

## For publication

### Community Infrastructure Levy (CIL), Review of Expenditure and Infrastructure Funding Statement

<b>Meeting:</b>	Cabinet
<b>Date:</b>	20 June 2021
<b>Cabinet portfolio:</b>	Economic Growth
<b>Directorate:</b>	Economic Growth - Planning
<b>For publication</b>	

#### 1.0 Purpose of the report

- 1.1 To set out the progress on managing the Chesterfield Community Infrastructure Levy (CIL)
- 1.2 To seek Cabinet approval for funding awards for the strategic element of CIL expenditure from the bids received in 2020.

#### 2.0 Recommendations

- 2.1 That Cabinet notes the progress on receipts from the CIL.
- 2.2 That Cabinet approves the awards for strategic CIL funding for 2020, in line with the recommendations in this report.

#### 3.0 Reason for recommendations

- 3.1 To ensure that CIL expenditure takes place in accordance with the CIL Expenditure Strategy to ensure that CIL investment supports planned growth and sustainable development and Chesterfield's continued vitality.

#### 4.0 Report details

##### 1.0 Background

- 1.1 CIL is a mechanism to allow local planning authorities to raise funds from new development, in order to contribute to the cost of infrastructure projects that are, or will be, needed to support new development.
- 1.2 CIL took effect in Chesterfield Borough on 1<sup>st</sup> April 2016. The current charging year, 2020/21 is the fifth financial year in which CIL has been charged and in which CIL payments were collected.
- 1.3 The 2019 round of CIL expenditure was approved by Cabinet in June 2020.

### **CIL Receipts**

- 1.4 CIL income will build up over time but early contributions have been dependent on the development programmes for individual CIL-liable developments. Full details of CIL income and expenditure for 2019/20 (charging year 4) are set out in the Infrastructure Funding Statement, published in December 2020  
<https://www.chesterfield.gov.uk/media/1488974/infrastructure-funding-statement-2019-20.pdf>
- 1.5 In summary, during 2019/20 (charging year 4), £579,748 of CIL income was received. A further £134,048 was received during 2020/21 (charging year 5) which will be confirmed and reported in the next Infrastructure Funding Statement, to published in December 2021. Taking into account spending commitments already made, a balance of around £860,000 remains available for strategic expenditure. This allowed bids for the 2020 round of CIL expenditure to be invited and considered, and for funding awards now to be confirmed.

### **4.0 CIL Expenditure**

- 4.1 The CIL Regulations set out the overall breakdown for how monies collected from the CIL are to be distributed. This is illustrated in the table below.

<b>Purpose of Funding</b>	<b>% Allocated</b>
Strategic/core CIL infrastructure	80% - Remaining CIL receipts collected for the financial year

Neighbourhood portion	15% of CIL collected (capped at £100 per dwelling)
Administration – (Costs of administrating receipt and expenditure of CIL)	5% of all receipts

4.2 This report addresses funding for Strategic/Core Infrastructure

### **Strategic/Core infrastructure**

4.3 The purpose of CIL is to help to provide the infrastructure needed to support the development of the Borough. CIL receipts (excluding the neighbourhood element and administration fees) are held in a centralised pot and will be used to fund the delivery of strategic infrastructure across the Borough.

4.4 When the Chesterfield CIL charging scheme was introduced, the Regulation 123 Infrastructure List set out the types of infrastructure on which CIL revenue would be spent. The infrastructure list (reproduced at Appendix 1) provided clarity on what CIL might be spent on and ensured that there was no duplication between CIL and S106 agreements in funding the same infrastructure projects, a requirement of the CIL Regulations at that time.

4.5 The amendments to the CIL Regulations which took effect on 1<sup>st</sup> September 2019 deleted Regulation 123 Lists and replaced them with Infrastructure Funding Statements (IFS). The first IFS was published until December 2020.

4.6 In the absence of evidence to suggest the need for an immediate review of priorities as set out in Regulation 123 List, the original CIL expenditure priorities identified on the Regulation 123 list remain valid and were republished in the first IFS December 2020.

4.7 The annual IFS sets out details of receipts from both CIL and planning obligations and anticipated expenditure. This provides clarity and transparency to local communities and developers on the infrastructure and expenditure and in aligning this to planned development. The Statements will also offer an opportunity to re-assess CIL expenditure

priorities in the light of any change in circumstances or evidence since the original Regulation 123 list was first published.

- 4.8 In advance of this, the Infrastructure Delivery Plan (IDP) was updated in support of the new Local Plan. The IDP identifies the essential strategic and local infrastructure which will be required at different times over the duration of the plan period to deliver the Plan strategy. It sets out what infrastructure will be needed and when, who will deliver it, and how it will be funded. The IDP will continue to be updated as the future programme develops.
- 4.9 The IDP has identified major infrastructure items that will be critical to unlocking key sites. In relation to the Staveley and Rother Valley Corridor Strategic Site for example, school capacity has been identified as an obstacle to the development of a new community in this strategic location and it will be therefore necessary to address this through the provision of a new school as part of the wider regeneration proposals. Strategic transport infrastructure, particularly in the form of a new link road/regeneration route, is also required in order to improve accessibility. Work is continuing with the County Council (as education authority and highways authority), the landowners, and other key partners to identify the options for funding and delivery of critical infrastructure.

## **5.0 Apportioning Strategic/Core CIL Income**

- 5.1 The CIL Expenditure Strategy approved by Cabinet in July 2018, (<https://www.chesterfield.gov.uk/media/759153/cil-expenditure-strategy.pdf>) sets out the process which will be followed to identify specific items of infrastructure upon which CIL revenue will be spent in order to support growth and development across the Borough. The Strategy establishes the key foundations for prioritising CIL expenditure and balancing competing infrastructure requirements, anchored by the Local Plan strategy in order to deliver critical infrastructure necessary to unlock strategic sites, and support positive development in Regeneration Priority Areas.

### **The CIL Approval Body**

- 5.2 Originally, in considering the CIL Expenditure Strategy and how collected receipts from the CIL should be allocated to infrastructure projects, the Finance and Performance Board at its meeting on 21st March 2018 agreed that the portfolio holder in conjunction with leader would

represent the most appropriate arrangement for the CIL Approval Body to approve bids for strategic CIL funding. However this arrangement was proposed when it was originally anticipated that recommendations for CIL expenditure could take place several times a year. Subsequently, the CIL expenditure process has been finalised and it has now been established that funding bids and awards would take place only once a year on an annual cycle. It would therefore seem most appropriate for cabinet to continue to act as the CIL approval body.

### **CIL Expenditure - The 2020 Funding Round**

- 5.3 Bids for funding for the 2020 CIL expenditure round were invited in Autumn 2020 from stakeholders who were identified as being in a position to submit projects which would qualify for strategic expenditure.
- 5.4 4 bids were received. These were:
- Chesterfield Canal Trust Ltd. - Proposed bridge for Trans-Pennine Trail crossing over canal between Eckington Rd & Bellhouse Lane, Staveley
  - Derbyshire County Council (Signals) - Upgrade to existing Brimington High Street signal controller
  - Derbyshire County Council (Public Transport) - Extension of Bus Real Time Information (RTI) system to keys bus stops along Chatsworth Rd corridor and Walton Estate
  - Derbyshire County Council (Countryside) - Resurfacing of Chesterfield Canal towpath
- 5.5 These bids for CIL funding have been assessed in accordance with the procedure set out in the CIL Expenditure Strategy. A summary of the assessment and officer recommendations is provided at Appendix 2.
- 5.6 The CIL Expenditure Strategy acknowledges the need to balance short term and long term priorities. It recognises the inevitable pressure to seek to utilise CIL funding for purposes which are not central to provision of infrastructure to support growth and development. However this would risk undermining the long term development strategy for the Borough and ultimately the ongoing credibility of the CIL charging scheme, to which developers contribute in the expectation that available funds will support growth and mitigate the impacts of development. To assist in the assessment process and to ensure the protection of CIL to meet longer

term ambitions, the table indicates the proportion of available CIL income which would be utilised under the bids received.

Total CIL income received (at Y5 year end)	£1,310,863	
Available strategic CIL income (80%) (at Y5 year end)	£860,864	
Total value of bids received for strategic CIL funding in 2020 round	£467,750	54% of available strategic CIL income
Total value of officer recommended funding awards for strategic CIL funding (See Appendix 2)	£150,000	17% of available strategic CIL income
Total Remaining balance of strategic CIL fund if officer recommendations for strategic CIL expenditure are accepted	£710,864	

### Future years' expenditure

5.7 Approval by cabinet of funding awards for the 2020 round of CIL expenditure would then enable the process to commence for the 2021 round and funding awards to be made in Summer this year. Invitations to bid for funding for the 2022 round would then commence in January next year.

5.8 In future years, the proposed annual funding cycle is set out below:

<b>DECEMBER</b>	Publication of Infrastructure Funding Statement, (including statement of infrastructure projects or types of infrastructure will be, or may be, wholly or partly funded by CIL)
<b>JANUARY</b>	Invitations to bid for funding
<b>MARCH -APRIL</b>	Assessment of bids received; Recommendations to Cabinet
<b>MAY-JUNE</b>	Decisions on strategic CIL funding awards by CIL Approval Body
<b>JUNE</b>	Announcement of funding awards

<b>SEPTEMBER - NOVEMBER</b>	Monitoring and reporting of income and expenditure; preparation of Infrastructure Funding Statement, including CIL income and progress on CIL expenditure, and review of long term CIL strategy
<b>DECEMBER</b>	Publication of Infrastructure Funding Statement

## 7.0. Next steps:

- (i) Allocate strategic CIL funding for 2020, in line with the recommendations in this report
- (ii) Continue to engage with Staveley Town Council and Brimington Parish Council and for the neighbourhood element (15%) of CIL expenditure in the parished areas of the Borough, in line with CIL Regulations.
- (iii) Continue monitoring of CIL and S.106 agreements in preparation for publication of next annual Infrastructure Funding Statement by 31<sup>st</sup> December 2021.

7.1 Set out proposals for a review of the Chesterfield CIL charging scheme, for future consideration by Cabinet.

## 8.0 Alternative options

8.1 The reasons for the proposed expenditure are set out in appendix 3.

## 9.0 Implications for consideration – Council Plan

9.1 The expenditure set out will support the delivery of infrastructure to support growth (housing growth in particular) in line with the following Council Plan values and objectives:

### **Making Chesterfield a thriving borough**

- i. making Chesterfield Borough a great place to live, work and visit

### **Improving quality of life for local people**

- ii. Help our communities to improve their health and wellbeing

### **Providing value for money services**

- iii. Become and stay financially self-sufficient

## **10.0 Implications for consideration – Financial and value for money**

- 10.1 The financial ramifications of introducing a CIL were originally reported to Cabinet when the CIL charging scheme was established, and in subsequent reports. Importantly, CIL regulations permit charging authorities to finance initial set-up and ongoing administration costs from up to 5 per cent of CIL receipts. Therefore, over time, it should be possible to recover the costs of preparing the CIL evidence base and Charging Schedule (including examination costs) and other on-going administration or staffing costs.
- 10.2 CIL will provide funds to protect enhance and promote the Borough’s existing green infrastructure assets.

## **11.0 Implications for consideration – Legal**

- 11.1 The collection and expenditure of CIL must be carried out in accordance with the published CIL regulations and these have been taken into account in assessing proposals for expenditure.

## **12.0 Implications for consideration – Human resources**

- 12.1 There are no additional Human Resources implications of the recommendations.

## **13.0 Implications for consideration – Risk management**

Description of the Risk	Impact	Likelihood	Mitigating Action	Impact	Likelihood
Projects are not supported – infrastructure not delivered	High	Low	Recommended projects supported	Low	Low
Recommended projects are not delivered by partners	Med	Low	Infrastructure Planning Officer maintains contact with all projects leads to monitor delivery. Funding is held by CBC until clear	Low	Low

			implementation plan is in place		
--	--	--	---------------------------------	--	--

**14.0 Implications for consideration – community wellbeing**

- 14.1 The CIL expenditure supports the infrastructure required to support growth in new households in accordance with the Infrastructure Delivery Plan set out in the Council’s adopted Local Plan.
- 14.2 15% of the receipts are set aside for community use. Staveley Town Council and Brimington Parish Council are responsible for this expenditure within their areas, with Chesterfield Borough Council responsible for the remainder of the Borough. This has been managed through the Health and Wellbeing Partnership and in this year has funded over £30,000 of community projects.

**15.0 Implications for consideration – Economy and skills**

- 15.1 No implications.

**16.0 Implications for consideration – Climate Change**

- 16.1 The expenditure is in line with the Infrastructure Funding Statement set out in the Local Plan, which was subject to a comprehensive Strategic Environmental Assessment and independent examination.

**17.0 Implications for consideration – Equality and diversity**

- 17.1 The expenditure is in line with the Infrastructure Funding Statement set out in the Local Plan, which was subject to an Equalities Impact Assessment.

**Decision information**

<b>Key decision number</b>	<b>999</b>
<b>Wards affected</b>	<b>All</b>

**Document information**

<b>Report author</b>
Rick Long – Infrastructure Planning Officer

<b>Appendices to the report</b>	
Appendix 1	Community Infrastructure Levy: Infrastructure List 2021
Appendix 2	Summary of CIL bids received - 2020; Assessments and recommendations
Appendix 3	

**Appendix 1:**  
**Community Infrastructure Levy: Infrastructure List 2021**  
 (From Infrastructure Funding Statement - for Financial Year 2019/20)

<b>INFRASTRUCTURE LIST</b>
<b>Infrastructure Type or Project</b>
<b>Strategic Green Infrastructure</b>
<ul style="list-style-type: none"> <li>• Public Open Space and/or play provision and/or improvements*</li> <li>• Sports and Playing Pitches*</li> <li>• Restoration of Chesterfield Canal</li> <li>• Access improvement to Green Wedges and Strategic Gaps</li> <li>• Biodiversity and habitat enhancement including tree planting*</li> </ul>
<b>Transport Infrastructure</b>
<ul style="list-style-type: none"> <li>• Improvements to A61 Chesterfield Inner Relief Road Junctions*</li> <li>• Chesterfield Staveley Regeneration Route</li> <li>• Hollis Lane Link Road</li> <li>• Implementation of Chesterfield Strategic Cycling Network*</li> <li>• Measures to improve walking, cycling and public transport provision within*:               <ul style="list-style-type: none"> <li>i. The A61 Corridor</li> <li>ii. The A619 Chatsworth Road</li> <li>iii. The A619 corridor through Brimington and Staveley</li> <li>iv. Access to Chesterfield Railway Station</li> <li>v. The proposed Strategic Cycle Network</li> </ul> </li> </ul>
<b>Other Infrastructure</b>
<ul style="list-style-type: none"> <li>• Strategic Flood Defences and alleviation measures*</li> </ul>
<b>Education Provision</b>
<ul style="list-style-type: none"> <li>• Provision of additional pupil capacity in existing schools and contributions to a new school or schools to address shortfalls in capacity arising from new housing growth</li> </ul>

\*Excluding Site Specific measures arising as a result of specific development proposals, subject to statutory tests set out under Regulation 122 of the Community Infrastructure Levy Regulations 2010 (as amended), which stipulates the following:

*A planning obligation may only constitute a reason for granting planning permission for the development if the obligation is –*

- a) necessary to make the development acceptable in planning terms*
- b) directly related to the development; and*

*c) fairly and reasonably related in scale and kind to the development.*

**Appendix 2: Summary of CIL bids received - 2020;  
Assessments and recommendations**

Applicant	Project	Value of bid (£)	Assessment of bid and Recommendation
Chesterfield Canal Trust	<b>Proposed bridge for Trans-Pennine Trail crossing over canal between Eckington Rd &amp; Bellhouse Lane, Staveley (Design)</b>	50,000	<p>Essential to support delivery of restoration of Chesterfield Canal, a long-established infrastructure priority in local plan and IDP. CIL funding for this element would form part of wider funding package to enable continuity of project delivery.</p> <p><b>Recommendation:</b> Approve funding</p>
DCC (Signals)	<b>Upgrade to existing Brimington High Street signal controller - phase 1</b>	30,000 No match funding identified.	<p>Proposal would help to tackle traffic congestion, support healthier and more sustainable transport choices, secure strategic improvements to the Borough's transport system, and improve air quality in the Brimington AQMA, are of which are embedded in the local plan, supported by the IDP.</p> <p><b>Recommendation:</b> Approve funding</p>

DCC (Public Transport)	<b>Extension of Bus Real Time Information (RTI) system to key bus stops along Chatsworth Rd corridor and Walton Estate</b>	72,000  No match funding identified.	Unclear how proposed locations relate to support planned growth and development in accordance with requirements of CIL funding.  <b>Recommendation:</b> Withhold funding in 2020 round and invite an application in 2021 round which is more clearly related to supporting planned new development and regeneration priorities.
------------------------	----------------------------------------------------------------------------------------------------------------------------	--------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------