

REPORT TITLE: COMMUNITY INFRASTRUCTURE LEVY – COMMUNITY AND WINCHESTER COUNCIL PROJECTS APPROVAL

14 SEPTEMBER 2022

REPORT OF CABINET MEMBER: Councillor Jackie Porter, Cabinet Member for Place and Local Plan

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WARD(S): ALL WARDS

PURPOSE

The purpose of this report is for Cabinet to agree the new projects recommended by the panel after the close of the application process earlier this year. Furthermore to agree the Community Infrastructure funding programme for 2022/23

The community projects were the subject of bids submitted between 1<sup>st</sup> January 2022 and 31<sup>st</sup> March 2022. There are also projects which are proposed to be delivered by the council directly.

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

This paper also acknowledges the ongoing impact of the pandemic and the current cost of living crisis, which, for the purposes of CIL funded projects, is impacting on the cost of project delivery.

RECOMMENDATIONS:That Cabinet

1. Approve the updated ongoing spending programme set out in Appendix A to this report
2. Authorise the Strategic Director with responsibility for CIL, in consultation with the Section 151 Officer, to consider inflationary impacts on projects already approved and to recommend adjustments to CIL to the Cabinet Member for Place and the Local Plan.
3. In accordance with recommendation 2 above and if needed, delegate authority to the Cabinet Member for Place and the Local Plan to approve supplementary capital estimates and expenditure, via a Decision Day, to existing projects for which additional funding is required due to inflation and which in total should not exceed £500,000 in aggregate.
4. Approve the 2022/23 allocation of £226,452 from the Winchester City Council CIL income receipts set aside for community projects as detailed in Section 11.12 of this report, and approve the expenditure under Financial Procedure Rule 7.4 for the funding of eight community led projects recommended by the Informal Panel. This includes the following specific projects;
  - 4.1 Colden Common Boardwalk - £10,000
  - 4.2 Colden Common cycle/pump track - £65,000
  - 4.3 Knowle pump track - £10,000
  - 4.4 New Alresford Allotments - £25,000
  - 4.5 Shedfield pavilion - £50,000
  - 4.6 Shedfield pavilion car park and access - £21,000
  - 4.7 Wickham Recreation ground outdoor gym and access - £20,452
  - 4.8 Winchester Barton Farm Ridge Path - £25,000
5. Approve a capital budget and expenditure of £200,000 of which £150,000 is to be funded from the Winchester City Council District CIL receipts for the KGV recreation ground open space/park improvements project in Winchester. . This is subject to the approval of £50,000 from the Town CIL receipts going to the meeting of Winchester Town Forum on 15 September 2022.
6. Subject to the approval of £200,000 from the Town CIL receipts and subject to due diligence assessment and support of the of the council CIL informal panel, approve the sum of £800,000 to be funded from the Winchester City Council District CIL for the additional budget required to deliver the KGV Pavilion project as detailed in section 11.17 of this report

7. Approve the reallocation of funds for the Winchester City football club project previously approved on 15<sup>th</sup> September 2021. The sum of £200,000 had been allocated to the football club to take forward the project but will instead now become a council led project and the CIL monies reallocated to Winchester City Council, as landowner, as detailed in section 12.19 of this report.
8. Approve an allocation of £300,000 for a further round of community bids in 2023/24 as part of the ongoing programme of community projects, which will include this years' unallocated sum of £23,548, with future arrangements beyond 2023/24 to be reviewed annually.

## IMPLICATIONS:

### 1 COUNCIL PLAN OUTCOME

- 1.1 Tackling the Climate Emergency and Creating a Greener District
- 1.2 A number of the projects supported by the allocation of CIL funding, help to provide the infrastructure required to achieve the corporate priorities and outcomes within the Council Plan. CIL funding is allocated to improve local community facilities and to reduce the need for residents to travel further afield to access those types of facilities, especially in areas where there has been significant development. CIL funding is also provided to enhance public open space and support active travel, to help create a greener district and reduce carbon emissions. The criteria for the funding of schemes includes asking bidders to say how their projects contribute towards the priorities of the Council Plan and other strategic policies and strategies.
- 1.3 Homes for all
- 1.4 Much of the infrastructure allocated CIL funding is allocated to community projects in areas where new residential development is planned or is already having an impact. This helps in supporting both the existing residents and new residents to form part of the local community by providing the facilities enabling community cohesion.
- 1.5 Living Well
- 1.6 The allocation of CIL funding supports many recreational infrastructure schemes, including sports facilities, outdoor gyms and improved playground facilities and enhances open spaces and accessible footpaths. This encourages and enables greater participation in outdoor recreational and sporting activities and supports green infrastructure, allowing more residents to engage with the natural environment which helps improve health and well-being.
- 1.7 Your Services, Your Voice
- 1.8 The CIL funding set aside for community groups to make bids for funding for projects helps to ensure that local facilities are supported by the council funded by new development. Parish Councils and other community groups tend to engage with residents at a 'grass roots' level to identify and help deliver the facilities which are most important to the local community. Funding can then be directed towards facilities which may not have otherwise been provided.

### 2 FINANCIAL IMPLICATIONS

- 2.1 The Council has collected over £20m of CIL receipts since 2014 and a further £724,723 is due for collection by March 2023. This report provides a progress update with the management of CIL funds and recommends additional

support for projects totalling £1,476,452 and further detail regarding these proposals is set out in the "Supporting Information" included from section 11 below and in the appendices. A wider strategic review of the current scheme and proposals for the uncommitted amounts detailed in the table below is set out in section 11.2.

- 2.2 The table below sets out the total CIL account and illustrates the total collected to date and how it has been used. If all proposals included in this report are approved, a total of £6,032,554 remains available to support future works (not including the £724,723 still to be collected)

<b>Total CIL collected since April 2014</b>	<b>£20,288,252</b>
CIL Admin (Up to 5% of CIL collected)	£1,014,412
CIL Paid to Parish Councils (15% or 25% where Parish has a Neighbourhood Plan)	£3,127,822
CIL Paid to Hampshire County Council (to September 2018)	£1,543,012
CIL spent or committed since April 2014 (Excluding approvals in this paper)	£7,094,000
<b>Total CIL Funds currently retained by Winchester City Council for community infrastructure projects (total CIL receipts less above items)</b>	<b>£7,509,006</b>
<i>Total of all proposals recommended as part of this report (subject to approval)</i>	<i>£1,476,452</i>
<b>Total Uncommitted CIL Funds</b> (Inc. report recommendations but not including £724,723 due for collection by March 23)	<b>£6,032,554</b>

### 3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The allocation and spending of CIL funding is conducted in accordance with the protocol previously agreed by Cabinet (CAB3071) and updated by CAB3292, as well as the relevant CIL Regulations and Government Guidance.
- 3.2 Approved council schemes will be procured in accordance with the council's Contract Procedure Rules and the Public Contract Regulations 2015.
- 3.3 CIL funding is not transferred to community schemes until completed or substantially completed, to reduce the risk of funds having to be recovered if a scheme fails to be completed. CIL funding awarded to community projects often makes up less than half of the total cost of the project.

### 4 WORKFORCE IMPLICATIONS

- 4.1 Individual projects are either self-resourced by the applicant or through the council's project preparation before being presented to the Panel.
- 4.2 The CIL administration is a funded resource as highlighted in the table in section 2.1.

### 5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None directly, although CIL funding is supporting a number of council infrastructure projects and buildings and improvement of existing facilities.

### 6 CONSULTATION AND COMMUNICATION

- 6.1 Larger council led schemes which may require support with CIL funding will go through a number of stages of consultation from inception to completion, although not specifically in relation to the allocation of CIL funds.
- 6.2 The bids for CIL funding are considered by the Informal CIL Panel in accordance with the agreed protocol. Bidders complete a form available on the city council website which, for community schemes, must be submitted between January 1 and March 31 each year. This includes community bids and those made by services within the council as well as any funding bids made by the County Council.
- 6.3 The scheme is advertised via Parish Connect and on the city council website.
- 6.4 The CIL Panel includes the Cabinet Member for Place and The Local Plan and the Cabinet Member for Community and Housing and Strategic Directors.

### 7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 The projects agreed for allocation of 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 other facilities to serve local communities and reduce the need to travel.

## 8 PUBLIC SECTOR EQUALITY DUTY

- 8.1 Officers have had regard to the Council's duties under the Human Rights Act 1988, 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 The impacts of public sector equality are assessed at the project stage. Many projects for which CIL funding is allocated seek to improve the accessibility of facilities for all, and future funding priorities will endeavour to continue to provide improved facilities at both a local and wider level to enable greater community inclusion and engagement.

## 9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 The information supplied on the application form does not contain any personal information. Often only the e-mail of an organisation is included for communication purposes (or Parish Clerk e-mail) with the Parish Council or community organisation address. The application forms are not publicly available.

## 10 RISK MANAGEMENT

<b>Risk</b>	<b>Mitigation</b>	<b>Opportunities</b>
Financial Exposure Schemes allocated CIL funding exceed the amount requested.	A fixed amount of CIL is allocated to community schemes each year. Schemes are funded from within the budget unless any increase is agreed by Cabinet. Schemes are rarely fully funded using CIL. Council schemes are prioritised within budget limits in accordance with agreed protocol. CIL funding is paid at the end of a project or in tranches as significant progress is made.  Council officers are in	The CIL funding allocated to schemes often allows additional funding to be levered in from other organisations to help deliver schemes that would not otherwise be progressed.

<p>Inflationary pressures may mean the cost of schemes increase and cannot be delivered without additional funding.</p>	<p>contact with parties responsible for schemes to understand how they intend to deliver the works if costs have increased significantly. The CIL allocation can be reviewed if necessary. The council may decide to increase CIL funding to address a shortfall to allow a scheme to proceed as set out in the recommendations above.</p>	
<p>Exposure to challenge if CIL funding is not spent in a timely manner or in accordance with the CIL Regulations and Government Guidance and not used in accordance with the allocations made for each approved project</p>	<p>The allocation of schemes is assessed against agreed criteria, and schemes which benefit are also in accordance with the relevant CIL Regulations and Government Guidance applying to CIL. The progress of schemes allocated funding are monitored and, if not progressing satisfactorily, the same process used to allocate funds can be used to withdraw the funds from a scheme that has not progressed. Funds are released on completion of a scheme or in tranches once substantial and satisfactory progress has been made.</p>	
<p>Reputation Failure to deliver schemes using CIL income could damage the council's reputation.</p>	<p>The programme is monitored and reviewed regularly to ensure it is up to date and progress is being made relating to infrastructure delivery.</p>	
<p>Achievement of outcome The projects funded by</p>	<p>Community projects are delivered by outside</p>	<p>The projects which are delivered are of benefit to</p>

CIL are not delivered	organisations including the County Council and progress is monitored and reported on by the City Council. Council projects are allocated CIL once a business case has been made and agreed by Cabinet, when required, which ensures the delivery of the scheme.	their communities and can also have a wider benefit for reducing the need to travel, improving the natural environment and improving the energy efficiency of existing community facilities.
Property Assets may not have the capacity to cope with the increased pressure from new developments	CIL is allocated to improve facilities capacity to meet the increase in demand resulting from new development in accordance with the agreed protocol. Projects will not however be progressed unless adequate resources are identified	Significant improvements can be made to infrastructure which would not otherwise have been funded.
Community Support Failure to deliver schemes using CIL income from new development could harm the council's reputation with local communities particularly in areas where development is taking place	Much of the funding allocated to community facilities has been awarded in areas where development has taken place, or is planned, and many schemes have been implemented by Parish Councils who represent their local communities. (See Appendix A)	Communities across the district will benefit from CIL funding to improve the infrastructure which would not have otherwise been funded.
Timescales Projects will not be delivered within a reasonable timescale	The projects on the spending programme are regularly reviewed and reported upon annually. Any projects not showing satisfactory progress can be removed from the programme and the funding withdrawn.	
Project capacity Lack of resources could	Up to 5% of CIL income can be used to provide	

hinder the use of CIL funds to deliver much needed infrastructure	support for the collection of CIL and the allocation and spending of CIL to provide infrastructure improvements.	
The Cost of Living crisis has caused costs for capital projects to increase. There is a risk that projects that have been approved will not be delivered due to the affordability of the costs changing between application for the CIL funding being agreed and securing quotes/prices for the project	Officers are in regular contact with project owners and will monitor this risk as part of the delivery risks.  A new recommendation in this paper will provide an option to consider inflationary costs at pace using Decision Day governance to ensure transparency of any project adjustments.	Project money may be returned to the pot to be used on projects which are viable.

## 11 SUPPORTING INFORMATION:

- 11.1 The criteria for assessing the community and council bids is currently being reviewed. The review will ensure that the assessment criteria for CIL bids will more directly underpin the council's commitment to addressing the climate emergency, carbon reduction and the other objectives of the Council Plan.
- 11.2 A Strategic review of CIL funding is also underway. This review will consider the district CIL balance and forecast of funds and will align infrastructure project priorities across the district with the forecast. The emerging Local Plan could also influence future spending priorities. We will aim to bring this strategy to Cabinet by December 2022, but note there is a dependency on us receiving more information regarding the proposed reform of CIL as cited below in section 11.3.
- 11.3 Government reforms of the planning system and the proposed changes to CIL and s106 agreements have become clearer in recent months, with the proposed introduction of the Infrastructure Levy, which will replace CIL. The precise details of how the Infrastructure Levy will operate is still to be clarified and the legislative changes confirmed.
- 11.4 The Informal CIL panel has met two times in 2022/23:
- a) 6 April 2022 – this was to consider The KGV recreation ground and Barton Farm Ridge path surfacing (a bid for funding from Hampshire County Council)

- b) 13 June 2022 – this was to consider the Community Bid applications and further consideration of the KGV Pavilion.

### Community Schemes

11.5 The initial CIL allocation for community schemes agreed by Cabinet in September 2018, was £1m over a 3 year period. As the scheme has proven to be so popular, in October 2020 Cabinet approved a further £250,000 of CIL funding to allow a third round of bids to be invited. In March 2021, Cabinet agreed a further £250,000 of CIL for a fourth round of bids in 2022/23. This has brought the total amount allocated the community funding scheme to date to £1,549,000.

11.6 Table 3 Allocation of CIL to Community Schemes

Year of Allocation	Amount Allocated for Funding of Community Schemes
2018/19 and 2019/20	£1,000,000 (plus an additional top up of £49,000 agreed by Cabinet in 2019/20)
2020/21	£250,000
2021/22	£250,000
Total	£1,549,000

- 11.7 The process for the allocation of CIL funding for community schemes was agreed by Cabinet in September 2018. This process invited bids from Parish Councils and other community groups for CIL funding to progress infrastructure schemes in their area.
- 11.8 In the last year a number of community schemes supported by CIL funding have been completed, including a new kitchen at St Mark's Church Oliver's Battery, a larger upgraded kitchen at Wickham Community Centre, an upgrade and improvement of the pavilion at Colden Common Recreation Ground, new energy efficient lighting at Colden Common Tennis Club and an outdoor gym at Arlebury Park New Alresford. Of the 30 community schemes that have been allocated CIL funding, 13 have now been completed with several currently in progress. The progress of all the remaining projects is being monitored.
- 11.9 The fourth round of community bidding resulted in twelve requests for schemes to be funded, with a total value of £542,942, which, as in previous years, far exceeded the budget agreed.
- 11.10 The community bids were considered by the panel in the meeting held on 13<sup>th</sup> June 2022 and are detailed in Appendix B to this report. There were a wide

range of bids received, but many involved the improvement of sports and recreational facilities, which supports the Council Plan priority of 'Living Well'.

- 11.11 The Panel had to prioritise the allocation of funding for those projects which met at least one of the criteria in the spending protocol, and favourably recommended those which they regarded would be of most benefit and best supported the development of the area in which they were located or further afield.
- 11.12 The Informal Panel agreed to recommend the allocation of funding for seven of the twelve schemes. The bids recommended for funding were all in parishes which have been, or will in the near future, experience significant growth. These areas included Colden Common, Shedfield, Wickham and New Alresford.
- 11.13 The value of the bids recommended for funding was £201,452, which was less than the amount of CIL of £250,000 allocated to this round of funding. However, a bid made by Hampshire County Council, considered earlier in the year by the Informal Panel, for the provision of resurfacing a footpath linking Andover Road and Barton Farm Primary school, was also allocated funding from the community bid scheme. The CIL allocated to this scheme was £25,000 which brings the total amount of CIL allocated to community projects for 2022/23 to £226,452.
- 11.14 The remaining £23,548 is recommended to be rolled forward to next year and be added to the 2023/24 allocation. If Cabinet agrees to continue with the community programme, the total budget being recommended is £300,000 so there would be a net additional provision of approximately £276,000. This would represent a budget increase of 20% and is being recommended to reflect increasing costs associated with infrastructure schemes.

#### City Council Project Schemes

- 11.15 The Informal Panel also consider the funding for council schemes, which are then also recommended to Cabinet for approval. CIL funding for council schemes has helped deliver important and essential infrastructure, which often have benefits for the wider district, like the Sports and Leisure Park at Bar End, which received £1.8m of CIL funding.
- 11.16 In April 2022 the Informal Panel considered a bid for £150k for improvements to King George V (KGV) playing fields and park to encourage greater use of the facilities. The project will improve access between the adjacent Sports and Leisure Park and provide a nature trail, play art feature, seating, planting and a new perimeter path around the site with signing and information boards. This scheme will complement the plans for a new pavilion at KGV playing fields for which £450,000 of district CIL has already been allocated and agreed by Cabinet in March 2022 (CAB3341 refers).
- 11.17 The Initial tenders received for the KGV Pavilion project were higher than anticipated, due to increased global demand in the construction sector,

combined with the multiple and complex impacts of the pandemic and logistic issues, have resulted in unprecedented shortages, delays and ultimately, increased prices of materials and labour across the economy. Within the UK, complications resulting from Brexit have exacerbated this situation, affecting all aspects of trade and labour availability. The repercussions are acutely impacting the UK construction sector and their costs. A further request for funding has been received for £200,000 from Town CIL and on £800,000 for a further bid from Winchester City CIL, taking the total of the CIL requests to £450,000 Town CIL and £1,250,000 Winchester City CIL. (CAB3363 being presented to Cabinet today refers).

- 11.18 On 15<sup>th</sup> September 2021 CIL was approved by Cabinet to be allocated to Winchester City Football club for a contribution to the provision of a new 3G pitch. Following further negotiations during the project stage, the City Council has agreed to take the lead on the bid to the Football Foundation for the bid funding required to complete the pitch. It should therefore be noted that these CIL funds will not be paid to Winchester City Football club but will instead remain with Winchester City Council who will manage the funds and pay the supplier of the pitch directly at an appropriate time, subject to the bid with the Football Foundation being successful and the project progressing. Recommendation 7 above reflects the change in the way the project will be delivered.

## 12 OTHER OPTIONS CONSIDERED AND REJECTED

- 12.1 The development of a CIL spending programme accords with the protocol previously agreed by Cabinet and therefore it was not considered necessary for other options to be considered. Government changes to CIL and s106 agreements in future could require a review of how future collection of funds and spending is managed which will be undertaken once the details are known.

### BACKGROUND DOCUMENTS:-

#### Previous Committee Reports:-

CAB3071 – Community Infrastructure Levy Operational Review – 19<sup>th</sup> September 2018

CAB3194 – Community Infrastructure Levy Spending Programme – 23<sup>rd</sup> October 2019

CAB3257 – Community Infrastructure Levy Spending Programme Update -21<sup>st</sup> October 2020

CAB3282 – Community Infrastructure Levy Future Funding Priorities and Monitoring Update – 10<sup>th</sup> March 2021

CAB 3310 – Community Infrastructure Levy Spending Programme Update – 15<sup>th</sup>  
September 2021

Other Background Documents:-

None

APPENDICES:

Appendix A – Proposed CIL Spending Programme 2022/23

Appendix B – Minutes of the Informal Panel Meetings (6<sup>th</sup> April 2022 & 13<sup>th</sup> June  
2022)