	£48,760
Education Services	Calcot Schools - Remodelling	The remodelling of accommodation to align with change of PAN to address financial pressures associated with current PAN and deficiencies with current accommodation.	£102,190	£545,180	£31,350
Transport and Countryside	On Street Electric Charge Points	Subject to DfT Grant Bid	£150,000	£150,000	£150,000
Transport and Countryside	Improved Footways and verges	Annual Programme	£50,000	£50,000	£50,000

Proposals for future Community Infrastructure Levy spending

Service	Project Title	Description of Project	CIL 20/21	CIL 21/22	CIL 22-23
Transport and Countryside	Local Cycle and Walking Infrastructure Delivery Plan	Local Cycle and Walking Infrastructure Delivery Plan	£25,000	£25,000	£25,000
Transport and Countryside	New / Improved Cycle ways	Annual Programme	£220,000	£420,000	£420,000
Transport and Countryside	School Safety Improvements	Annual Programme	£30,000	£30,000	£30,000
Transport and Countryside	Accident Reduction Works	Annual programme	£50,000	£50,000	£50,000
Transport and Countryside	Traffic Signal Upgrades	Annual programme	£50,000	£50,000	£50,000
Transport and Countryside	Public Transport Infrastructure	RTPI + Infrastructure	£50,000	£50,000	£50,000
Transport and Countryside	Community Transport	Funding for CT services	£50,000	£50,000	£50,000
Transport and Countryside	Highways	Projects Team - part funded by s.106	£100,000	£100,000	£100,000
			£3,005,150	£2,272,150	£2,862,640