

Public
Key Decision - Yes

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Community Infrastructure Levy Spend Allocation

Meeting/Date: Cabinet – 11th February 2021

Executive Portfolio: Executive Councillor for Strategic Planning

Report by: Service Manager Growth

Wards affected: All

Executive Summary:

The Community Infrastructure Levy (CIL) is a planning charge, introduced by the Planning Act 2008 as a tool for local authorities in England and Wales to help deliver infrastructure to support the development of the area. It came into force on 6 April 2010 through the Community Infrastructure Levy Regulations 2010. Huntingdonshire District Council became a CIL charging authority in May 2012.

Local authorities must spend the levy on infrastructure needed to support the development of their area. This helps to deliver across a number of the Council's Corporate Plan priorities for 2018 – 2022 but specifically:

- Support development of infrastructure to enable growth
- Improve the supply of new and affordable housing, jobs and community facilities to meet current and future need

In October 2020 Cabinet approved a revised approach to the governance arrangements for allocating the funds held by Huntingdonshire District Council as the 'Strategic Portion'. Under these arrangements Cabinet is to consider applications received seeking over £50,000. Any requests of £50,000 or less will be agreed in line with delegated powers by Corporate Director (Place) and the Service Manager (Growth) in consultation with the Leader and Executive Councillor for Strategic Planning. Funding rounds will be held twice each financial year. An update on the projects authorised for CIL spend prior to the new arrangements being agreed is given in the report.

The latest funding round was launched on 10th November 2020 with a closing date of 14 December 2020. Bids received within that round for CIL funding towards infrastructure projects have been assessed by officers to reach the recommendations within this report.

Recommendation(s):

The Cabinet is **RECOMMENDED** to:

- a) Note the information on projects already in receipt of funding commitments and the updates on their delivery.
- b) Note the funding bids submitted for £50,000 or less and the approvals in line with delegated authority agreed on 22 October 2020 (Minute 33 refers).
- c) Approve the funding for projects as detailed in paragraph 10.2.
- d) Delegate authority to the Corporate Director (Place) and Service Manager - Growth, in consultation with the Executive Leader and Executive Councillor for Strategic Planning, to make final agreements for contracts to be issued on projects allocated CIL monies in principle subject to provision of necessary evidence, with the exception of the Special School at Alconbury Weald which, due to the scale of funding offered, will be reported back to Cabinet for its final sign off.

1. PURPOSE OF THE REPORT

- 1.1 The purpose of the report is to invite the Cabinet to consider and agree infrastructure projects found at paragraph 10.2 to be funded in whole or in part by an amount of the Community Infrastructure Levy (CIL) monies received to date.

2. BACKGROUND

- 2.1 The Community Infrastructure Levy (CIL) was first referred to in the Planning Act 2008 and was formally introduced through the CIL Regulations 2010 (as amended). The CIL spreads the burden of paying for infrastructure to all developments, not just major ones, as it is a requirement across all developments.
- 2.2 The Huntingdonshire Developer Contributions Supplementary Planning Document (SPD) was adopted in December 2011 with the CIL Charging Schedule being approved in April 2012 by full Council and implemented with effect from 1st May 2012.
- 2.3 CIL receipts were slow for the first few years due to development commencing that had been approved prior to the introduction of the Charging Schedule. Receipts have nearly doubled each year reaching circa £11.2m in the 2019-2020 financial year. Further detail on CIL receipts and expenditure can be found in the [Huntingdonshire Infrastructure Funding Statement 2019 -2020](#).
- 2.4 The requirement for infrastructure to support new development is a high priority and CIL continues to be implemented across the country with government enabling and directing local authorities to obtain contributions by charging a Community Infrastructure Levy on new development, in addition to negotiating Section 106 planning obligations with a developer where applicable.
- 2.5 Up to 5% of CIL receipts each financial year may be retained for administration costs. 15% - 25% of CIL receipts – the ‘meaningful proportion’ – are passed to parish/town councils in line with the CIL Regulations 2010 (as amended) and the Localism Act 2011 and the total amount transferred to parish/town councils has increased each year in line with receipt increases. The remaining 70-80%, the Strategic Portion, is available for Huntingdonshire District Council as the Charging Authority to spend on the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area.
- 2.6 In October 2020 Cabinet approved a revised approach to the governance arrangements for allocating the funds held by Huntingdonshire District Council as the ‘Strategic Portion’. Under these arrangements the Cabinet is to consider applications for CIL funding over £50,000. Any requests of £50,000 or less have been considered and approved in line with delegated powers by Corporate Director (Place) and the Service Manager (Growth) in

consultation with the Leader and Executive Councillor for Strategic Planning.

- 2.7 There is to be two funding rounds in each financial year of CIL spend. The first funding round for the 2021/22 financial year will begin in April 2021 when new applications will be invited. Where Projects demonstrate and provide evidence that they have a significant role to play in addressing key infrastructure requirements to meet the needs of future growth the Cabinet may consider applications outside of this time for urgent or unforeseen infrastructure requirements in line with the governance process agreed.
- 2.8 Due to the impact of the Covid-19 pandemic and the review of Governance arrangements during 2020, the last round of CIL allocations was in July 2019. An update on these projects can be found at Appendix 1.
- 2.9 In the current financial year 2020/2021, before the new Governance arrangements were agreed, two allocations have been approved by Cabinet, for funding towards Fenstanton Village Hall (£75,000) and a zebra crossing of the B450 at Kimbolton (£20,000).
- 2.10 Prior to the July 2019 CIL allocations and those noted above, Cabinet had only approved CIL spend on the Huntingdon West Link Road (HWLR) (now called Edison Bell Way). This has been a key project for the Council to unlock circa 6.35 hectares of land west of Huntingdon's town centre at a key entrance to the town by Huntingdon Railway Station. In order to open up this area of redundant and under-used industrial land and reduce traffic flows on a section of the ring road, the Council, working with Cambridgeshire County Council as Local Highways Authority, has delivered a new link road to stimulate regeneration and unlock land for housing and retail development to complement and enhance the vitality and viability of the town centre and the town as a whole. The final scheme will be a mixed-use development comprising circa 400 dwellings in a mix of houses and apartments, a Care Home, Sheltered Retirement apartments, a food store and flexible commercial units with associated open space, landscaping and parking.
- 2.10 As reported to Members on 18th July 2019, any further CIL payments required in relation to the Edison Bell Way scheme would be in relation to the outstanding Compulsory Purchase Order compensation. Following careful negotiations, this matter was settled without the cost of a Tribunal Hearing and the final payment of approximately £1.9m has now been made from CIL receipts.
- 2.11 There is circa £28m of CIL receipts now currently available for spend on further infrastructure projects.

3. ANALYSIS

3.1 At the beginning of November 2020, stakeholders were invited to submit proforma applications for funding from the Strategic Portion, in line with guidance issued. Projects submitted have been reviewed to ensure they meet the criteria for CIL funding.

3.2 The levy is intended to focus on the provision of new infrastructure and should not be used to remedy pre-existing deficiencies in infrastructure provision unless those deficiencies will be made more severe by new development. It can be used to increase the capacity of existing infrastructure or to repair failing existing infrastructure if that is necessary to support development.

3.3 In considering spend allocation, the potential support a number of strategic infrastructure projects may need in the near future should be noted, i.e. if all the money received to date is allocated to other projects, it may not be possible to provide these strategic projects with the funding they may need over the next few years to be delivered. As required under legislation, the Council has stated in the Infrastructure Funding Statement (IFS) 2019-2020 that CIL funds would be approved in line with the governance process and could be allocated towards:

- Strategic Transport including items such as:
 - A428 Black Cat to Caxton Gibbet Improvements
 - A141 Huntingdon
 - A14 Improvement Scheme
 - A1 Improvement Scheme
 - East West Rail Bedford to Cambridge opportunities
 - Edison Bell Way (outstanding CPO claims)
- Supporting the delivery of growth in the District, as identified in the Infrastructure Delivery Plan (IDP) and HDC's Corporate Plan.

3.4 Detail on the bids submitted in response to the current round for over £50k CIL funding, which require Cabinet approval as outlined in para 2.6 above, along with the officer recommendations can be seen in Appendix 2. Information on details of project bids for under £50,000.00 will be issued as an addendum to this report prior to Cabinet once the approval process for these has been finalised for Members to note.

4. COMMENTS OF OVERVIEW & SCRUTINY

4.1 The comments of the relevant Overview and Scrutiny Panel will be included in this section prior to its consideration by the Cabinet.

5. KEY IMPACTS / RISKS

- 5.1 The key impact from not considering the CIL spend will be the potential for certain infrastructure projects not being delivered and match funding lost.

6. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION

- 6.1 Projects bids submitted will be notified of the outcome of the decision made by Cabinet. Next steps as appropriate are noted below:

1. Notify applicants of outcomes after 11/02/21.
2. Prepare and initiate contracts for approved projects by 19/03/21 where possible.
3. Issue funds in accordance with agreed milestones.
4. Commence quarterly monitoring of projects approved.
5. Provide an update for members at next funding round (rounds held twice each financial year).

7. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND/OR CORPORATE OBJECTIVES

- 7.1 This helps to deliver across a number of the Council's priorities for 2018 -2022 but specifically:
- Support development of infrastructure to enable growth.
 - Improve the supply of new and affordable housing, jobs and community facilities to meet current and future need.

8. LEGAL IMPLICATIONS

- 8.1 Regulation 59 (1) of the Community Infrastructure Levy Regulations 2010 (as amended) requires a charging authority to apply CIL to funding the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area. It may also, under Regulation 59 (3), support infrastructure outside its area where to do so would support the development of its area.
- 8.2 Passing CIL to another person for that person to apply to funding the provision, improvement, replace, operation and maintenance of infrastructure is also permitted under Regulation 59 (4).
- 8.3 Section 216 (2) of the Planning Act 2008 as amended by Regulation 63 of the Community Infrastructure Regulations 2010 (as amended) stated that infrastructure 'includes [and is therefore not limited to]:
- (a) roads and other transport facilities,
 - (b) flood defences,
 - (c) schools and other educational facilities,
 - (d) medical facilities,
 - (e) sporting and recreational facilities,
 - (f) open spaces.'

8.4 The levy may not be used to fund affordable housing.

9. RESOURCE IMPLICATIONS

9.1 CIL money can only be spent to deliver infrastructure, in accordance with the legal restrictions on the spending of CIL receipts.

9.2 Staff resource to administer and monitor the allocation of the CIL. This is funded, in part, by the administration costs permitted from the CIL receipts.

9.3 Staff resource from elsewhere in the Council will be used in preparing funding bids and implementing successful cases.

9.4 Subject to member approval of the projects outlined at para 10.2, this would commit a further £5.2m of CIL funding towards infrastructure projects. This would leave circa £22.8m remaining to spend on strategic transport infrastructure and other infrastructure needs as referenced in the Huntingdonshire Infrastructure Funding Statement, as noted at para 3.3. This does not include any of the allocations recommended to be made for projects seeking £50,000 or less. An addendum will be provided to Cabinet prior to the meeting, which will state the total figure agreed for these.

10. REASONS FOR THE RECOMMENDED DECISIONS

10.1 The projects identified have been considered in terms of how they support growth, deliverability and risks, benefits and outputs and extent of match funding being provided. The current stage of development of the project has also been considered. A summary of the key issues noted by officers in assessing each application request for over £50k CIL funding is noted in Appendix 2. Recommendations are for one of the following:

- Approve – to agree CIL funding subject to the completion of a contract.
- Approve in principle – to agree CIL funding subject to provision of further documentation and necessary discussions with the Council's Implementation Team in line with delegated authority, as noted in the report recommendations.
- Decline – to decline the project for receipt of CIL funding.

10.2 The following projects are considered to have submitted detailed proposals and details of funding (including match funding where necessary). They are recommended to receive CIL funding:

Project (applicant name)	CIL funding	Approve / Approve in Principle
Special School (Alconbury Weald) (Cambridgeshire County Council)	Up to £4,000,000	Approve in principle
Buckden-Huntingdon Safe Cycling and Walking Route (Buckden Parish Council)	Up to £100,000	Approve in principle
The Valley land management programme (Buckden Village Hall Trust)	Up to £450,000	Approve in principle
Cricket pavilion, King George V playing field (Huntingdon Town Council)	£500,000	Approve in principle
Swimming Pool changing (phase 2) (One Leisure St lves)	£150,000	Approve

- 10.3 While the majority of the remaining schemes are potentially appropriate for consideration of CIL support, in their current format they lack necessary evidence and require further development of detail to enable support at this time. These projects are not precluded from applying for CIL funding again in future funding rounds with more project detail, supporting evidence and match funding, including from the local town/parish council.
- 10.4 Subject to member approval of the projects outlined at para 10.2, this would commit a further £5.2m of CIL funding towards infrastructure projects. This would leave circa £22.8m remaining to spend on strategic transport infrastructure and other infrastructure needs as referenced in the Huntingdonshire Infrastructure Funding Statement, as noted at para 3.3. This does not include any of the allocations recommended to be made for projects seeking £50,000 or less. An addendum will be provided to Cabinet prior to the meeting, which will state the total figure agreed for these.

11. LIST OF APPENDICES INCLUDED

Appendix 1 – Update on Projects approved by Cabinet in July 2019
Appendix 2 – Huntingdonshire Infrastructure Project Bids for greater than £50,000.00

12. BACKGROUND PAPERS

Section 216 of Planning Act 2008
Huntingdonshire Infrastructure Delivery Plan
<http://www.huntingdonshire.gov.uk/media/2694/infrastructure-delivery-plan.pdf>
Huntingdonshire Infrastructure Delivery Plan – Infrastructure Schedule

<http://www.huntingdonshire.gov.uk/media/2693/infrastructure-schedule.pdf>

Huntingdonshire Infrastructure Delivery Plan Addendum

<http://www.huntingdonshire.gov.uk/media/2861/infrastructure-delivery-plan-addendum.pdf>

Huntingdonshire Infrastructure Funding Statement 2019 -2020

<https://www.huntingdonshire.gov.uk/media/4980/infrastructure-funding-statement-2019-20.pdf>

CONTACT OFFICERS

Name/Job Title: Claire Burton, Implementation Team Leader

Tel No: 01223 616841

Email: claire.burton@huntingdonshire.gov.uk

Name/Job Title: Melissa Reynolds, Senior Implementation Officer

Tel No: 01223 616842

Email: melissa.reynolds@huntingdonshire.gov.uk