

REPORT TO	DATE OF MEETING
Cabinet	4 th September 2013

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SUBJECT	PORTFOLIO	AUTHOR	ITEM
Community Infrastructure Levy (CIL)	Planning and Housing	John Dalton	12

1. SUMMARY AND LINK TO CORPORATE PRIORITIES

Members will be aware that following receipt of the CIL Examiners report in July, Council adopted the CIL Charging Schedule on 24th July with charging of the levy to commence from 1st September. The purpose of this report is to propose a way forward for governance and the delivery of actual schemes.

This document complies with the Council's Corporate Priorities to achieve a clean, green and safe borough, a strong South Ribble in the heart of a prosperous Central Lancashire and strong and healthy communities.

2. RECOMMENDATIONS

(i) That the Cabinet recommend to Council that:

- (a) a revised composite 123 List of schemes to be funded through CIL be prepared for consultation as per the statutory requirements
- (b) a further report be presented to Council to agree the revised composite 123 List

(ii) That the Cabinet agree that:

Following on from Council approval for a revised composite 123 List that it should agree an annual programme and 3 year rolling programme for scheme delivery.

3. DETAILS AND REASONING

Background

As Members are aware, the Council adopted a CIL Charging Schedule on 24 July 2013 with a commencement date of 1 September 2013. The next step is to consider the governance arrangements to ensure the delivery of schemes on the ground.

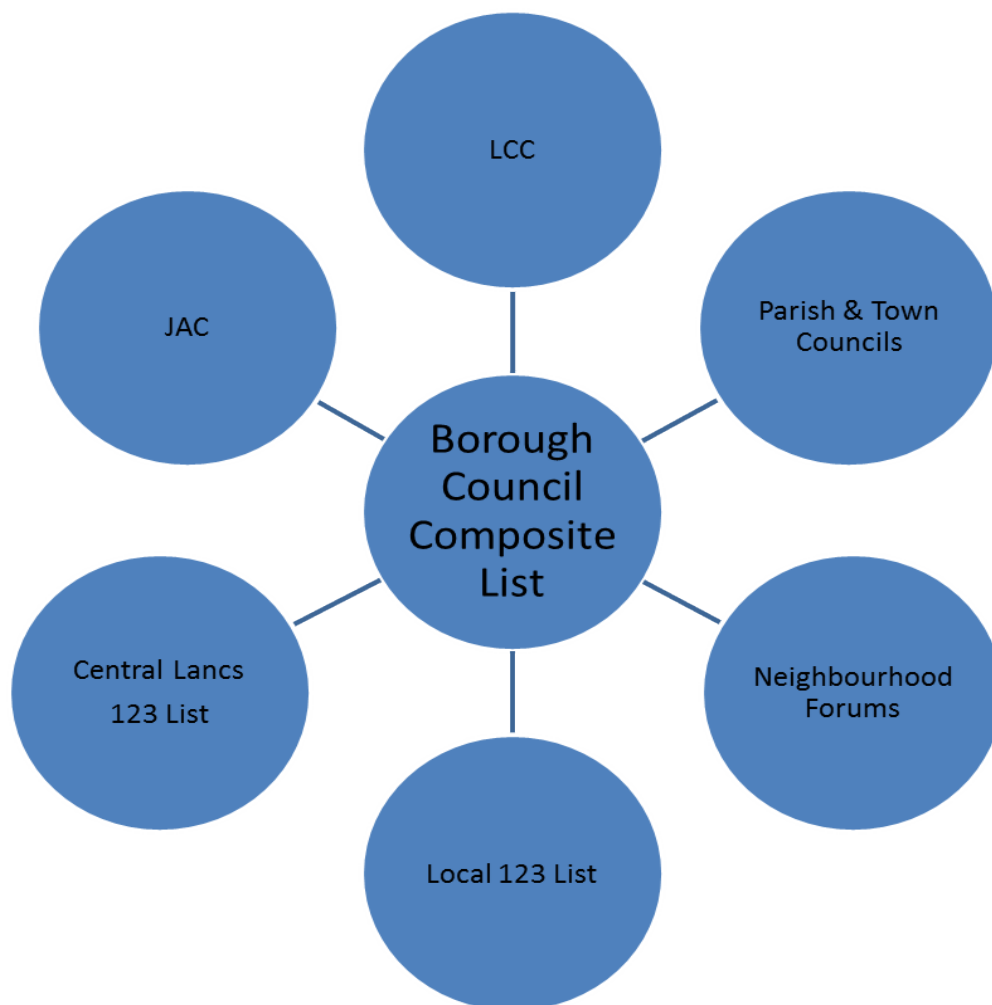
There are 2 key areas to consider:

1. maintaining an up-to-date list of schemes (123 List); and
2. producing an agreed list of schemes prioritised from the 123 List with a programme for annual implementation.

Members will recall that a List of schemes to be funded from CIL formed part of the evidence base for the Examination by an Inspector into the CIL Charging Schedule. This list contained the major infrastructure requirements for Central Lancashire and although some more local infrastructure was included this aspect was not researched in great detail, because the purpose of the 123 List

was to demonstrate to the Inspector that the CIL Charging Schedule was reasonable. This was achieved as it was shown that the infrastructure requirements significantly outstripped the likely CIL funding. From various discussions, not least those surrounding the City Deal submission, it has become apparent that the 123 List needs to be developed to include more local infrastructure requirements. Whilst it is accepted that there is a need to make provision in particular for major highway improvements there is an equal need to mitigate the impact of new development more locally.

As can be seen from the diagram below, there are a number of sources of relevant information regarding potential schemes and it is the role of the Council to both assemble a list of schemes and to keep such a list up-to-date.



The first issue to address is the mechanism for seeking and collating schemes. As is mentioned earlier there is already a 123 List for major projects, and as part of the City Deal work a draft 123 List of more local schemes has been prepared. This list was based on information from the Site Allocations DPD as well as from Neighbourhood Plans and up to date feedback from the Area Forums.

It is recommended that the 123 Major projects list and the local 123 list are combined and then a process of consultation is begun that seeks endorsement of the list from LCC, Parish and Town Councils and the Area Forums. This would then form an annual process that incrementally provides an updated composite list of all infrastructure requirements from CIL funds.

The creation of such a Composite 123 List would also require a period of wider public consultation for a 6 week period in accordance with the statutory requirements.

The Central Lancashire Joint Advisory Committee remains as a vehicle for co-ordinating schemes across Central Lancashire and will input into the Composite 123 List but also feeding through into the scheme prioritisation process described below.

The second issue to address is the process for a co-ordinated approach between the different Councils to deliver the actual schemes.

In the first instance as is noted above, the schemes on any 123 List will outstrip the CIL funds. Therefore it is important to prioritise an annual programme from the Composite 123 List. In a similar way to how the Borough Council's capital programme is put together a rolling 3 year outlook would be required. This outlook would then allow for preparatory work to be started with a view to schemes being subsequently delivered. To ensure that schemes to be delivered by the different Councils are co-ordinated and planned together it is essential for the Scheme Programme to be formally agreed by the respective parties. It is suggested that this be an annual process, subject to an annual report to Cabinet, which would mirror the budget process, with decisions on a programme being made in order for implementation at the start of the ensuing financial year. The suggested annual programme would need to be carefully developed with consideration of the risk to be taken of scheme costs measured against funds held.

This approach of an annual programme with a rolling 3 year outlook enables schemes to be considered on an individual basis rather than blanket proportions for distribution between the respective councils being established. The 3 year outlook should provide sufficient comfort for the County Council that funds will be released for the major projects particularly those running over more than one financial year

It would be the role of the Council to agree a Composite 123 List. It is recommended that in respect of the annual programme and 3 year outlook that Cabinet should be the overarching co-ordinating and decision making body.

Members will be aware that there is a statutory requirement put on the Borough Council to release funding (currently 15%) to Parish and Town Councils where development is taking place for them to spend on local projects. In un-parished areas, it is clearly important to ensure that these areas also receive funds for such projects. Both the contributions to the County Council and un-parished areas remain in the Borough Council's control as Charging Authority. The starting point for discussion with the respective councils and forums to ensure the coordination of funds and consensus on priorities would clearly be the draft Composite 123 List prepared by the Borough Council.

City Deal

The approach of a composite 123 List is to a degree replicated in the City Deal model. The City Deal model establishes the principle of agreement with the County Council for individual projects of major infrastructure by committing 50% of the related CIL funding to the projects. The major difference is that the annual programme approach risk analysis is to a degree superseded as the County Council has undertaken to implement the infrastructure without there being a guarantee of CIL funds being available.

Other Matters

The Council is required to report annually and publish on the website the amount of CIL received, what it was spent on, the cost of administration and the balance remaining. Up to 5% of CIL received annually can be spent on administration of the adoption and collection process. Other CIL charging authorities have utilised this money to fund staff resources. As it becomes clearer about

the scale of work involved, this may be an option that the Council would wish to pursue and would be reported to Cabinet.

Conclusion

The Cabinet is asked to recommend to Council that a draft Composite 123 List be prepared and that this be the subject of consultation with the County, Parish and Town Councils and Area Forums to gain an agreement on an annual programme of schemes to be implemented. The annual programme with a three year rolling outlook would be prepared for annual Cabinet approval modelled on the current Borough Council approach to the capital programme.

4. WIDER IMPLICATIONS

In the preparation of this report, consideration has been given to the impact of its proposals in all the areas listed below, and the table shows any implications in respect of each of these. The risk assessment which has been carried out forms part of the background papers to the report.

FINANCIAL	<p>The Community Infrastructure Levy (CIL) is a new charge and the income generated will be used to contribute to the costs of providing the infrastructure to support development of the area. The rates charged are set out in the adopted Charging Schedule, with charging commencing from 1 September 2013.</p> <p>A proportion of the income generated is required to be given over to Parish and Town Councils. The systems to ensure that this obligation is fulfilled will be put in place as part of the adoption process.</p>
LEGAL	<p>The Council has taken into account all relevant legislation and guidance in adopting the provisions, charging requirements and governance arrangements of CIL.</p>
RISK	<p>The annual 3 year rolling programme of schemes would need to consider the risk to be taken of inadequate CIL monies being received to fund the projects proposed.</p>

OTHER (see below)	
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<i>Asset Management</i>	<i>Corporate Plans and Policies</i>	<i>Crime and Disorder</i>	<i>Efficiency Savings/Value for Money</i>
<i>Equality, Diversity and Community Cohesion</i>	<i>Freedom of Information/ Data Protection</i>	<i>Health and Safety</i>	<i>Health Inequalities</i>
<i>Human Rights Act 1998</i>	<i>Implementing Electronic Government</i>	<i>Staffing, Training and Development</i>	<i>Sustainability</i>

BACKGROUND DOCUMENTS

Central Lancashire draft Regulation 123 List

Central Lancashire CIL Charging Schedule - Approved July 2013