

REPORT TITLE: COMMUNITY INFRASTRUCTURE LEVY (CIL) FUTURE FUNDING PRIORITIES AND MONITORING UPDATE

10 MARCH 2021

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

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WARD(S): ALL WARDS

PURPOSE

This report sets out the way that Community Infrastructure Levy (CIL) funding for council projects will be undertaken moving forwards to ensure that the allocation of available funding is agile and responsive to emerging demands to provide new infrastructure across the district. This is intended to ensure that the Council maximises the benefits from this source of funding. There are a number of schemes that are likely to come forward shortly for consideration of possible CIL funding and these are outlined in the report. It also reports on the progress of current schemes included in the agreed CIL programme and further recommends funding to support further rounds of community based bids to be reviewed annually (CAB3257).

RECOMMENDATIONS:

That Cabinet:

1. Approve an allocation of £250,000 for a further round of community bids in 2022/23, as part of an ongoing programme of community schemes, with future arrangements beyond 2022/23 to be reviewed annually.
2. Note that the CIL spending protocol (CAB3071) which sets out how CIL spending will be assessed, prioritised and decisions made as to which schemes receive CIL funding allocations, be amended by replacing the former Regulation123 List, with the Infrastructure Funding Statement that is published annually on the City Council's website and identifies priorities and

projects which may be funded in whole or in part by CIL income.

3. Note the need to keep under review priorities for CIL funding for emerging infrastructure projects and up-date the Infrastructure Funding Statement accordingly and to further note the list of emerging schemes set out in table 4 of the report which may be considered for CIL funding in future.

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. Infrastructure which can be funded using CIL, can support projects which will deliver improved open space and energy efficiency, as well as promoting and enabling better walking and cycling routes to reduce the use of motorised transport around both the City and the wider district.
- 1.3 Homes for all
- 1.4 Much of the CIL funding is allocated to infrastructure which supports new housing, such as community and sports facilities, which enable greater sustainability of both existing and new communities.
- 1.5 Vibrant Local Economy
- 1.6 Helping to fund local infrastructure projects can support employment and ensure greater community engagement, which can in turn help boost the local economy.
- 1.7 Living Well
- 1.8 The allocation of CIL funding to sports and recreation facilities, as well as open space, actively promotes greater participation in physical activities, and to allow greater engagement with nature and supports biodiversity. The improvement of community facilities enables participation in activities for all age groups, and provides venues for meetings and activities which encourage community cohesion.

2 FINANCIAL IMPLICATIONS

- 2.1 The Council has collected approximately £16m in CIL receipts from April 2014, when it came into effect, to the end of 2020. The Community Infrastructure Levy Regulations allow 5% of CIL income received, to be used to administer the fund which involves collection, monitoring, reporting and implementation. Regulations also stipulate that 15% of CIL collected from any CIL liable development, (25% where a Parish has a Neighbourhood Plan so Denmead Parish Council currently) must be transferred to the Parish Council that covers the area where the development occurs (the neighbourhood portion). In the case of Winchester Town area, Winchester Town Forum receives 15% of CIL collected from development within the town area in the absence of a town council, and administers the spending of CIL in a similar way to that of a Parish Council.

- 2.2 Since April 2014 approximately £2.5m has been transferred to Parish Councils and Winchester Town Forum. Until September 2018, 25% of CIL collected was transferred to Hampshire County Council as a main infrastructure provider, which amounted to approximately £1.5m, but this ceased in September of that year (CAB3071 refers). The remainder of CIL collected is managed and allocated by the City Council.
- 2.3 As set out in table 1 there is currently CIL funding of c£6.3m that is available for allocation to future projects and this report addresses how this may be used in future to support the delivery of council infrastructure schemes.

Table 1 – CIL income, allocations and spend to January 31st 2021.

Allocation	Funds Received	Funds Allocated	Spent	Balance
CIL Admin	£ 802,559	£ 802,559	£ 802,559	£ 0
Paid to Parishes (incl. Winchester Town Forum)	£2,485,640	£2,485,640	N/A	£ 0
Paid to HCC (to September 2018)	£1,543,012	£1,543,012	projects on HCC R123 List	£0
WCC CIL Retained	£11,219,986	£4,892,000	£2,454,850	£6,327,986

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The Community Infrastructure Levy (Amendment)(England)(No.2) Regulations 2019 introduces a requirement on local authorities to publish an annual Infrastructure Funding Statement (IFS) which is a reporting mechanism covering, the collection and allocation of funds, specifically in relation to CIL and s106 planning obligations, as well as setting out future priorities for CIL spending. It replaced the Regulation 123 List, which was previously required to identify projects or types of infrastructure that the City Council intended to rely on to partly or fully fund infrastructure schemes, using CIL contributions. The Regulation 123 List also separately identified the infrastructure for which s106 contributions could 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. The updated Infrastructure Levy Regulations 2019 now enable CIL contributions and payments and obligations pursuant to section 106 agreements to fund the same infrastructure projects.

- 3.2 The Infrastructure Funding Statement for the reporting period of 1st April 2019 to 31st March 2020, was published in December 2020 and is available on the City Council website. It includes a broad list of projects and types of infrastructure (The Infrastructure List) for which CIL can be allocated, but no longer separates out s106 schemes and replaces the R123 List (See Appendix A)
- 3.3 A mechanism is still required to identify and prioritise infrastructure schemes coming forward over the next few years for funding allocation, in order to ensure transparency and accountability. The City Council has an agreed protocol to recommend schemes for funding, (CAB3071) and such allocation must follow relevant statutory requirements and central government guidance. All funding decisions are agreed by Cabinet. It is useful however to establish schemes which should be prioritised for funding because they accord with the aims of the Council Plan and other Council policies. Once broadly agreed those schemes can be added to the Infrastructure List. In terms of the agreed CIL spending protocol the R123 List is now replaced by the IFS.

4 WORKFORCE IMPLICATIONS

- 4.1 Two posts are currently funded 100% through the CIL administration provision. The CIL Officer post identifies whether a development is CIL liable and collects the funds from developers. The CIL Implementation Officer post monitors the programme and liaises with Members regarding priorities, so the work required will be undertaken using existing resources. Other officers that spend significant time working on CIL can recharge this activity to the levy.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None directly, although CIL is supporting a number of council infrastructure projects as well as building provision and improvement.

6 CONSULTATION AND COMMUNICATION

- 6.1 An informal panel meets to assess schemes for potential CIL funding in line with the agreed spending protocol. The Cabinet Member for Built Environment and Well Being has been involved in the decision making process for the allocation of funds for the community bids, and in 2020 the Cabinet Member for Sport, Leisure and Communities was also involved with the informal panel which made recommendations regarding funding allocations which were then formally decided by Cabinet. The panel also includes members of Executive Leader Board. Larger schemes, which may require some CIL funding, will go through a number of stages of consultation from inception to completion (these are proportionate to the scale and nature of the project so determined on a case by case basis) albeit not specifically relating to the use of CIL income, with funding decisions always requiring approval by Cabinet in line with the agreed spending protocol.

7 ENVIRONMENTAL CONSIDERATIONS

7.1 Many of the future projects agreed for the allocation of CIL funding will have significant positive impacts upon the environment, including funding for the improvement of walking and cycling routes, open space improvements and investment in community facilities to serve local communities. Many of the schemes in the city area aim to increase accessibility to facilities for vulnerable road users and provide better links to and from key destinations around the city to reduce reliance on motor vehicles. Specific Environmental impacts will be considered as part of the assessment of each individual project.

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 is no identified adverse impact through the allocation of CIL funding to anyone with a protected characteristic under the Equalities Act 2010 or with regards to human rights.

8.2 Many projects for which CIL funding has been allocated seek to improve the accessibility of facilities for all, and future priorities will endeavour to continue to provide improved facilities both at a local level, and to enable wider community inclusion and engagement.

9 DATA PROTECTION IMPACT ASSESSMENT

9.1 None required

10 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<i>Property Assets may not have the capacity to cope with increased pressure from increased development</i>	CIL will be allocated to improve facilities to meet the increasing demand in accordance with the spending protocol	Communities will benefit from improvements to infrastructure which would not otherwise be funded
<i>Community Support Failure to deliver schemes from CIL income received from new development could harm the Council's reputation with local communities especially where new development is taking place.</i>	CIL funds will be allocated to projects which enhance the support for the community and are deliverable. This will be reviewed at least annually	Funding is provided for community led schemes, which would not otherwise be funded.
<i>Timescales</i>	Projects on the spending	

<i>Projects will not be delivered within a reasonable timescale</i>	programme will be reviewed and updated at least annually. Any projects not showing sufficient progress will be removed and the funding allocated to other projects	
<i>Project capacity Lack of resources could hinder the use of CIL funds to deliver infrastructure</i>	Up to 5% of CIL income is used to provide support for the collection progression and monitoring of CIL funded projects	
<i>Financial / VfM Schemes coming forward for CIL funding exceed the 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 protocol	
<i>Legal Funds are not used in accordance with the allocations made for each approved project</i>	Schemes are subject to funding agreements, are monitored and funds are released on completion of the project and production of invoices. This is sometimes managed in tranches to ensure progress continues to completion	
<i>Innovation N/A</i>		
<i>Reputation Failure to deliver schemes using CIL income could damage the Council's reputation</i>	Ensure funds are allocated using the agreed spending protocol and monitor and review the programme to ensure it is up to date and schemes are progressing	
<i>Other N/A</i>		

11 SUPPORTING INFORMATION:Background

- 11.1 The Community Infrastructure Levy was adopted by the City Council in April 2014, and since this time approximately £16m has been collected from developments in the district outside the South Downs National Park. The funds collected must be used to provide infrastructure to support the growth planned in the Council's Local Plans. A proportion of the funding must be passed to the Parish Council for the area where development is occurring (15% of CIL funding collected from a development, rising to 25% where a Parish Council has a Neighbourhood Plan like Denmead). Up to 5% of the funding received may be used to administer the Levy.
- 11.2 The remainder of the funding is retained by the City Council, although until September 2018, 25% of the remainder was awarded to the County Council primarily for highway schemes, identified on the R123 List. Following an operational review, Cabinet made the decision to stop the allocation to the County Council with immediate effect in September 2018. Up to this point approximately £1.5m had been given to the County Council for these schemes.

Current Programme

- 11.3 As part of the operational review, a process was put in place for the allocation of funds district-wide, which introduced a protocol for a rolling three year programme of schemes that could be wholly or partly funded using CIL. As part of the programme, parish councils and community groups could bid for funding for community infrastructure schemes, which involved submitting requests each year between January and March for a share of an initial £1m (spread over 3 years) Bidding commenced in January 2019, and in the first two years of the scheme being in place, over £1m was allocated to a total of 18 community projects. Additional funding has been agreed for a further round of bids this year.
- 11.4 Bids are considered by an informal panel, meeting annually, which recommends funding in line with our agreed spending protocol. The recommendations are then considered by Cabinet when the programme is formally agreed. The community scheme has proven popular and is over-subscribed, so not all those who make a bid are successful, even if some projects have met the criteria. Following the first two rounds of bidding, the original £1m set aside was fully allocated, therefore in October 2020, Cabinet agreed a 'top up' of £49k to meet the cost of all the bids recommended that year (CAB3257 refers). At the same meeting, Cabinet also agreed to allocate a further £250k to ensure that a third round of bids could proceed in January 2021, as was originally intended. This would also allow bids which were previously unsuccessful, despite meeting the criteria to be re-submitted.
- 11.5 Although Covid-19 has delayed progress on some of the schemes which were allocated funding, 5 schemes have been completed since October 2019, which was when the first community schemes were allocated funding. Table 2 below lists the community bids which have been allocated funding, and progress to date. This report recommends the continuation of the community

scheme in 2022/23, with provision for a further £250,000 of funding, and for this to be reviewed annually thereafter.

- 11.6 As well as community schemes the informal panel considers internal bids for schemes progressed by the City Council, to be wholly or partly funded using CIL funds. These are detailed in Table 3 below. In many cases the projects could not be progressed without the allocation of CIL funding. The City Council projects are progressing well, with a number of them nearing completion.
- 11.7 The progress of all the schemes which have been allocated funding are monitored, and any which do not show sufficient progress or are no longer required, will be removed from the programme. .

Table 2 – List of Community Schemes allocated CIL funding

Scheme	Amount of CIL Allocated (year)	Progress to date and comments
Abbotts Barton and Hyde Scout Facility	£200,000 (2019)	Additional funding to ensure project progression yet to be secured. Planning permission is also required
Colden Common Footpath improvements and upgrades	£ 25,000 (2019)	Scheme complete
Colden Common Church kitchen upgrade	£ 17,000 (2019)	Scheme complete
Durley School Crossing point	£ 10,000 (2019)	Scheme complete
Littleton and Harestock Parkour sports facility	£ 18,000 (2019)	Scheme complete
Otterbourne Pedestrian Crossing	£ 50,000 (2019)	Surveys undertaken
Shedfield Sports Pavilion extension	£100,000 (2019)	Planning permission granted
Twyford extension of community car park	£ 65,000 (2019)	Progress is dependent upon other projects in the village. See separate report CAB3296 for a comprehensive up-date.

Twyford cycle route scheme	£ 50,000 (2019)	Feasibility study required
Upham traffic calming scheme	£ 25,000 (2019)	Awaiting County Council input. Delayed by Covid -19
Wickham Playground equipment	£ 20,000 (2019)	Scheme complete
Havant Cycle link	£ 55,000 (2019)	Scheme progression by Havant Borough Council in Spring 2021
Badger Farm Community Centre kitchen upgrade	£ 34,500 (2020)	Delayed by Covid -19
Colden Common Recreation Ground pavilion extension and upgrade	£ 90,000 (2020)	Quotes currently being sought from contractors
Colden Common St Vigor Way outdoor gym equipment	£ 10,000 (2020)	Work to commence shortly
Denmead Multi-Use Games Area	£ 64,500 (2020)	The project will also use funds obtained through a s106 agreement linked to development
St Swithun's Church Headbourne Worthy car park	£ 50,000 (2020)	Preliminary works being undertaken.
West Street New Alresford pedestrian improvements and environmental enhancement	£110,000 (2020)	Design being discussed between HCC and Alresford Town Council
Gratton Close, Wonston pavilion extension	£ 30,000 (2020)	Confirmed as no longer progressing and to be removed from programme when the annual community bid report is considered by Cabinet
Shawford Railway Station cycle hub and community cafe	£ 25,000 (2020)	Up-date being sought.
Total allocated to	£1,049,000	An additional £49,000 was agreed by Cabinet in October

specific projects		2020 to top up the second round of bidding
Funding allocated for a third round of bids	£ 250,000	Final total for community bids = £1,299,000

Table 3– List of WCC Schemes allocated CIL Funding

Project	Amount of CIL allocated (Year)	Progress to date and comments
Whiteshute Ridge pedestrian and cycle access	£ 23,000 (2017)	Scheme complete
New Road Swanmore recreation ground refurbishment	£ 185,000 (2018)	Scheme complete. This scheme was progressed by Swanmore Parish Council but funding was agreed prior to the community bid scheme being established in 2018.
Jubilee Hall car park extension	£ 50,000 (2018)	Scheme complete. This scheme was progressed by Bishops Waltham Parish Council and part-funded by CIL. Funding was agreed prior

		to the community bid scheme being established in 2018.
The Dean Alresford car park provision	£ 250,000 (2018)	Linked to private development scheme
Winchester Movement Strategy.	£ 250,000 (2018)	Preliminary feasibility works complete
Winchester New Sports and Leisure Park	£1,800,000 (2019)	Work nearing completion
Durngate Flood Alleviation Scheme	£ 800,000 (2019)	Scheme substantially completed.
Chilcomb Sports Pavilion	£ 135,000 (2019)	Work completed.
Bishops Waltham Southern footpath and cycle link	£ 50,000 (2020)	Linked to private development
Winchester Wayfinding signs	£ 50,000 (2020)	Work ongoing
Total Allocated	£3,593,000	
Total Spent so far	£2,364,850	

Future Priorities - Community schemes and Council Projects

- 11.8 There is approximately £6.3m of CIL collected which has not yet been allocated to specific projects, so it is timely to review how we can look at the process of funding council schemes as there are a number now emerging that

could benefit from CIL funding and will potentially require significant allocations. The community led schemes have also proved popular, with a number now in place, and this is due to finish this year so a decision is needed as to whether to provide funding for further rounds of requests in 2022/23 and beyond.

Community Scheme funding

- 11.9 The third round of the three year rolling programme, inviting bids from Parish Councils and Community groups is currently underway, for which £250,000 of funding has been agreed by Cabinet. The bidding 'window' is open until 31st March 2021. Bids will be considered for the allocation of funds by the informal panel in late spring or early summer in accordance with the agreed spending protocol with the final decision on which schemes to include in the programme being taken by Cabinet in late summer/early autumn.
- 11.10 Once the third round of bids have been considered, and remaining funds allocated later this year, there is no agreed commitment to continue the scheme next year and beyond, to allow community groups to progress projects which may be of benefit to their local and wider communities. This scheme has attracted considerable interest across the district and, although not all the projects allocated funding have progressed as planned (some delayed by Covid-19), the process has evolved over the last two years allowing refinements of the decisions made by the Cabinet, so that future certainty of deliverability will be increased. Those projects which have been completed would have been unlikely to have been able to secure funding from elsewhere, but as a consequence of gaining CIL funding, are now of benefit to the local community and wider in some cases
- 11.11 It is unlikely that many of the projects within the wider district would have benefitted from CIL funding without the community bidding programme so there is merit in continuing to set aside a proportion of CIL funding each year to allow the community bidding process to continue in 2022/23 and after. This can be reviewed yearly. The provision of local accessible facilities within communities around the district will reduce the need to travel to further afield, and is a key element of The Carbon Neutrality Action Plan for the reduction of motorised travel.
- 11.12 Consequently, it is recommended that provision is made for a further round of community led schemes in 2022/23, with a budget provision of £250,000, with the situation thereafter reviewed annually.

Future Council CIL Projects

- 11.13 Major projects which are likely to progress in the coming months and years, such as works connected to the Winchester Movement Strategy and the

Central Winchester Regeneration Project, will require significant funding to enhance the public realm and help achieve the aims of the Carbon Neutrality Action Plan. Public realm improvements and a sustainable street environment will encourage ‘active travel’ such as walking and cycling in and around the city and, with sustainable travel and transport are two of the nine key objectives of the Central Winchester Regeneration that the Supplementary Planning Document sets out.

- 11.14 The Winchester Movement Strategy links to work undertaken by Winchester Town Forum throughout 2020, which has also produced a vision for Winchester and its immediate surroundings. (Vision for Winchester) One of the approaches to future development is a desire to support sustainable transport and enhance the opportunity for safe and pleasant walking and cycling routes, as an alternative to motorised transport. This would complement the work to enhance open space and local facilities, creating new community networks and providing spaces for social interaction.
- 11.15 Although the community bids are considered for funding annually, and this is considered a generally acceptable arrangement for these types of projects, there is a growing need for council schemes to be considered for the funding allocations on a more regular systematic basis, to ensure that we are being agile and responsive to potential calls on CIL funds. This would enable infrastructure improvements to be delivered in a timely way and to assist with project and CIL budget planning. It is a more efficient way of dealing with these projects than on a more ad-hoc basis, when a need for funding has been identified, and then considered outside the annual programme.
- 11.16 A list of emerging schemes that could potentially benefit from this CIL funding are listed in Table 4 below. The report is not recommending allocation of funding at this point and these requests will need to be assessed against the spending protocol in due course.
- 11.17 It is therefore proposed that the informal panel, which generally considers bids and makes recommendations for funding to Cabinet annually, convenes more often than once per year. It is recommended that the panel meets every 4 months (or more frequently if circumstances require it) , in order that priorities and funding allocations can be considered on a regular basis throughout the financial year enabling corresponding decisions on allocation of funding by Cabinet to be taken more often, systematically, and on a planned basis . There is also a need to re-examine the criteria for the assessment of the community and WCC bids to reflect the need to address the climate change emergency, and encourage cohesive communities, which are two of the priorities which will help shape the emphasis of the emerging Local Plan and this can be achieved by up-dating the IFS which will be used to help assess schemes for potential CIL funding in line with the agreed spending protocol.

Table 4 – List of Emerging Council Schemes

Scheme	Comments	Approximate
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		value of CIL required
Winchester Movement Strategy	Further funding required to support the delivery of highway/engineering measures to improve walking and cycling routes for vulnerable road users, and encourage 'active travel' around the city, in partnership with Hampshire County Council	c£500k - £1m depending on HCC contribution to schemes
Central Winchester Regeneration Scheme	Works to support the progression of the enhancement of public realm and improved active travel connectivity of the central Winchester area with the surrounding area	c£2m
Winnall Housing Development Open Space Improvements	The enhancement of the open space around the new development, providing play and recreation space for the community. This will also link in with existing pedestrian and cycle routes in Winnall.	c£750k
Kings Barton Footpath and Cycleway	Linked to Kings Barton Development and likely to also be part funded by s106 contributions	Not yet known as s106 funding needs to be confirmed
Stockbridge Road steps link to Railway Station	Project to be progressed and mainly funded by South West Trains but with some additional CIL/HCC funding.	£50k
Hookpit Farm Lane lay-by and footpath	Highway changes and footpath improvements required in association with development.	c£60k
KGV pavilion	Provision of a new pavilion at King George V playing fields. Winchester Town Forum have already approved £250k of CIL funding in principle to support the project. (WTF295 refers)	£450k

Conclusion

- 11.18 The success of the community led programme in its first two years, and continuing interest this year, has provided an effective way for communities to benefit from the development which has taken place in their areas thereby

generating CIL income. It is therefore recommended this scheme continues for 2022/23 with a further allocation of £250,000 with an annual review therefore for future years.

- 11.19 It is also recommended that the consideration of potential council projects for CIL funding be undertaken more frequently, and in a systematic way, so every four months (or more often if required), rather than annually which is usually the case for most schemes currently, which will assist in timely allocation of funds, budget planning, and ultimately the delivery of these schemes.

12 OTHER OPTIONS CONSIDERED AND REJECTED

- 12.1 Government regulation stipulates the type of infrastructure project that CIL funding must be spent on, and that infrastructure must be provided to support the development of the area which also helps promote the acceptability of development in planning terms. Options for the allocation of CIL funding is therefore prescribed by legislation, and the CIL spending programme accords with the protocol previously approved by Cabinet (CAB3071), and therefore it is 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

CAB 3257 – Community Infrastructure Levy Spending Programme Update – 21st October 2020

WTF293 – Vision for Winchester - 28th January 2021

Other Background Documents:-

[The City of Winchester Movement Strategy](#)

APPENDICES:

Appendix A – The Infrastructure Funding Statement including The Infrastructure List