

**COMMUNITY INFRASTRUCTURE LEVY UPDATE AND PROPOSED CHANGES**

Committee: Council

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[U97]

1.0 **ISSUE**

1.1 To note recent changes to the Community Infrastructure Levy Regulations and to consider new governance arrangements and amendments to the Infrastructure List (formerly referred to as the Regulation 123 List).

2.0 **RECOMMENDATION**

2.1 Members are requested to:

- i) Note the update provided on the changes to the Community Infrastructure Levy Regulations which came in to force on 1 September 2019;
- ii) Approve the Infrastructure List as set out in Appendix 1;
- iii) Approve the draft Governance Arrangements as set out in Appendix 2; and
- iv) Authorise the Deputy Monitoring Officer to make the necessary changes to the Council's Constitution

3.0 **BACKGROUND/OPTIONS**

**Update on changes to the Regulations**

3.1 The Community Infrastructure Levy (CIL) Regulations have been amended and came into force on 1 September 2019. The amended Regulations make a number of changes to the operation of CIL and Section 106 planning obligations. The impact of the changes specifically relevant to the Council are:

- Removing the restriction on the number of Section 106 planning obligations that can be used to fund a single piece of infrastructure; and
- Introducing new reporting requirements through Infrastructure Funding Statements (from December 2020).

3.2 The latest amendment to the Regulations removes the previous restriction on pooling more than 5 Section 106 planning obligations towards a single piece of infrastructure. This means that, subject to meeting the 3 tests set out in CIL Regulation 122, the Council can use funds from both CIL and Section 106 planning obligations to pay for the same piece of infrastructure regardless of

how many Section 106 planning obligations have already contributed towards a single item of infrastructure.

- 3.3 The Council should ensure that the combined total impact from CIL and Section 106 planning obligations does not undermine the deliverability of the plan. In the coming weeks and months Officers will work proactively with stakeholders to explore the opportunities available as a result of these amendments.
- 3.4 A further amendment to the Regulations requires the Council to produce Annual Infrastructure Funding Statements. The Council must publish (on its website) a document which contains the following:
- A statement of the infrastructure projects or types of infrastructure which the Council intends will be, or may be, wholly or partly funded by CIL. This is referred to as the 'Infrastructure List',
  - A report about CIL in relation to the previous financial year which includes matters specified in paragraph 1 of Schedule 2 of the Regulations. This is referred to as the 'CIL Report', and
  - A report about planning obligations, in relation to the reported year, which includes matters specified in paragraph 3 of Schedule 2 of the Regulations. This is referred to as the 'Section 106 Report'.
- 3.5 The first Annual Infrastructure Funding Statement must be published by 31 December 2020. Work is already underway to ensure the system can accommodate the new reporting requirements. The Council will ensure that the new reporting arrangements are in place from 1 April 2020 as this will make reporting on financial years easier.

### **Changes to the Infrastructure List**

- 3.6 On 24 April 2019 (Agenda Item 5) Planning Committee recommended including projects to the Infrastructure List (formerly R123 List). This recommendation arises from the application for a development of 500 dwellings at Kennett. The infrastructure proposed for inclusion on the Infrastructure List is as follows:
- Soham Village College with a financial allocation not exceeding 50.13% of the total CIL receipt arising from the Kennett development (currently £2,757,000),
  - Libraries (serving the Kennett development) with a financial allocation not exceeding 0.80% of the total CIL receipt arising from the Kennett development (currently £44,150),
  - Traffic Calming (serving the Kennett development) with a financial allocation not exceeding 4.09% of the total CIL receipt arising from the Kennett development (currently £225,000),
  - B1056 Crossroads with a financial allocation not exceeding 4% of the total CIL receipt arising from the Kennett development (currently £220,000), and

- Village Green (serving the Kennett development) with a financial allocation not exceeding 15.64% of the total CIL receipt arising from the Kennett development (currently £860,000).

## Changes to governance

### Current arrangements

3.7 There are two sets of governance arrangements in place; where the CIL receipt from a single development is less than £1,000,000 and where the CIL receipt from a single development exceeds £1,000,000.

3.8 The following table identifies how CIL has been allocated/spent:

<b>Project</b>	<b>Allocated</b>	<b>Spent</b>
District Leisure Centre	£4,242,591.21	£2,894,070.60
Ely Southern Bypass	£1,000,000	£714,442.82
Littleport Schools	£5,020,000	£734,442.82
Ely Commuter Car Park	£500,000	£500,000
Littleport Station Car Park	£400,000	£400,000
Burwell Recreation Ground	£295,000	£295,000
Sutton GP Expansion	£56,621.63	£0
Ely Museum	£165,000	£165,000
The Mill Project Soham (VIVA)	£280,000	£280,000

3.9 The adopted arrangements provide for two categories; Major Projects, which are projects with a value range of £50,000 and £2,000,000, and Strategic Projects, which are projects with a value exceeding £2,000,000. CIL income is then apportioned on receipt; 5% admin, 15% meaningful proportion (25% where a Neighbourhood Plan is made), 25% Major and 55% Strategic.

3.10 All Major project allocations are determined by the relevant committee and the Strategic project allocations are prescribed for apportionment as follows:

<b>Project</b>	<b>Percentage of Strategic Income</b>
District Leisure Centre	40%
Littleport Schools (max £1,556,144)	25%
Ely Southern Bypass (max £1,000,000)	25%
Other (allocation to be determined by the relevant committee)	10%

3.11 In addition to these arrangements there are special arrangements in place for income received from the North Ely developments. Over the lifetime of the development the CIL receipts will be approximately £10.25 million. The table below identifies how the income is apportioned:

<b>Project</b>	<b>Allocation</b>
Children's Centre	£79,083
Littleport Schools	£3,463,856
Health	£1,813,786
District Leisure Centre	£2,500,000
Country Park	£622,868
Meaningful Proportion	£1,531,012
Admin	£234,832

£2,503,301 has been received to date. £375,495.15 has been transferred to City of Ely Council for the Meaningful Proportion and £2,127,805.85 has been allocated to the District Leisure Centre (reflected in the table at 3.8).

- 3.12 The proposals outlined below recognise all previous decisions and commitments.

### **Proposed changes**

- 3.13 Officers have identified that CIL income continues to rise year on year, and is becoming more certain as the development industry adapts to the different charging mechanism and on that basis there is a need to revise the current arrangements to provide more certainty, for funding to projects, to our stakeholders and provide more structure to how projects are funded.

#### **3.14 District Leisure Centre**

The maximum that can be funded from CIL is £11,500,000. To date CIL commitment is £4,242,591.21 (spent £2,894,070.60 with £1,348,520.61 held for transfer at year end). It is proposed that 20% of all CIL receipts are allocated to the District Leisure Centre up to a maximum of £7,257,408.

#### **3.15 Littleport Schools**

The maximum that can be funded from CIL is £5,020,000. To date CIL commitment is £1,185,490.85 (spent £734,442.82 with £451,048.03 held for transfer to Cambridgeshire County Council). It is proposed that 10% of all CIL receipts are allocated to Littleport Schools up to a maximum of £3,834,509.15.

#### **3.16 Ely Southern Bypass**

The maximum that can be funded from CIL is £1,000,000 (spent £714,442.82 with £285,557.18 held for transfer to Cambridgeshire County Council). It is proposed that once the held balance is transferred to Cambridgeshire County Council Ely Southern Bypass is removed from the Infrastructure List as the Council will have fully met its obligations.

### 3.17 **Children’s Centre (serving North Ely development)**

It is proposed that 1% of all CIL receipts are allocated to the Children’s Centre (serving North Ely development) up to a maximum of £79,083.

### 3.18 **Health (serving North Ely development)**

It is proposed that 10% of all CIL receipts are allocated to Health (serving North Ely development) up to a maximum of £1,813,786.

### 3.19 **Ely Country Park Expansion**

It is proposed that 5% of all CIL receipts are allocated to the Ely Country Park Expansion up to a maximum of £1,000,000.

### 3.20 **Meaningful Proportion**

15% (25% where a Neighbourhood Plan is made) of all CIL receipts are allocated in accordance with the Regulations. Where there is a made Neighbourhood Plan the ‘Other’ allocation will reduce by 10%.

### 3.21 **Administration**

It is proposed that 2.5% of all CIL receipts will be allocated for the monitoring and administration of CIL.

### 3.22 **Other**

It is proposed that 36.5% (26.5% where a Neighbourhood Plan is made) of all CIL receipts is set aside to benefit other projects on the Infrastructure List.

3.23 To put this into context; the current value of outstanding invoices is £4,789,441.02. If the proposed changes are approved this income would be apportioned as follows:

<b>Project</b>	<b>Allocations</b>
District Leisure Centre	£957,888.20
Littleport Schools	£478,944.10
Children’s Centre	£47,894.41
Health	£478,944.10
Country Park	£239,472.05
Meaningful Proportion	£718,416.15
Admin	£239,472.05
Other	£1,748,145.97

3.24 Under the current arrangements there is £631,687.19 unallocated in ‘Other’ Strategic Projects and £545,179.92 is unallocated in Major Projects. It is proposed that these receipts are moved to ‘Other’ in the proposed

arrangements. Using the indicative table at 3.23 above this would increase 'Other' from £1,748,145.97 to £2,925,013.08.

3.25 Where projects have a % allocation and have been completed, the allocation will benefit the 'Other' projects.

#### 4.0 ARGUMENTS/CONCLUSIONS

4.1 The proposals identified in 3.6 of this report follow recommendations made by Planning Committee, follow the approach taken with the North Ely development and are in accordance with the current and proposed governance arrangements. For these reasons Members are recommended to approve the inclusion of these projects in the Infrastructure List as provided at Appendix 1.

4.2 The proposals to revise the governance arrangements provide more certainty and structure to how projects on the Infrastructure List are being funded. It is requested that delegated authority be given to the Director Commercial, in consultation with the Leader of Council, to distribute CIL receipts in the following manner:

- 20% of all CIL receipts to the District Leisure Centre up to a maximum of £7,257,408,
- 10% of all CIL receipts to Littleport Schools up to a maximum of £3,834,509,
- 1% of all CIL receipts to Children's Centre (serving North Ely development) up to a maximum of £79,083,
- 10% of all CIL receipts to Health (serving North Ely development) up to a maximum of £1,813,786,
- 5% of all CIL receipts to Ely Country Park Expansion up to a maximum of £1,000,000,
- 15% (25% where a Neighbourhood Plan is made) as the Meaningful Proportion, and
- 2.5% administration (to be reviewed annually).

4.3 The remaining 36.5% (26.5% where a Neighbourhood Plan is made) of all CIL receipts will be set aside to benefit other projects on the Infrastructure List. Allocations will be determined by the Finance & Assets Committee.

4.4 Members are recommended to approve the draft governance arrangements as set out in Appendix 2.

#### 5.0 FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT

5.1 There are no financial implication arising from this report.

5.2 EIA not required.

## 6.0 APPENDICIES

- 6.1 Appendix 1- Community Infrastructure Levy- Infrastructure List  
Appendix 2- Draft Community Infrastructure Levy Governance Arrangements

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<b><u>Background Documents</u></b>	<b><u>Location</u></b>	<b><u>Contact Officer</u></b>
CIL Governance Arrangements (website) CIL Regulations 2010 (as amended)	Room 105, The Grange, Ely	Emma Grima Director Commercial (01353) 616960 E-mail: <a href="mailto:emma.grima@eastcambs.gov.uk">emma.grima@eastcambs.gov.uk</a>