

STROUD DISTRICT COUNCIL
ENVIRONMENT COMMITTEE

**AGENDA
ITEM NO**

3 DECEMBER 2020

8

Report Title	COMMUNITY INFRASTRUCTURE LEVY (CIL) - SPENDING ALLOCATIONS			
Purpose of Report	To recommend CIL spending allocations to Strategy and Resources Committee.			
Decision(s)	The Committee RECOMMENDS to Strategy & Resources that funding commitments are agreed according to the report.			
Consultation and Feedback	An Officer group has assessed the bids against the planning policy objectives in the decision matrix approved by Council in December 2018. Members have the opportunity to attend a special information event on the 25 th November where feedback will be noted and reported back to committee.			
Report Authors	Krista Harris, Senior Community Infrastructure Officer Email: krista.harris@stroud.gov.uk Pippa Stroud, Policy Implementation Manager Email: pippa.stroud@stroud.gov.uk			
Options	Options are: <ol style="list-style-type: none"> 1. Approve the proposed CIL spending allocations; or 2. Amend the proposed CIL spending allocations, or 3. Delay the proposed CIL spending allocations for further internal discussion. 			
Background Papers	CIL Strategic Funding Guidance Notes for applicant organisations 2021/22 Link to CIL Strategic funding guidance notes			
Appendices	Appendix A: Funding recommendations Appendix B: Project information			
Implications (further details at the end of the report)	Financial	Legal	Equality	Environmental
	Yes	Yes	No	Yes

1. INTRODUCTION / BACKGROUND

- 1.1** Community Infrastructure Levy (CIL) was introduced by government in 2010 as a mechanism to fund the infrastructure required to deliver Local Plan growth strategies. The District Council adopted CIL in February 2017 and implemented the charge from April 2017.
- 1.2** CIL partially replaces the s.106 arrangements which secure payments through the planning system for the infrastructure necessary for new development. SDC's policy is to continue to use S106 agreements for the very large strategic sites identified in the Local Plan. Liable development schemes outside of the strategic sites will attract CIL payments.

- 1.3 CIL liability is calculated per m² of new dwellings (£96.44/m²) and retail warehouses (£90.41/m²), of which either 15% or 25% goes to local Town and Parish Councils as a 'neighbourhood portion' according to their NDP status and 5% is retained by the local authority to cover the costs of administrating the scheme. The remainder of the funding collected is held by the local authority to be spent on strategic capital infrastructure projects.
- 1.4 CIL payments are triggered by the commencement of development and can be paid in instalments. At time of writing, three and a half years after CIL launched, funds of £653,350.45 have been collected and a further £150,868 is currently due for collection by the end of this 2020/21 financial year. These figures exclude the CIL project allocations Council agreed to fund within 2020/21.
- 1.5 Last year, the Council chose to allocate £104,000 to projects, these were £60,000 to the Environment Agency for restoration works to the River Frome, £14,000 to the Stroud Valleys Project for tree planting in the district, and £30,000 to the Rural SuDS partnership for flood alleviation work. This year the CIL Strategic Projects budget has £418,697 that can be spent on projects delivering in the 2021/22 financial year or partially retained for future projects.
- 1.6 The CIL annual financial report is available on the CIL pages of Councils website [Link to CIL Annual Reports](#). Based on planning applications already recorded, profiles show that over the next 5 years a further £1,609,196.78 could be collected by CIL, dependent on a number of factors. Further CIL income would be expected as more liable planning applications come forward and are implemented.
- 1.7 Organisations known to be strategic delivery partners were invited to submit project bids to SDC during the summer months. Town and Parish Councils were also made aware of the scheme should they wish to nominate any projects they felt were large enough to meet the strategic policy criteria. Following the deadline for bids in September, a panel consisting of Planning Managers and specialist CIL Officers scrutinised the bids according to the assessment matrix previously approved by Council in December 2018.
- 1.8 This assessment mechanism helps to prioritise spending on qualifying infrastructure projects. This was successfully used in 2019 to determine the projects to be supported this financial year 2020/21. This report now covers the results of this year's implementation of that mechanism and sets out a recommended spend for next financial year 2021/22.

2. MAIN POINTS

- 2.1 The strategic infrastructure projects that CIL can be spent on are outlined in the adopted Regulation 123 list and related Infrastructure Delivery Plan, and are broadly grouped into capital infrastructure items such as education, social infrastructure, transport and strategic flood risk. Projects must also align with the objectives of the Councils adopted Local Plan.
- 2.2 However, CIL income will not be sufficient to meet all the district's infrastructure needs. Instead, CIL should be viewed as one aspect of a number of infrastructure funding streams available to providers. CIL Strategic funding cannot be used to support current existing

funding programmes or deficiencies but instead should mitigate the impact of new development.

- 2.3** Given that the [Regulation 123 list](#) is the basis for eligible project types, all the strategic infrastructure providers who deliver these service types were contacted with information on how to apply for CIL strategic funding. These providers included the County Council (for Education, Highways, and Libraries), the Environment Agency, local colleges, Emergency Services, Wildlife and Environmental organisations, and certain service areas within the District Council especially those known to deliver unique capital infrastructure projects.
- 2.4** Since CIL has the two funding routes; 1) the neighbourhood portion to Town and Parish Councils for local projects and 2) the strategic infrastructure delivery fund, it is important that applicants note the difference in order to understand their eligibility. This is explained in the [CIL Funding Scheme Guidance Notes](#) available on the CIL pages of the Councils website.
- 2.5** Strategic infrastructure must serve a significant population or cover a geographical area much wider than their immediate area. Social infrastructure projects such as community halls, local open space or parish sports provision are not therefore seen to be 'strategic' and as such should be funded via the parish proportion of CIL, should the relevant town or parish council wish to do so.
- 2.6** Bids received are recorded and pre-assessed for their fit against the CIL Strategic Funding core objectives; in particular, for their ability to directly meet the priorities of the Infrastructure Delivery Plan ([IDP](#)), align with the Council's adopted Local Plan and help to address the infrastructure needs arising from development. A meeting with CIL Officers and Senior Managers was held to discuss and assess the merits of individual applications.
- 2.7** Reflecting the imperative to de-carbonise transport and the lack of core government funding, it was interesting to observe that of the £440,050 worth of bids received, 71% of requested funding (£314k) was for the provision of improved cycle tracks and multi-user of road greenways for walking and cycling. This aligns closely with SDC Policy to make the Stroud District Carbon Neutral by 2030. SDC have an existing capital budget to support cycling and walking projects; accordingly, we will be offering this alongside CIL to compliment the funding of qualifying projects.
- 2.8** This year SDC received seven formal bids requesting funding for projects wishing to deliver works from next April 2021- March 2022. All bids were considered to align with the funding criteria and have therefore all been recommended for funding. No bids have been rejected this year.
- 2.9** Officers also noted that there were a significant number of projects submitted as 'Expressions of Interest' for future years, a list of these are given at the end of Appendix B.
- 2.10** Of course with CIL partially replacing S106 agreements, the County Council has indicated a significant need for investment schools, libraries and highways improvements and sustainable travel provision. There is also a growing need to provide for strategic waste treatment sites, flood risk management infrastructure, social infrastructure, the canal and health and wellbeing projects.
- 2.11** These much larger infrastructure projects are likely to need financial support far in excess of what can be collected by CIL within the Stroud District and those project will need to seek

additional sources of funding. They are however likely to have a strong planning and community need, so there is justification for the need to retain a portion of CIL funding for use in years beyond 2021/2022. The ability to accommodate forthcoming priority infrastructure projects will be an important consideration in deciding this year's CIL allocations.

3. CONCLUSION

- 3.1** It is proposed that payments are made to infrastructure providers in accordance with the recommendations made at Appendix A.
- 3.2** This year all CIL Bids aligned with the necessary planning objects and are recommended for funding support. The suggested CIL investment for 2021/22 is £282,050, which will come from the secured CIL budget of £418,697 available.
- 3.3** Members will note that not all of the available funding is proposed to be spent this year; instead, it is considered prudent to retain some funding (£136,647) to create a larger fund over time in order to support more significant infrastructure projects in future.
- 3.4** The end pages of Appendix B give some indication of future schemes that we are aware of at present, but of course this is likely to grow as more projects near delivery stages and additional residential growth places new project demands.

4. IMPLICATIONS

4.1 Financial Implications

There are no direct financial implications associated with this report as the CIL budget is already secured. Any additional match funding by SDC would have to be considered as part of a separate report.

Adele Rudkin, Accountant

Tel: 01453 754109 Email: adele.rudkin@stroud.gov.uk

4.2 Legal Implications

CIL contributions may only be spent on infrastructure projects in accordance with the Community Infrastructure Levy Regulations 2010 (as amended). The levy can be used to fund a wide range of infrastructure, including but not limited to transport, flood defences, schools and hospitals. Local authorities must spend the levy on infrastructure needed to support the development of their area, and they will decide what infrastructure is needed in line with adopted policy.

One Legal

Tel: 01684 272691 Email: legal.services@tewkesbury.gov.uk

4.3 Equality Implications

An EqIA is not required because CIL Funding is used to deliver large scale strategic infrastructure that is provided to serve and benefit all members of the community.

4.4 Environmental Implications

The recommended projects invest in infrastructure that promise to bring significant positive benefits to the Environment. The key benefits are detailed in the project summaries given in Appendix B, and include facilities that reduce the need for motorised travel, supporting public transport and promoting clean travel (walking and cycling).

There are no perceived negative implications that would directly result from supporting any of the projects and environmental considerations are promoted throughout the scheme.