

REPORT TITLE: COMMUNITY INFRASTRUCTURE LEVY SPENDING PROGRAMME

23 OCTOBER 2019

REPORT OF CABINET MEMBER: Portfolio Holder for Built Environment, Councillor Jackie Porter

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WARD(S): DISTRICT WIDE

PURPOSE

The City Council approved its Community Strategy Levy (CIL) Operational Review in September 2018 (CAB3071 refers) which put in place a revised process for the allocation of district wide CIL funds. The review introduced a new protocol for developing a rolling 3 year programme of schemes and included for the first time an annual bidding process for members, Parish Councils, community groups and other partners to submit detailed proposals for CIL funding, for infrastructure projects in their area.

A total of £1m was set aside to support this community scheme funding process between 2019 and 2022. Bids would be reviewed by an informal CIL allocations panel ("Informal Panel") in order to make recommendations to Cabinet. This report recommends those bids which the Informal Panel recommended should receive funding from the £1m CIL allocation, for approval by Cabinet as part of setting the rolling programme of schemes to be funded using CIL income.

It should be noted that this funding scheme does not include the neighbourhood portion of CIL for city area, which is managed by Winchester Town Forum, and is subject to separate spending protocol. However, it is still possible for a scheme within the town to benefit from funding from the £1m set aside for community projects using district wide CIL income.

The CIL regulations were amended in September of this year and a summary of these changes along with any implications for they way the City Council deals with CIL is attached at Appendix B.

RECOMMENDATIONS:That Cabinet:

1. Approve the rolling three year CIL spending programme set out in Appendix A to this report.
2. Approve the allocation of £635,000 from Winchester City Council CIL income receipts as set out in Section 12.4 of this report and approves its expenditure under Financial Procedure Rule 7.4. This includes the allocation of funding for the twelve community led projects recommended by the Informal Panel, subject to any conditions stipulated and included in Appendix A to this report which includes the following specific projects
 - 2.1 Abbotts Barton and Hyde Scout Group – Scout and Community Hall
 - 2.2 Colden Common Parish Church- community facility improvements
 - 2.3 Colden Common Parish Council – Footway improvements and upgrades
 - 2.4 Durley Parish Council – Crossing point near school
 - 2.5 Littleton and Harestock Parish Council- Parkour sports facility
 - 2.6 Otterbourne Parish Council – Zebra Crossing facility
 - 2.7 Shedfield Parish Council – Sports pavilion extension and refurbishment
 - 2.8 Twyford Parish Council – Extension of community car park
 - 2.9 Twyford parish Council – Footway/Cycleway upgrade
 - 2.10 Upham Parish Council – Traffic calming and gateway scheme
 - 2.11 Wickham Parish Council – Play equipment and upgrade to sports ground
 - 2.12 Havant Borough Council – Completion of missing cycle link
3. Approve bringing forward £135,000 of the CIL funded community projects budget from 2020/21 to 2019/20 to bring the total 2019/20 budget to £635,000.
4. Approve the allocation of £675,000 from Winchester City Council CIL income receipts as set out in Section 12.6 of this report. This is for the allocation of funding for the three Council-led projects recommended by the Informal Panel subject to any conditions stipulated and included in Appendix A to this report which includes the following specific projects
 - 3.1 South Downs Way and Blackpath Access Works
 - 3.2 Station Approach Public Realm Improvements
 - 3.3 Chilcomb Sports Pavilion Improvements
5. Note the Central Government revisions to the Community Infrastructure Levy Regulations 2019, as set out in Appendix B.

IMPLICATIONS:1 COUNCIL STRATEGY OUTCOME

- 1.1 The Community Infrastructure Levy (CIL) will be used to fund infrastructure investment that will contribute to all four core priorities of the Council Strategy

2 FINANCIAL IMPLICATIONS

- 2.1 The Protocol set out in CAB3071 identified a methodology for allocating CIL income to infrastructure schemes. The Council currently has collected approximately circa £10m of CIL receipts in total with a further £1.4m expected by March 2020. Of the total collected, the City Council has retained circa £6.4m, with the remaining apportioned to Parish Councils, Hampshire County Council (to September 2018) and Winchester Town Forum. To date, only a small amount of the WCC CIL collected has been spent (circa £265,000) however another circa £4.2m has been formally allocated for projects (See table 1 below). This still leaves an estimated circa £1.9m of CIL contributions currently available. £1m was allocated for the bidding process for proposals from parish councils and other bodies. If all the recommendations for the bids agreed by the panel are approved by Cabinet and therefore are incorporated into the rolling 3 year spending programme set out in Appendix A , there will be circa £380,000 remaining from the £1m which will be available for future community lead schemes in the next two financial years (2020/21 and 2021/22).
- 2.2 The CIL funded community projects budget of £1m is profiled £500,000 to 2019/20 and £250,000 in each of the two subsequent years. It is necessary therefore to reprofile £135,000 from 2020/21 to 2019/20 to fund all of the recommended community projects detailed in appendix A.

Table 1. CIL Income, commitment and funds spent, including funds transferred to Parish Councils and Hampshire County Council (to 19/9/18)

Balances correct as at 18/09/2019:

Allocation	Due	Received	Allocated	Spent WCC	Balance of Received
CIL Admin	142,968	444,177	286,202	286,202	0
Parishes	289,990	900,967	900,967	N/A	0
Town Forum	205,601	638,779	50,000	0	588,779
WCC CIL	2,030,497	6,308,523	4,160,000	267,000	1,883,523
HCC CIL	17,075	1,543,013	1,558,947	N/A	17,075

(to 19/9/18)					
TOTALS	£2,686,131	£9,835,459	£6,956,116	£553,202	N/A

NB The above figures are approximate. Parish Councils and Hampshire County Council are responsible for the allocation and spending of CIL funds transferred to them, therefore spent totals are identified as N/A above. A maximum of 5% of collected CIL can be spent on CIL admin per year. Any funding not spent on admin is not able to be rolled forward and is therefore added to the overall WCC CIL allocation.

Table 2 WCC CIL Commitments and Spending

Project	Allocated	Amount Committed	Spent
Whiteshute Ridge		£ 25,000	£ 25,000
New Road Swanmore		£ 185,000	£185,000
Jubilee Hall Bishops Waltham		£ 50,000	
Cycle/Pedestrian links Bishops Waltham		£ 50,000	
Flood Prevention Works (Durngate)		£ 178,000	£ 57,000
Flood Prevention Works (Durngate)		£ 622,000	
Winchester Sports and Leisure Park		£1,800,000	
The Dean Car Park Alresford		£ 250,000	
CIL Funded Community Programme		£ 500,000	
CIL Funded Community Programme		£ 250,000	
CIL Funded Community Programme		£ 250,000	
TOTALS		£4,160,000	£267,000

Once the existing commitments and funds already spent are taken in to account there will be approximately £1.9m of WCC CIL funds remaining unallocated at present.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The updated regulations governing CIL came in to force on 1st September 2019. The bidding process was however undertaken under the regulations in force prior to this change. The Council's Regulation 123 List ("R123 List") specifies projects or types of infrastructure that the City Council intends will be or may be partly or fully funded by CIL contributions. The R123 List also separately identifies the infrastructure for which S106 contributions may be sought, as prior to 1st September 2019 CIL contributions and payments made under S106 agreements could not overlap.
- 3.2 The R123 List is not a definitive statement of all the individual projects that might be funded by CIL. Most projects will fit in to one or other of the broad categories identified on the list, with the exception of transport projects. The R123 List therefore specifically lists those transport projects for which CIL will be used because they are unlikely to be funded from individual development proposals.
- 3.3 The Terms of Reference which sets out the remit of the Informal Panel (referred to as the CIL Allocations Advisory Panel) and the membership is attached as Appendix C

4 WORKFORCE IMPLICATIONS

- 4.1 None

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 Whilst CIL income cannot be used to fund general maintenance of existing assets, or to remedy existing problems, it may be used to increase the capacity of existing infrastructure or to repair failing infrastructure if that is necessary to support development.

6 CONSULTATION AND COMMUNICATION

- 6.1 The current priorities, protocols and R123 list were all developed in consultation with key partners. The bidding process was advertised as a news item on the City Council website in December 2018 inviting bids from parish councils and community groups. As a result, 22 bids were received, although the initial timescale for receiving bids was from January to March.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 Many of the bids agreed for infrastructure funding will have significant positive impacts on the environment including better pedestrian and cycle routes, open space improvements and investment in community facilities.

8 EQUALITY IMPACT ASSESSEMENT

8.1 None required

9 DATA PROTECTION IMPACT ASSESSMENT

9.1 None required

10 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<i>Property Assets may not have capacity to cope with increased pressure from new development</i>	CIL will be allocated to enhance capacity to meet increased demand in accordance with the agreed spending protocol.	Communities will benefit from infrastructure that would otherwise be unfunded.
<i>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 new development has taken place.</i>	Allocate CIL funds to projects using the agreed spending protocol and review the programme annually to ensure it is up-to-date with deliverable schemes.	Provide funding for community lead schemes which would otherwise be unfunded.
<i>Timescales Projects will not be delivered within a reasonable timescale</i>	CIL spending programme will be reviewed and updated annually.	
<i>Project capacity Lack of resources could hinder use of CIL funds to deliver much needed infrastructure.</i>	Use up to 5% of CIL income to provide administrative support for CIL collection and implementation.	
<i>Financial / VfM Schemes coming forward for funding exceed CIL income.</i>	The assessment process will prioritise schemes within budget limits in accordance with the agreed spending protocol.	Council could decide to increase provision to support 'bid' process for community lead schemes as additional CIL funds are collected.
<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 agreed allocations and implementation of schemes will be monitored.	
<i>Innovation N/A</i>		
<i>Reputation Failure to deliver schemes using CIL income from new development could harm the Council's reputation.</i>	Allocate CIL funds to projects using the agreed spending protocol and review the programme annually to ensure it is up-to-date with deliverable schemes.	
<i>Other N/A</i>		

11 SUPPORTING INFORMATION:

11.1 Background

The City Council introduced the Community Infrastructure Levy in April 2014, and since that date approximately £10.5m has been collected with about £6.4m retained by the City Council (district wide CIL funds), which can be used to provide infrastructure required to support the growth planned in the Council's Local Plans. A further £1.4m is due to be collected. The City Council has produced and subsequently updated a R123 List that outlines the specific infrastructure and broader schemes, for which CIL funding may be allocated. Currently CIL funding is apportioned the in the following way;

- Up to 5% of CIL receipts can be used to cover administrative costs (this covers the cost of a CIL officer for the collection of funds and an implementation officer for distribution and monitoring of CIL)
- 15% of CIL from qualifying development is allocated to the relevant parish council (25% in the case of Denmead because it has an approved neighbourhood plan)
- 15% of CIL from qualifying development in Winchester itself to the Winchester Town Account for expenditure on infrastructure projects in the Winchester Town area, in accordance with their agreed spending protocol. This is the neighbourhood portion for the town area.
- The remaining CIL receipts are used for both the delivery of priority infrastructure projects by the City Council, including the commitment of £1.8m to the new sports and leisure park, £800,000 to the Durngate Flood Alleviation scheme and the allocation of £1m by the Council on behalf of the community for investment into infrastructure for the wider District. There is a separate CIL administration process for the area of

the district within the South Downs National Park. The proposed programme of infrastructure projects is included at Appendix A.

- 11.2 The City Council's proportion of CIL funds must be spent on the provision, improvement, replacement, operation or maintenance of infrastructure needed to support the development of the area. It is intended to focus of the provision of new infrastructure and should not be used to remedy pre-existing deficiencies, unless they will be made more severe by new development.

12 Summary of the Bidding Process

- 12.1 One of the recommendations in CAB3071 agreed by Cabinet in September 2018, was to allocate £1m of District CIL receipts to fund community lead proposals of between £10,000 and £200,000 over the next three years. This was open to all, (members, parish councils, community groups etc.) and they were able to submit requests for funding between January and March this year, and for the following year up to 2022. Bids would be considered by an informal panel consisting of the Portfolio Holder for Built Environment, Strategic Director (Services) Strategic Director (Resources) and Strategic Director (Place). The panel would review the bids and make recommendations to Cabinet for formal approval based on the protocol agreed (CAB3071) which identified criteria for prioritising the allocation of district wide CIL income. It was also proposed that bids for schemes promoted by the City Council itself along with other partners, like Hampshire County Council, could be assessed using the same criteria by the panel. These would not be funded from the £1m set aside for community based projects, and were not subject to a limit of £200,000, but had to meet the same criteria as the bids received from the parishes and other community groups. .
- 12.2 The criteria used to evaluate bids were agreed in CAB3071, and is set out in table 1 below.

Criteria (Projects to meet at least one of the following criteria)	Yes/No
Proposal contributes to the delivery of infrastructure schemes and requirements set out in the adopted Winchester District Local Plans (Parts 1 and 2) Council strategy or supporting strategies	
Proposal contributes to the delivery of key development sites in the District.	
Proposal is included in the R123 list	
Proposal is included in the Infrastructure Delivery Plan	
Proposal contributes towards the delivery of infrastructure by a provider (including the County Council) where it can be	

satisfactorily demonstrated that the infrastructure would not otherwise be delivered i.e. that other possible funding sources are insufficient.	
Proposal levers in other funds that would not otherwise be available e.g. needed to match or draw grant funding	
Proposal offers wider as well as local benefits	
Proposal addresses a specific impact of new development beyond that which has been secured through a s106 Obligation or a s278 Agreement	

- 12.3 In total, 22 external “neighbourhood-led” bids for CIL funding were received, and subsequently considered by the Informal Panel along with four internal “Council-led” bids. The meeting was held on 14th August 2019 and the minutes are attached as Appendix D
- 12.4 The bids were considered against the criteria and discussed by the Informal Panel with advice from the Corporate Head of Regulatory, and the Service Lead for Legal. Of the 22 community bids, 12 were recommended for funding (some with conditions attached), subject to Cabinet approval, which would require total funding of £635,000. Due to the requirement for further information it was agreed to defer one bid to the next round of bidding which will open in January 2020. Nine bids were not agreed for funding for various reasons which are recorded in the minutes of the meeting attached at Appendix D.
- 12.5 A range of schemes throughout the District were recommended for funding, which had wider as well as local benefits, including highway schemes and recreational facilities. The highway schemes recommended for funding included footway/cycleway improvements, pedestrian crossings, traffic calming and village gateways. The recreational facilities recommended for funding included extensions and improvements to existing community buildings, play equipment and allocations towards new community buildings. The schemes were spread geographically from Wickham to Littleton and included Durley, Colden Common, Shedfield, Twyford and Otterbourne.
- 12.6 Of the four bids submitted by the City Council, three were recommended for funding by the panel with preliminary agreement for one bid (Appendix A) The three recommended bids include the improvement of the footpath link between South Downs Way and Blackpath, public realm access improvements from the train station to the city centre and the refurbishment and enhancement of the pavilion and facilities at Chilcomb Sports Ground. These three projects would require funding of £675,000 from the remaining CIL funding. The timescale for some of the Council-led projects considered by the Informal Panel are quite lengthy and it is anticipated that further CIL funding would have been collected by the time all the funding is required.

13 Conclusion

- 13.1 The allocation and monitoring of CIL is an evolving process and the recent Government changes to the legislation will have an impact on the way the allocation of funds is monitored and reported going forwards. The process of allocation must therefore be consistent and transparent. The bids submitted have been carefully appraised by the Informal Panel against the criteria which was agreed and adopted to support the allocation of CIL funds and to prioritise spending, as part of a three year programme of schemes. If approved by Cabinet, £635,000 of the £1m allocated for the Parish bids, would be committed to those schemes identified for approval by the Informal Panel. This would allow £365,000 to be rolled forward to the next round of bidding which would take place between January and March 2020. The Council-led bids recommended for approval by the panel would require £675,000 to be allocated from the remaining WCC CIL funds.

14 OTHER OPTIONS CONSIDERED AND REJECTED

- 14.1 The bidding process and subsequent consideration of the bids by the Informal Panel were previously agreed by Cabinet. As the purpose of this report is to seek approval from Cabinet for the recommendations made by the Informal Panel, it was not necessary for other options to be considered. This forms part of the process for agreeing a 3 year programme of CIL funding for infrastructure schemes.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB3071 - Community Infrastructure - Operational Review dated 19th September 2018

Other Background Documents:-

None

APPENDICES:

- A. Community Infrastructure Levy Scheme Programme
- B. Summary of Revised Community Infrastructure Regulations (2019)
- C. Legal Terms of Reference
- D. Minutes of the Informal Panel Meeting