

# Taunton Deane Borough Council

## Full Council – 2 October 2018

### Community Infrastructure Levy Allocations for 2019/2020-2022/2023

This matter is the responsibility of Executive Councillor Richard Parrish

Report Author : Kate Murdoch (Principal Policy Officer)

#### 1. Executive Summary

- 1.1. The Council introduced a Community Infrastructure Levy (CIL) on 1 April 2014. As at 1 September 2018 the CIL strategic pot holds approximately £3,128,500 CIL receipts with a further £974,000 due to be received (these are funds where CIL demand notices have been served and will be paid between 2018/2019-2020/2021). The Neighbourhood proportion has provided almost £500,000 to local communities across Taunton Deane and a further £170,000 is due to be collected for local areas.
- 1.2. This report details proposed CIL allocations of £15,500,000 for the period 2019/2020-2022/2023 for Member approval. The proposed CIL allocations are for infrastructure categories associated with the delivery of infrastructure projects for the Taunton Garden Town and are in addition to the £16,600,000 New Homes Bonus already committed to delivering the Council's growth agenda.
- 1.3. Full Council approval of the CIL allocations, outlined in Table 1 below, is sought so they can be committed as match funding in infrastructure bids for current and future projects, in line with the Council's approved Regulation 123 list.
- 1.4. At present officers are working in partnership with Somerset County Council, Sedgemoor District Council and Government officials to develop a funding bid for the Housing Infrastructure Fund (Forward Fund) and the proposed CIL allocations will support infrastructure funding profiles for Taunton projects in the bid.
- 1.5. The report recommendations have been endorsed by both Taunton Deane's Scrutiny Committee on 18 September 2018 and the Shadow Executive on 26 September 2018.

#### 2. Recommendations

- 2.1. Taunton Deane Borough Council is requested to:-
  - a) Approve Community Infrastructure Levy funding of £15,500,000 for the period 2019/2020 to 2022/2023, by infrastructure type as set out in Table 1;
  - b) Approve the Community Infrastructure Levy Allocation Principles as set out in Paragraph 4.9 of this report;

- c) Support a recommendation to the Shadow Council of Somerset West and Taunton Council to include the proposed investment of Community Infrastructure Levy allocations within its recommended Capital Programme for 2019/2020; and
- d) Support a recommendation to the Shadow Council of Somerset West and Taunton Council to incorporate delegation powers within the new Constitution. The delegation powers will require the approval of the Head of Strategy and relevant Portfolio Holder (in consultation with the Section 151 Officer) to enable the profile of Community Infrastructure Levy spending to fall outside the indicative years shown in Table 1 but within the overall sum allocated by infrastructure type and subject to sufficient CIL funding being available.

### 3 Risk Assessment (if appropriate)

#### Risk Matrix

Description	Likelihood	Impact	Overall
Community Infrastructure Levy projected income is not realised	3	4	12
<i>Risk mitigation: CIL funding will only be committed to infrastructure projects when the CIL funding has been received.</i>			

- 3.1. The projected CIL income in Table 1 is a conservative estimate with a standard annual estimate of £3,000,000 CIL receipts and therefore provides reassurance that the Council is not over-committing CIL funds. These allocations will only be committed to infrastructure projects when the CIL funding has been received and subject to Head of Strategy and relevant Portfolio Holder approval in consultation with the Section 151 officer.

### 4. Background and Full details of the Report

- 4.1. Taunton Deane Borough Council introduced a CIL on 1 April 2014. The CIL is a tariff charged on residential development (excluding Taunton Town Centre and Wellington) and retail development outside Taunton and Wellington Town Centres. Full details of the CIL charging schedule is available at <https://www.tauntondeane.gov.uk/media/1127/cil-charging-schedule-final-2014.pdf>
- 4.2. As at 1 September 2018 the CIL strategic pot holds approximately £3,128,500 in CIL receipts with a further £974,000 due to be received (these are funds where CIL demand notices have been served and will be paid between 2018/2019-2020/2021). The Neighbourhood proportion has provided almost £500,000 to local communities across the Borough and a further £170,000 is due to be collected for local areas.
- 4.3. The strategic CIL receipts will be allocated to eligible infrastructure projects in line with the Council's agreed CIL Regulation 123 list (Appendix A <https://www.tauntondeane.gov.uk/media/1794/regulation-123-list-apr-2016.pdf>). The current infrastructure requirements are identified in the Infrastructure Delivery Plan (December 2014) and seek to support the delivery of the Taunton Deane Development Plan.

- 4.4. In October 2015 the Council undertook informal consultation, with key infrastructure partners and Parish Councils, to gather views on the proposed approach to the allocation and prioritisation of CIL funds. The consultation sought input on the proposed approach to:-
- establishing an agreed bidding process for infrastructure partners and Parish Councils, to influence the prioritisation and spending of CIL funds for the delivery of key infrastructure projects in Taunton Deane; and
  - establishing an Infrastructure Delivery Board as an advisory board, to consider submitted CIL bids and put forward recommendations to Taunton Deane's Full Council on the prioritisation and allocation of CIL funds.
- 4.5 The CIL expression of interest process consultation was forwarded to Somerset County Council (as Education and Highways Authority), the Environment Agency, Highways England, all Parish Councils and Taunton Deane's Community Leisure. Community Leisure also forwarded the consultation onto Sport England, SASP (Somerset Activity Sports Partnership), Fields in Trust, Community Council for Somerset and National Allotment Association for their input.
- 4.6 It has not been necessary to set up the Infrastructure Delivery Board at this stage, due to the individual delivery cost of key infrastructure projects exceeding the total strategic CIL funds collected to date.
- 4.7 Given the current position with establishing the new Somerset West and Taunton Council, the proposal to establish an Infrastructure Delivery Board will be postponed until the new Council is in place. As an interim measure, this report seeks Member approval for proposed CIL allocations for the period 2019/20-2022/23, so that CIL funds can support existing and future infrastructure funding bids and delivery profiles.
- 4.8 This report outlines indicative CIL allocations, by infrastructure type, for the period 2019/2020-2022/2023 which is submitted for Full Council approval. This will enable CIL funds to form part of detailed funding profiles and support funding bids, for current and future infrastructure funding programmes, in line with the Council's Regulation 123 list.

**Table 1: CIL allocations for the period 2019/20-2022/23 (including payment in kind land/infrastructure)**

<b>Taunton Garden Town CIL rojects</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Proposed Total CIL allocations for 2019-2023</b>
	£	£	£	£	£	£
Cycle and pedestrian improvements		1,000,000			500,000	1,500,000
Education provision		4,000,000			2,000,000	6,000,000

Public transport improvements		1,000,000	1,000,000	1,000,000		3,000,000
Taunton Town Centre Regeneration			1,000,000	500,000		1,500,000
Surface Water and Flood Risk Mitigation			1,000,000	2,000,000		3,000,000
Community Development					500,000	500,000
<b>Total allocations</b>	<b>-</b>	<b>6,000,000</b>	<b>3,000,000</b>	<b>3,500,000</b>	<b>3,000,000</b>	<b>15,500,000</b>

<b>Balances</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Balance brought forward	3,000,000	4,000,000	1,000,000	1,000,000	500,000
Projected CIL receipts based on annual CIL receipts of £3m	1,000,000	3,000,000	3,000,000	3,000,000	3,000,000
CIL spend from table above		-6,000,000	-3,000,000	-3,500,000	-3,000,000
Estimated annual CIL balance carried forward	<b>4,000,000</b>	<b>1,000 000</b>	<b>1,000,000</b>	<b>500,000</b>	<b>500,000</b>

4.9 It is proposed that the strategic CIL allocation approach initially be progressed based on the following principles:-

#### **CIL Allocation Principles:**

- 1) A business case for infrastructure project funding should be provided to the Head of Strategy and relevant Portfolio Holder outlining the required CIL funds for a specific infrastructure project (within the limits outlined in Table 1 above)
- 2) The overall CIL allocation for each infrastructure project, includes the value of any land required for the project and taken as payment in lieu of CIL cash. For example if land for a new school is provided by a developer this is netted off against their CIL liability. In this instance the value will be included in the proposed CIL allocations for education outlined in Table 1.
- 3) No more than 50% of the total cost of an infrastructure project, to a maximum allocation of £3,500,000, will be allocated for any one project.
- 4) The only exception to the £3,500,000 threshold, is the strategic flood alleviation scheme. This project serves a much wider infrastructure function for the benefit of all Taunton residents and businesses and therefore at present the overall CIL cap for this project is proposed to be set at £10,000,000.
- 5) To ensure project delivery, strategic CIL funding will only be committed to infrastructure projects where the balance of the funding has been identified.
- 6) Indicative CIL allocations can be made for years 2-5 on a rolling programme to provide infrastructure delivery partners some certainty and to assist external infrastructure

funding applications. CIL funding will only be committed to infrastructure projects when the CIL funding has been received and subject to Head of Strategy and relevant portfolio holder approval.

- 7) Committed CIL funds will remain available for a period of two years and then will be subject to review.
- 8) The profile of spending shown is indicative and with the approval of the Head of Strategy and relevant Portfolio Holder (in consultation with the Section 151 Officer), spend may fall outside of the indicative years shown, but within the overall sum allocated by infrastructure type and subject to sufficient CIL funding being available.
- 9) Any committed CIL funds will be published in the Weekly Bulletin and will be subject to the usual 'call in' process.

## **5. Links to Corporate Aims / Priorities**

5.1. This work assists with the delivery of Corporate Aims to:-

- remove barriers to jobs and housing growth by addressing infrastructure constraints and securing funding for that infrastructure;
- work with, lobby and influence others to further improve Deane's transport links including additional cycle paths and measures that tackle congestion; and
- work with others to introduce measures that reduce the risk of flooding.

## **6. Finance / Resource Implications**

6.1 Table 1 above outlines proposed CIL allocations by infrastructure type and is based on estimated CIL income projections. The projected CIL income in Table 1 is a conservative estimate with a standard annual estimate of £3,000,000 CIL receipts and therefore provides reassurance that the Council is not over-committing CIL funds. These allocations will only be committed to infrastructure projects when the CIL funding has been received and subject to Head of Strategy and relevant portfolio holder approval (in consultation with the s151 officer). The committed CIL funds will be included for approval in the Capital Programme. All infrastructure partners will be informed on an annual basis of the available CIL funding. Committed CIL funds will remain available for a period of two years and then will be subject to review.

6.2 One of the functions of the Shadow Council for Somerset West and Taunton Council is to approve the 2019/2020 budget for the new Council. If the proposed use of CIL income is supported by Taunton Deane's Full Council in October, this will be incorporated into the Capital Programme Budget for recommendation to the Shadow Full Council in February 2019. This will include a recommendation that the new Council continues with the commitment agreed by Taunton Deane.

## **7. Legal Implications**

7.1 Taunton Deane Borough Council, as the charging authority, is required to allocate CIL receipts to infrastructure projects in line with the CIL Regulation 59 and Planning Act 2008 Section 216 and the Council's adopted Regulation 123 infrastructure list.

- 7.2 Officers are currently working with Somerset County Council and Sedgemoor District Council on the full Housing Infrastructure Forward (HIF) Fund bid. Full Council approval of the allocations in Table 1 is sought to support the Taunton infrastructure projects in the HIF bid and other potential infrastructure funding streams that may become available in the short term. The CIL allocations cover the period to 2022/2023, any increase in the CIL allocations by specific infrastructure type will need to be approved by the new Council but it is proposed that any amendments to the spend profile be approved by the Head of Strategy and relevant Portfolio Holder, in consultation with the Section 151 Officer. This is subject to the new Council incorporating the proposed delegation powers into the new Constitution for the new Somerset West and Taunton Council. This is required to ensure sufficient flexibility to allocate CIL to specific projects going forward as the Council's HIF bid develops and to support any other potential infrastructure funding streams that align with the Council's adopted Regulation 123 list.
- 7.3 The CIL allocations by infrastructure type includes the value of any land required to deliver the project and taken as payment in lieu of CIL. This will be reflected in the individual infrastructure business cases that will need to be developed and approved, by the Head of Strategy and the relevant Portfolio Holder (in consultation with the Section 151 Officer), before CIL funding is released.

## **8. Environmental Impact Implications**

- 8.1 None

## **9. Safeguarding and/or Community Safety Implications**

- 9.1 None

## **10. Equality and Diversity Implications**

- 10.1 No EIA is required - The CIL allocations assist with funding infrastructure to support the delivery of the Council's Development Plan for which an Equalities Impact Assessment was undertaken (please see attached weblink).  
<https://www.tauntondeane.gov.uk/media/1034/sadmp-equalities-impact-assessment.pdf> The CIL allocations by infrastructure type have been made in line with Community Infrastructure Levy Regulation 59 and Planning Act 2008 Section 216.

## **11. Social Value Implications**

- 11.1 None

## **12. Partnership Implications**

- 12.1 Officers have informed Somerset County Council about the proposed approach to the allocation of CIL funding and will continue to work closely with them to ensure available CIL funds assist in attracting match funding to deliver key infrastructure priorities for the Borough.

### **13. Health and Wellbeing Implications**

13.1 None

### **14. Asset Management Implications**

14.1 None

### **15. Data Protection Implications**

15.1 None

### **16. Consultation Implications**

16.1 The CIL expression of interest process consultation has been forwarded to Somerset County Council (as Education and Highways Authority), the Environment Agency, Highways England, all TDBC Parish Councils and Community Leisure at TDBC. TDBC Community Leisure also forwarded the consultation onto Sport England, SASP (Somerset Activity Sports Partnership), Fields in Trust, Community Council for Somerset and National Allotment Association for their input.

### **17. Scrutiny Comments / Recommendation(s)**

17.1 The report recommendations were reported and endorsed by both Taunton Deane's Scrutiny Committee on 18 September 2018 and the Shadow Executive on 26 September 2018.

17.2 Correspondence from Somerset County Council was reported to both Scrutiny and the Shadow Executive raising concerns about the proposed approach to CIL allocations and the potential impact on the education authority's ability to fund new schools. However it was not considered necessary to change the proposed approach to CIL allocations with education infrastructure already receiving a significant proportion of CIL funding from the proposed allocations in Table 1.

17.3 Public questions specific to the operation and monitoring of CIL were tabled at Scrutiny on the 18 September 2018 and addressed in the meeting.

#### **Democratic Path:**

- **Scrutiny / Corporate Governance or Audit Committees – Yes**
- **Cabinet/Executive – No** (delete as appropriate)
- **Full Council – Yes**

Reporting Frequency:  Once only       Ad-hoc       Quarterly  
 Twice-yearly       Annually

**List of Appendices (delete if not applicable)**

Appendix A	Community Infrastructure Levy Regulation 123 list <a href="https://www.tauntondeane.gov.uk/media/1794/regulation-123-list-apr-2016.pdf">https://www.tauntondeane.gov.uk/media/1794/regulation-123-list-apr-2016.pdf</a>
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