

Bath & North East Somerset Council

MEETING	Planning, Housing & Economic Development Policy Development & Scrutiny Panel	
MEETING DATE:	10th January 2017	EXECUTIVE FORWARD PLAN REFERENCE:
		E2882
TITLE:	Allocations of Community Infrastructure Levy Funds for 2017/18	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Attachment 1: Regulation 123 List		

1 THE ISSUE

1.1 This report sets out the spend allocation for the CIL income received to date.

2 RECOMMENDATION

2.1 The Panel is asked to consider the proposals for the allocations of Community Infrastructure Levy Funds for 2017/18 as set out in para 5 below.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

3.1 CIL is effectively a tax on development at rates set by the Council, the income from which must be spent on infrastructure.

3.2 Of the CIL income, 15% in a local area is handed to Town and Parish Councils where the income has arisen. This rises to 25% in those areas with an adopted Neighbourhood Plan. Parish or Town Councils without NDP is capped at £100 per council tax property in the Parish or Town Council. This local portion of CIL income must be spent within 5 years to "support development in their area". In unparished areas (ie Bath), the District Council remains responsible for the spend but in making a decision, it must consult the local community. It is subject to the same expenditure restrictions that apply to Parish and Town Councils.

3.3 Upon receipt of CIL and after deduction of the 5% administration allowance, local proportion is transferred to Parish or Town Councils every 6 months. The remaining 'strategic' proportion of the CIL receipt is credited to a B&NES CIL Strategic Reserve in the B&NES balance sheet

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 The CIL Charging Schedule must comply with relevant legislation, and the National Planning Policy Framework (2012). The Planning Act 2008 (Part 11) made provision for the introduction of the CIL. Regulations governing the preparation and operation of CIL Charging Schedule were first introduced in April 2010, and have subsequently been amended in 2011, 2012, 2013 and 2015.

5 THE REPORT

- 5.1 The Community Infrastructure Levy (CIL) came into effect in B&NES on 6 April 2015 following adoption of the CIL Charging Schedule by Council on 17 February 2015. CIL largely replaces s.106 contributions as developer-provided funding for infrastructure projects. Only Affordable Housing and site-specific schemes are now covered by s.106 obligations. Education, highways and other strategic schemes are to be funded by CIL.

CIL RECEIPTS

- 5.2 CIL becomes payable when development commences on site. CIL is calculated by multiplying the net internal area of development by the appropriate rate in the Charging Schedule. CIL is subject to a number of exemptions and large amounts are normally paid in three instalments (one in the financial year of commencement and the other two in the second financial year). If a development is subdivided in phases, CIL is payable for each phase as if it was a separate development. CIL is a tax and non-payment can lead to loss of the instalment facility, surcharges or a criminal conviction.
- 5.3 Because of this, the timing of CIL receipts is difficult to ascertain with accuracy, especially when looking at the medium and long-term. The table below shows the latest schedule of CIL receipts, comprising amounts received and receivable from 2015/16 to 2019/20:

CIL received and receivable (based on projections at December 2016)

	For strategic infrastructure £	For local infrastructure £	For administration £	TOTAL £
2015/16 (actual)	72,434	13,581	4,527	90,542
2016/17 (forecast)	850,000	159,000	53,000	1,062,000
2017/18 (forecast)	1,430,400	268,200	89,400	1,788,000
2018/19 (forecast)	1,522,400	285,450	95,150	1,903,000
2019/20 (forecast)	2,281,600	427,800	142,600	2,852,000
Total	6,189,234	1,160,481	386,827	7,736,542

- 5.4 At the time of writing a total of £482,000 CIL has been received for 2016/17 and demand notices have been issued for a further £582,000, representing a total of £1,064,000 CIL already secured for 2016/17. Taking Strategic CIL to be 80% of total CIL, the around £850,000 of Strategic CIL in 2016/17 which, added to the £72,000 Strategic CIL received in 2015/16, means that the Council has

forecasted £922,000 of Strategic CIL at its disposal if all developments commences.

- 5.5 The CIL forecasts are based on housing projections at April 2016 set out in the Councils Strategic Housing Land Availability survey (SHLAA). It must be recognised, however, that these forecasts may change as they entirely depend on the timing of developments.
- 5.6 The primary determinant of how CIL is spent is the Council’s Infrastructure Delivery Plan (IDP). This plan identifies the essential infrastructure needed to support the Council’s growth proposals. This relates to infrastructure proved both by B&NES and other providers. It also enables a co-ordinated approach to be taken with decisions on the Capital Programme. Drawing from the IDP and Capital programme, the proposed CIL spend allocations are set out in Table 2 below.

Table 2 Proposed CIL spend allocations 2017/18

Bath flood mitigation: Flood mitigation to enable the development of Bath Quays North	£200,000
Bath Leisure Centre: improvements.	£200,000
Education: A number of education schemes for new or expansion of existing schools and provision for Early Years learning require CIL funding between 2017/18 and 2019/20 eg including St Nicholas School in Radstock, Ubley Primary School. The precise funding requirements are being refined but in light of the reliance of new development on the provision of educational requirements, it is recommended that a proportion of CIL income is routinely set aside for financing priority education schemes.	£450,000
Highway schemes in North East Somerset	£70,000
TOTAL	£920,000

BATH LOCAL SPEND

- 5.7 If there is no Parish, Town or Community Council such as in the City of Bath, the charging authority retains the levy but should engage with the communities where development has taken place and agree with them how best to spend the neighbourhood funding.
- 5.8 In July 2015, Council established the Bath City Forum as an “advisory and consultative body” without delegated funding or decision-making powers. However, it specifically included within its Terms of Reference “assisting and advising the Council on issues specific to the City, such as how best to spend that portion of CIL receipts which are used to address local priorities”. The Bath City Forum established a Task and Finish Group to develop an engagement framework for the local portion of CIL expenditure in the City. The process was agreed by the Bath City Forum at its meeting of 26 April 2016 and is summarised below:

- (1) Developments within Bath generating CIL identified
- (2) Bath City Forum CIL Standing Panel to be convened, comprising Forum members those local elected members appropriate to the neighbourhood portion of CIL under discussion
- (3) Panel undertakes appropriate local engagement, including assessing local priorities, the demands of the development and other potential funding sources
- (4) Panel makes recommendations to Bath City Forum on disbursement of these local CIL funds
- (5) As the Forum has no powers, the Forum's recommendations are determined by the Cabinet along with the rest of CIL spend decisions.

5.9 The Forum agreed to recommend that this process be adopted and that the Council's scheme of delegation be updated to reflect this. The Forum also requested that regular updates be made to the Forum on the progress of disbursement of CIL moneys in Bath.

6 RATIONALE

6.1 The decisions on CIL spend are based on the Infrastructure Delivery Plan and the Capital programme in order to support the Council's growth plans already agreed in the Core Strategy.

7 OTHER OPTIONS CONSIDERED

7.1 The Council has discretion over how and where CIL income is spent. However, because CIL largely replaces S.106 income, it is important to seek to relate CIL spend to support infrastructure in those areas are most affected by development

8 CONSULTATION

8.1 The Development Co-ordination Group, Divisional Directors' Group, Strategic Management Team, various Council services, the monitoring Officer, and section 151 officer

9 RISK MANAGEMENT

9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

Contact person	<i>Simon de Beer 01225 477616</i>
Background papers	<i>National Planning Policy Framework</i> <i>B&NES CIL Charging Schedule</i> <i>B&NES Core Strategy</i> <i>B&NES Infrastructure Delivery Plan</i>
Please contact the report author if you need to access this report in an alternative format	

ATTACHMENT 1 – REGULATION 123 LIST

Bath and North East Somerset Council Community Infrastructure Levy
Infrastructure List (Regulation 123 list) April 2015

The following comprises Bath & North East Somerset Council's Draft Infrastructure List (Regulation 123 list), which includes the infrastructure that the Council may apply CIL revenues to.

Infrastructure List (Regulation 123 list)

- Strategic Transport Infrastructure including cycling and walking infrastructure, and public transport (excluding development specific mitigation works on, or directly related to, a development site)
- Green infrastructure to deliver the requirements set out in the Green Infrastructure Strategy, including specific green space requirements identified in the Green Space strategy (excluding on site provisions)
- The Early Years provision set out in the Childcare Sufficiency Assessment (Except for the Whitchurch Strategic Site and Bath Western Riverside Charging Zone proposal)
- School Schemes set out in the Schools Organisation Plan (Except primary schools and places required by strategic site and the Bath Western Riverside Charging Zone proposals)
- Social Infrastructure, including social and community facilities, sports, recreational, play infrastructure and youth provision, and cultural facilities (excluding on site provisions)
- Strategic Energy Infrastructure (excluding on site provisions)
- Health and Well-being Infrastructure (excluding on site provisions)
- Strategic Waste Facilities
- Strategic Flood Risk Management Infrastructure (excluding on site provisions)