

REPORT TITLE: COMMUNITY INFRASTRUCTURE LEVY SPENDING
PROGRAMME UPDATE

21ST OCTOBER 2020

REPORT OF CABINET MEMBER: Cabinet Member for Built Environment and Well
Being - Councillor Jackie Porter

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WARD(S): ALL WARDS

PURPOSE

The purpose of the report is for Cabinet to agree the Community Infrastructure Levy funding programme including those community requests for funding received between 1st January 2020 and 31st March 2020 which the Informal Panel recommend should be included within the programme. An update is also provided on the progress of existing schemes along with any corresponding changes to the Community Infrastructure Levy (CIL) programme.

The bids which are approved by Cabinet will become part of the three year rolling programme of schemes, wholly or partly funded by CIL, in line with the protocol agreed in September 2018 (CAB3071 refers)

The report also highlights the funding position in relation to the CIL funded community schemes for which £1m was originally set aside.

RECOMMENDATIONS:

That Cabinet:

1. Approve the updated three year rolling CIL spending programme set out in Appendix A to this report.
2. Approve the allocation of £365,000 from Winchester City Council CIL income receipts as set out in Section 12 of this report and approve it's expenditure under Financial Procedure Rule 7.4. This includes the allocation of funding for the eight community led projects recommended by the Informal Panel, subject to any conditions stipulated and included in Appendix A to this report. This

includes the following specific projects:

- 2.1 Badger Farm Community Centre – Kitchen upgrade
 - 2.2 Colden Common, St Vigor Way Playground – Outdoor gym equipment
 - 2.3 Colden Common Recreation Ground – Pavilion upgrade
 - 2.4 Denmead, George V Playing Fields – Multi use games area
 - 2.5 Headbourne Worthy St Swithun's Church – New car park
 - 2.6 New Alresford – West Street pedestrian improvements
 - 2.7 Wonston, Gratton Close – Pavilion extension
 - 2.8 Shawford Railway Station – Community hub café and meeting rooms
3. Allocate an additional £49,000 from the Winchester City Council CIL income receipts to bring the total 2020/21 community budget to £414,000
 4. Approve a capital budget and expenditure of £50,000 to be funded from the Winchester City Council CIL receipts for the provision of the Wayfinding signs recommended by the Informal Panel and included in Appendix A to this report.
 5. Approve the capital budget and expenditure of £50,000 from the Winchester City Council CIL receipts for the provision of footpath and cycle link in association with development at Bishops Waltham, previously considered by Cabinet on 17th September 2017 (CAB2962)
 6. Approve an additional budget of £250,000 funded from unallocated CIL receipts to allow the Community Bidding process to continue for a further year and to support a third tranche of bids in 2021.
 7. Agrees that a report be brought to Cabinet early in 2021 reviewing options for the allocation of currently unallocated CIL funds. These may be used potentially to carry out Council infrastructure improvements relating to implementation of the Council Plan and other strategies, projects and opportunity to support the response to the Covid 19 public health emergency in relation to enhanced facilities. Also how this money could support public realm investment as part of the Central Winchester Regeneration project, City of Winchester Movement Strategy as well as wider infrastructure investment in the city and across the district in the coming years.
 8. Agrees that the Corporate Head of Regulatory writes to Hampshire County Council seeking clarity regarding the timing of delivery for the highway schemes at Durley, Otterbourne, Twyford and Upham which are included in the CIL Spending programme as set out in Appendix A.

IMPLICATIONS:

1 COUNCIL PLAN OUTCOME

- 1.1 Tackling the Climate Emergency and Creating a Greener District
- 1.2 The Council Plan has a very clear commitment to tackling the Climate Emergency and making carbon neutrality central to everything it does. A number of the projects being supported by the allocation of CIL funding aim to improve the energy efficiency of existing community facilities and accessibility to, and improvement of existing open space.
- 1.3 Homes for all
- 1.4 Much of the infrastructure requiring CIL funding is allocated to projects which support new facilities in areas where new residential developments is planned or has an impact.
- 1.5 Vibrant Local Economy
- 1.6 Helping to fund local infrastructure projects, can support employment and ensures greater community engagement, which in turn can help boost the local economy.
- 1.7 Living Well
- 1.8 Under the priority of “Living Well” the allocation of CIL funding to certain projects seeks to actively promote greater participation in physical activities by supporting the improvement of sporting and recreational facilities and greater accessibility to open space.
- 1.9 Your Services, Your Voice
- 1.10 Inviting bids for funding from community groups and Parish Councils, helps to ensure that local community facilities are supported. Parish Councils engage at a ‘grass roots’ level with their residents, and can identify services and facilities which are important to the local community for funding, which may not otherwise be provided.

2 FINANCIAL IMPLICATIONS

- 2.1 The Council has collected approximately £13m of CIL receipts since April 2014, with a further £600k possible by March 2021, although this could be less due to the effects of COVID-19 on the progress of development. Table 1 below details the balances as of 31/07/20. The protocol set out in CAB3071 identified a methodology for the allocation of CIL income to infrastructure schemes.
- 2.2 In relation to the adverse impact of the pandemic on the construction industry Government has issued guidance and changed the CIL regulations to allow

local authorities to consider the deferral of CIL payments , with the ability to waive late payment interest in some instances, to support the sector during this difficult time with particular emphasis on SMEs. These decisions are discretionary but Government is encouraging local authorities to adopt a positive approach. There have been a relatively small number of these requests relating to development within the district to date and these are being considered on a case by case basis and, where circumstances justify it, deferrals agreed for a period of up to 6 months in accordance with the amended CIL regulations. .

- 2.3 In 2018, £1m was allocated for the bidding process which invited proposals from parish councils and other community bodies. The allocation was profiled over three years for 2019/20 to 2021/22. In the first round of bids, £635,000 was allocated to community projects which left £365,000 for the remaining two rounds of bidding. However, the value of the bids received in this latest round alone amounted to just over £1m. Although not all the bids have been recommended for funding, the informal panel has recommended allocating a total of £414,000 to the successful schemes. As this is higher than the remaining £365,000 set aside for the community bids, it is recommended that a further £49,000 of uncommitted CIL receipts be approved by Cabinet to fund the community schemes supported by the panel. This will bring the total allocation to community projects to £1,049,000.
- 2.4 As the original £1m set aside for community projects will have been allocated in the first two rounds of bidding there will not be a third round of bidding as originally envisaged, unless more funding is allocated to this process. It was originally intended that £500,000 would be allocated for the first round of bids with a further £250,000 allocated for each of the subsequent second and third round of bids. However, the scheme proved to be very popular, with a total of 40 bids made in the first two years, many of which strongly aligned with the allocation criteria and were considered worthy of support which has exhausted the available budget. This report therefore recommends that a further £250,000 of uncommitted CIL receipts be allocated to support a third tranche of community bids in 2021.
- 2.5 Table 1 below sets out CIL income including funds transferred to parish councils (15% except for Denmead where the portion is 25% as they have a Neighbourhood Plan). Thus far almost £4m of CIL has been allocated to a range of projects across the District (Council and community schemes) with a balance of £6m which is available to support the further delivery of infrastructure. The cost of administering CIL is met by this income as up to 5% can be used for this purpose.

Table 1 – CIL income, commitments and funds spent to date, including funds transferred to Parish Councils and Hampshire County Council

Allocation	Funds Due	Funds Received	Funds Allocated	Spent (WCC)	Balance

CIL Admin	£ 47,151	£ 719,195	£ 393,902	£ 393,902	£ 0
Paid to Parishes	£ 74,701	£1,401,865	£1,401,865	£ N/A	£ 0
Winchester Town Forum	£ 72,635	£ 820,948	£ 395,000	£ N/A	£425,928
WCC CIL	£ 748,546	£10,127,368	£3,960,200	£ 358,000	£6,167,168
HCC CIL (to 19/9/18)	£ 0	£1,543,012	£1,543,012	£ N/A	£ 0

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The Council's Regulation 123 List ("Regulation 123 List") specifies projects or types of infrastructure that the City Council intends may be partly or fully funded by Community Infrastructure Levy contributions in accordance with statutory criteria. The Regulation 123 List also separately identifies the infrastructure for which S106 contributions may be sought, as prior to September 2019, community infrastructure contributions and obligations within agreements pursuant to section 106 of the Town and Country Planning Act 1999 were unable to fund the same projects. Updated Community Infrastructure Levy Regulations 2019 enable community infrastructure levy contributions and payments and obligations pursuant to section 106 agreements to fund the same infrastructure project.
- 3.2 The Regulation 123 List is not a definitive statement of all the individual projects that will or may be funded by community infrastructure levy payments, but is a list of broad categories of infrastructure towards which the funding may be utilised. The Regulation 123 List is set to be replaced by Infrastructure Funding Statements (IFS) by the end of 2020.
- 3.3 Of note Infrastructure Funding Statements include a reporting mechanism which focusses on the collection and allocation of funds, therefore a mechanism will still be required which identifies and prioritises infrastructure schemes for funding allocation in order to ensure transparency and accountability. The city council has an agreed protocol to determine funding allocation (CAB3071), such allocation must remain within statutory and common law guidance.

4 WORKFORCE IMPLICATIONS

- 4.1 Two posts are currently funded through the CIL Administration provision. One coordinates charges, receipts and allocations to parishes and the second post supports the delivery of schemes as well as managing the overall CIL programme.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None directly, although CIL is supporting a number of infrastructure projects as well as building provision/improvement. The North Walls pavilion proposal is a good example of this.

6 CONSULTATION AND COMMUNICATION

- 6.1 The current priorities, R123 list and spending protocols were all developed in consultation with key partners. The community scheme is advertised on the City Council website, in the media (press release) and on Parish Connect. As a result 22 bids were received in the first round of bidding (2019) and 18 in the second round. The Cabinet Member for Built Environment and Well Being has been involved in the decision making process for the allocation of funds for both rounds of bidding, and this year the Cabinet Member for Sport Leisure and Communities was also involved in the decision making process for the allocation of funding as both sat on the Informal Panel which considered requests received and recommended which projects should be funded based on the Council's spending protocol for CIL.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 Many of the bids agreed for infrastructure funding will have significant positive impacts on the environment including the support of sustainable forms of transport, improved pedestrian and cycle routes, open space improvements and investment in community facilities to encourage more local use. The City Council bids in particular aim to enhance the City environment for vulnerable road users and provide better links to and from key destinations around the City, to reduce the reliance on motor vehicles.

8 EQUALITY IMPACT ASSESSEMENT

- 8.1 Officers have had regard to the Council's duties under the Human Rights Act 1998 and the Equalities Act 2010. There are no identified adverse effects through the allocation of funding as requested to anyone with a protected characteristic under the Equalities Act 2010 or as regards to human rights.
- 8.2 Many of the projects for which funding has been recommended seek to improve accessibility of facilities for all, and forms part of the basic design for all the projects bidding for funding.

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 None required

10 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<i>Property</i>	CIL will be allocated to	Communities will benefit

<i>Assets may not have the capacity to cope with increased pressure from new development</i>	enhance facilities to meet the increasing demand in accordance with the agreed spending protocol	from infrastructure which would otherwise be unfunded.
<i>Community Support Failure to deliver schemes from CIL income from new development could harm the Council's reputation with local communities particularly in areas where new development is taking place.</i>	CIL funds will be allocated to projects using the agreed spending protocol and the programme will be reviewed annually to ensure it is up-to-date with schemes that are deliverable.	Funding is provided for community led schemes, which would otherwise not be funded.
<i>Timescales Projects will not be delivered within a reasonable timescale</i>	The projects on the spending programme will be reviewed and updated annually. Any projects not showing progression may be removed from the programme	
<i>Project capacity Lack of resources could hinder use of CIL funds to deliver much needed infrastructure</i>	Up to 5% of CIL income is used to provide support for the collection and implementation of CIL	
<i>Financial / VfM Schemes coming forward for funding exceed CIL income</i>	Community schemes are allocated a fixed amount of CIL. The assessment process for City Council schemes are prioritised within budget limits in accordance with agreed spending protocol	Council could decide to increase provision to support the 'bid' process for community led schemes, as additional funds are collected. An additional £250,000 is recommended to allow a third round of bids in 2021.
<i>Legal CIL funds are not used in accordance with the allocations made for each approved project</i>	Funding agreements or other mechanisms will be put in place to ensure funds are used in accordance with the agreed details. Schemes are monitored and funds are released on completion of the project or at suitable points as schemes are delivered.	
<i>Innovation N/A</i>		
<i>Reputation</i>	Ensure funds are allocated	

<i>Failure to deliver schemes using CIL income could harm the Council's reputation</i>	using the agreed spending protocol and regularly review the programme to ensure it is up to date with deliverable schemes.	
<i>Other N/A</i>		

11 SUPPORTING INFORMATION:

11.1 Background

11.2 Since April 2014, when the Community Infrastructure Levy was adopted by the City Council, over £13.5m has been collected from developments in the district outside the South Downs National Park. This money is used to help provide infrastructure required to support the growth planned in the Council's Local Plans. A proportion of the funding from a development must be passed on to the Parish Council where the development is occurring (Usually 15% but rising to 25% where a Parish Council has a neighbourhood plan) and up to 5% of the funding received can be used to administer the Levy.

11.3 The rest of the funding is retained by the City Council, although until September 2018, Hampshire County Council was awarded 25% of the remaining funding primarily for highway schemes set put in the R123 List Cabinet made the decision to stop the allocation to the County Council in September 2018, which was effective immediately (CAB3071 refers).

11.4 An operational review in September 2018 also put in place a process for the allocation of district wide funds, and introduced a new protocol for a rolling three year programme of schemes, wholly or partly funded by CIL. It also included provision over a three year period for parish councils and other organisations to request funding for community schemes through an annual bidding process, which occurs from 1st January to 31st March each year. This commenced in 2019. It invites community groups, including Parish Councils, to bid for CIL funding to progress infrastructure projects in their area. Bids were considered by an Informal Panel which recommends funding for projects in line with the agreed spending protocol £1m of CIL funding was originally set aside to fund these community schemes. As this has been allocated to schemes in the first two rounds this report recommends an additional £250,000 to enable a third year of requests to be made in 2021.

11.5 The first round of bidding which occurred in 2019, attracted 22 neighbourhood bids from parish councils and other community groups, of which 12 were recommended for funding by the Informal Panel. Cabinet considered the recommendations made by the panel in October 2019, and agreed to allocate the funding suggested. Appendix A details the updated programme of CIL funded schemes, which includes the community schemes that were awarded funding by Cabinet in October 2019. Of the 12 community schemes that were allocated funding in October 2019, three have been completed with one

nearing completion. A further four were due to start prior to the Covid 19 lockdown in March this year and will progress over the coming months. The remaining four schemes still require additional funding to progress, or further feasibility studies.

- 11.6 The Panel also considers schemes to be progressed by the City Council itself which will require CIL funding, and are also detailed in Appendix A. The most significant City Council schemes to be awarded CIL funding to date include the new Sports and Leisure Park which was awarded £1.8m of CIL funding, and Durngate Flood Defence scheme which was awarded £800,000. Both are progressing well with the Durngate scheme due to be completed in September 2020, and the Sports and Leisure Park due to be completed in the spring/summer of 2021.

12 2020/2021 Bids

- 12.1 The second round of bidding (1st January 2020 to 31st March 2020) attracted 18 bids from Parish Councils and other community groups. The Informal Panel considered these bids on 28th July 2020, which was later than planned due to delays caused by the constraints imposed by the pandemic. . The minutes of the panel meeting are detailed in Appendix B. The panel consisted of the Cabinet Member for Built Environment and Well Being, the Cabinet Member for Sport Leisure and Communities, the Strategic Director for Place and the Strategic Director for Services. In addition to the community bids, two City Council proposals for funding were also considered.
- 12.2 The bids were considered and discussed by the panel against the CIL spending criteria (CAB3071 refers). The panel were mindful that the funding available was more limited than had been the case in the first round of bids, and so were keen to ensure that there was some match funding demonstrated and that projects would be deliverable. Of the 18 community bids, eight were recommended for funding. The reasons for the recommendations are detailed in the minutes of the panel meeting (Appendix B) with the decision to agree funding subject to Cabinet approval.
- 12.3 As with last year, there are a range of different schemes recommended for funding, including significant improvements to community and sports facilities and improved access to local amenities for pedestrians and cyclists. There were a number of different locations throughout the district that were recommended for the allocation of funding, including Denmead, Colden Common and New Alresford, which are all areas where there has been, or will be new development. The panel had noted that there were some parish councils which had made multiple applications and some locations where more than one group had bid for funding. The panel took this in to account and tried to ensure that the limited funding was distributed as widely as possible to maximise the community benefits across the district whilst recognising that there were more development pressures in some areas than others.

- 12.4 Funding was also recommended for areas where more limited levels of development has occurred or is planned, such as Wonston, Shawford and Headbourne Worthy as it is recognised that it may be more difficult for infrastructure to be improved in these areas albeit better facilities are needed to serve these communities as they grow over time. Funding facilities in smaller settlements can also help reduce the need for residents of those areas to travel some distances to use facilities outside their area. Such schemes can also provide wider benefits as they are used by people living outside the immediate locality.
- 12.5 The bids recommended would require £414,000 of funding, which is £49,000 above the sum remaining from last year to fund the second round of bids. Cabinet would therefore need to approve the allocation of a further £49,000 to the community programme to enable the recommended bids to be allocated all the funding required. It is recommended that this additional funding is agreed to enable all of the requests supported can be delivered.
- 12.6 If the recommended schemes are supported, the original £1m will be exhausted (along with the further £49,000 referred to in 12.5 above). The scheme has proved not only popular with parish councils and community groups but also an invaluable support which has helped bring forward much needed infrastructure developments which otherwise would have been stalled due to a lack of funding. Some groups have been able to attract additional “match” funding as a result of the CIL allocation. It is therefore recommended that a further £250,000 of unallocated CIL receipts be used to fund a third tranche of bids to be considered in 2021.

13 City Council Proposals

- 13.1 The informal panel also considered the bids made by the City Council of which there were two. The first bid was for a scheme to extend and upgrade the existing Wayfinding signing around the city. This is required to promote pedestrian and cycling routes between notable destinations around the city. These include routes to the train station, High Street, Guildhall and the Cathedral. The signing needs to be extended to include the new sports and leisure centre and improvements to the bus stops at this and other locations. A request was made for £50,000 which was supported by the panel.
- 13.2 The second City Council scheme for which funding was requested involved engineering improvements to the highway infrastructure at various locations around the city, to improve walking and cycling routes. The improvements identified in the bid could include widening footways, raised side road entries, contraflow cycle lanes, zebra crossings and the tightening of junction radii. The promotion of active travel and the reduction of motorised traffic in the city centre are part of the vision of the City of Winchester Movement Strategy. However, there are no detailed costings for the measures yet, and no indication of the level of funding forthcoming from Hampshire County Council. Panel members were therefore reluctant to allocate £500,000 until such time when there were firm costs for agreed proposals, and there was some

indication that Hampshire County Council would be contributing at least some of the funding required. It was therefore agreed that a further panel meeting could be set up once there was further clarification on these issues.

- 13.3 In addition to the two City Council schemes considered by the panel, there is a need for an additional budget of £50,000 of CIL funding for a cycle way and footpath in association with development at Bishops Waltham. This was first considered and agreed in principle by Cabinet in September 2017. The scheme will also receive funding from Bishops Waltham Parish Council and is due to progress in 2021/22.

14 Unallocated CIL Receipts

- 14.1 Table 1 in paragraph 2.3 highlights the level of uncommitted CIL receipts currently being £6.2m. Whilst the proposals set out in section 13 above will commit a further £299,000, this leaves just under £6m which can support much needed infrastructure in the district, with further receipts anticipated in 2021.
- 14.2 It is recommended that a report be brought to Cabinet early in 2021 reviewing options for the best use of this resource and in particular how this money could support public realm investment as part of the Central Winchester project as well as wider infrastructure investment in the city and wider district in the coming years.

15 Conclusion

- 15.1 This report recommends that the projects allocated funding by the informal panel on 28th July 2020 be approved, with the additional funding of £49,000 allocated from the general CIL fund.
- 15.2 The scheme for allocating funding for community projects through the bidding process has proved popular, to the extent that the £1m set aside for a three year programme have been allocated after just two years. There is also a requirement for Cabinet to approve and additional £49,000 to fund the projects which the panel has recommended for funding this year.
- 15.3 In order to enable further round of community bids in 2021 it is recommended that additional funding of £250,000 be allocated.
- 15.4 Government is also currently consulting on the future of CIL and s106 agreements as part of its proposals to reform the planning system – Planning for the Future. In the white paper it is proposed that both CIL and s106 agreements would be replaced by an Infrastructure Levy (IL) whereby a range of new development would attract a charge set nationally and paid to local authorities. These funds would be used by councils to support infrastructure

delivery and possibly other wider applications like provision of affordable housing. If significant changes were to be implemented nationally, a further report would be necessary to explore the impact of any changes on the funding and delivery of infrastructure projects by the Council. However, such amendments in whatever form ultimately agreed by Government would require legislative changes and are likely to be some way off. The Council's response to the consultation, including the proposal to introduce IL in-place of s106/CIL, is subject to a report included elsewhere on the Cabinet agenda.

16 OTHER OPTIONS CONSIDERED AND REJECTED

- 16.1 The development of a CIL spending programme accords with the protocol agreed previously by Cabinet (CAB3071) and therefore it was not necessary for other options to be considered.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB3071 – Community Infrastructure – Operational Review (19th September 2018)

CAB3194 – Community Infrastructure Levy – Spending Programme (23rd October 2019)

Other Background Documents:-

Community Infrastructure Levy 2010 (CIL) Allocations Advisory Panel Terms of Reference (17th September 2019)

APPENDICES:

Appendix A – Community Infrastructure Levy Spending Programme

Appendix B – Minutes of the Informal Panel Meeting (28th July 2020)