

Strategy and Resources Committee  
28 November 2017

## CIL JIG Local Projects Scheme

<b>Report of the:</b>	Head of Place Development
<b>Contact:</b>	Karol Jakubczyk
<b>Urgent Decision?(yes/no)</b>	No
<b>If yes, reason urgent decision required:</b>	N/A
<b>Annexes/Appendices (attached):</b>	<b>Annexe 1:</b> Examples of Implemented CIF Schemes <b>Annexe 2:</b> CIF Scheme Application Form <b>Annexe 3:</b> Local Projects Scheme Annual Cycle and Assessment Criteria

**Other available papers (not attached):**

### Report Summary

The Community Infrastructure Levy (CIL) Regulations encourage collecting authorities without parish councils areas (such as Epsom & Ewell) to spend a portion of their CIL receipts on projects identified or being brought forward by local communities. We have yet to identify a mechanism for discharging this requirement. The Borough Council's CIL Joint Infrastructure Group (JIG) proposes two separate approaches, which would be run in parallel that would allow for a proportion of CIL monies to be allocated to locally identified projects.

The first of these takes a similar approach to our former Civic Improvement Fund (CIF), which successfully facilitated improvements across our three main shopping centres. The proposed revived CIF scheme would be widened out to allow bids for public realm improvements from all of the Borough's shopping areas. It is proposed that bids would be assessed against existing criteria with decisions delegated to the Head of Place Development. Bids would be considered on a first-come basis throughout the year.

The second proposal will allow Local Projects to come forward via Members - these being assessed against a set of criteria. Applications would come before the JIG before being taken to S&R for agreement. It is proposed that Local Projects would come forward on an annual cycle.

### **Recommendation (s)**

- (1) The Committee considers the JIG's proposals for two new infrastructure funding schemes; and**
- (2) Subject to any amendments or additions these two schemes be implemented as the Borough Council's approach towards spending a proportion of CIL receipts on local communities.**

## **1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy**

- 1.1 The Local Plan provides the spatial planning mechanism for the vision set out in the Sustainable Community Strategy, and it will assist in the achievement of all the Council's Key Priorities. The Community Infrastructure Levy (CIL) is the principle mechanism that will ensure that future developments contribute towards the delivery of community infrastructure that is needed to support growth.

## **2 Background**

- 2.1 The CIL is a local tax on new development that local authorities can choose to introduce to help fund the delivery of new infrastructure across their area. The implementation of CIL is closely guided by the Community Infrastructure Levy Regulations 2010 and subsequent Amending Regulations.
- 2.2 We started work on introducing CIL during 2012; publishing our preliminary and draft charging schedules during the second half of 2013. Our draft charging schedule was the subject of an independent examination during the first quarter of 2014. Following the examination we adopted our charging schedule and commenced charging from 1 July 2014. We have responsibility as both the Charging and Collecting Authority for development taking place in the Borough.
- 2.3 The CIL Guidance encourages collecting authorities that do not have parish or town councils, such as Epsom & Ewell, to engage with the communities where development has taken place and agree with them how best to spend the 15% neighbourhood funding. This could include funding projects suggested or brought forward by local communities. The regulations simply provide that collecting authorities may use the 15 % of CIL to support the development of the Borough by funding—
  - 2.3.1 the provision, improvement, replacement, operation or maintenance of infrastructure; or

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2.3.2 anything else that is concerned with addressing the demands that development places on an area. Consequently, it is within our gift to decide how we spend these funds. Currently, our total 15% Local Fund stands at around £545,000.00.

2.4 The Members of the Borough's Joint Infrastructure Group (JIG), who report to this Committee, have considered a range of proposals for identifying and allocating money from the 15% Local Fund. The JIG request that the Committee consider an approach comprised of two separate schemes that would be run in parallel with one another. These schemes would collectively allow for a proportion of monies collected through the Levy to be allocated to locally identified projects. This would meet the CIL Regulation requirements.

2.5 The two schemes being proposed by the JIG are firstly a new Civic Improvement (CIF) type scheme and secondly a Local Projects Scheme. The detail of the twin schemes is set out below.

### **3 The Proposals**

#### **A New Civic Improvement Fund**

3.1 During the period between 2012 and early 2016, we ran funding/ grant-type scheme that had the objective of securing visual improvements shop fronts and the public realm on applicant sites in Epsom Town Centre, Ewell Village and Stoneleigh Broadway. The scheme yielded some notable successes and the local business/ retail community have maintained interest in the scheme (or a similar scheme) being revived. The original scheme was funded from money from the Government's "Portas"/ High Street Innovation Fund. Some examples of implemented schemes are included under Annexe 1.

3.2 It is proposed that a New Civic Improvement Fund have access initial access to £100,000.00 of the CIL receipts available from our 15% Local Fund. As with the previous CIF scheme, this money would be available to applicant bidders as a source of top-up funding to secure shop front and public realm improvements. Applications to the new CIF scheme could be considered on first-come-first served basis throughout the year; not being restricted to an annual cycle. This would make the fund responsive to needs as they arise.

3.3 The JIG propose that a new CIF-type scheme includes a set of broader criteria that allows bids to come forward from across the whole Borough - for shopfront and public realm improvements from smaller local centres, neighbourhood parades and possibly non-commercial areas. Such a scheme would directly support the Corporate Plan's key priority of supporting local businesses and economy. It would also broadly accord with the CIL Regulations – as improvements to retail centres will help to support future growth; primarily by ensuring their survival and thereby securing capacity into the long term.

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- 3.4 The original CIF scheme provides a tested framework, comprised of standard letters and forms, assessment and determination processes, and promotional material that could readily be re-used. A copy of the standard CIF application form is included under Annexe 2. It will be relatively straightforward to extend these should the Committee agree with the JIG's proposals to expand the new-CIF scheme to include bids for improvements to non-commercial areas.

### Local Projects Scheme

- 3.5 The JIG also propose an entirely new scheme that would allow community infrastructure improvement schemes to come forward from ward level. It is proposed that the Local Projects Scheme has access to the residual amount of the 15% Local Fund. On the basis of current receipts this stands at about £445,000.00 (for clarity this total subtracts the anticipated allocation of £100,000.00 towards the new CIF Scheme). It is proposed that applications to the Local Project Scheme will be made via Members. It is further proposed that the Scheme be initially piloted for a year.
- 3.6 It is envisaged that the Local Projects Scheme could be used to fund the provision, improvement, replacement, operation or maintenance of community infrastructure. This could include the following types of improvement:
  - 3.6.1 Biodiversity schemes – such as habitat enhancement; tree planting; and bird and bat boxes;
  - 3.6.2 Access schemes – such as enhancements to pedestrian and cycle networks;
  - 3.6.3 Open space schemes – improving access to public open space; planting; and play equipment;
  - 3.6.4 Community and Day Centre Enhancements
  - 3.6.5 Public realm schemes (outside of retail centres) – delivering qualitative enhancements that could include new surfaces; street furniture; and landscaping;
  - 3.6.6 Maintenance of existing infrastructure – for example, pathways providing access to nature reserves or informal open space provisions. Such schemes will need to demonstrate how maintenance works provide additional infrastructure capacity that supports growth.
- 3.7 The proposal envisages an annual cycle for the Local Projects Scheme that would allow between 4 – 6 applications to come forward. These would initially be assessed by Officers, before coming first before the JIG and then S&R for consideration. The proposed annual cycle and assessment criteria is included under Annexe 3.

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- 3.8 Given experiences, of similar schemes, elsewhere the JIG wish to avoid the proposed Local Projects Scheme becoming complex and unwieldy to administer. To achieve this objective the Scheme will be focussed upon the delivery of new infrastructure, or proposals that contribute towards enhancing the capacity of existing assets. It is proposed that bids will be for a minimum of £20,000.00. Bid applications will be subject to an initial assessment, similar to that applied to a summary capital bid. Successful bids will subsequently be required to complete a detailed business case. This will help manage the number bids being taken before the JIG and S&R Committee for consideration.

### 4 Financial and Manpower Implications

- 4.1 Previous experience of running a CIF Fund suggests that there will be financial implications associated with the administration of this scheme. However, it is anticipated that administration of applications could initially be absorbed by the Planning Policy Team's existing staff complement. This position may need to be revisited if the proposed scheme proves to be successful and/ or if the Team's primary work streams increase.
- 4.2 In contrast the impact of the proposed Local Project Scheme will be focused upon specific dates in the financial calendar and can consequently be project managed within the existing staff complement.
- 4.3 **Chief Finance Officer's comments:** *The sum of £545,000 is ringfenced and available to support the proposed schemes. Should additional administrative costs of running the schemes arise, further funds would have to be requested accordingly or the scheme amended to meet available administrative resources.*

### 5 Legal Implications (including implications for matters relating to equality)

- 5.1 The CIL Regulations require us to be transparent in how collected Levy funds are allocated and spent.
- 5.2 **Monitoring Officer's comments:** *A charging authority must apply CIL to funding the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of the Borough. In relation to the 15%, this is widened to include anything else that is concerned with addressing the demands that development places on an area. Infrastructure is defined as including:*
- (a) roads and other transport facilities,*
  - (b) flood defences,*
  - (c) schools and other educational facilities,*
  - (d) medical facilities,*
  - (e) sporting and recreational facilities, and*
  - (f) open spaces*

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- 5.3 *The two proposed schemes can be operated in such a way as to comply with the Regulations for spending CIL.*

### **6 Sustainability Policy and Community Safety Implications**

- 6.1 The identification of suitable local schemes and then allocation of CIL monies to implement them will help to deliver essential community infrastructure. This will maintain and enhance the Borough as a sustainable place to live, work and visit.

### **7 Partnerships**

- 7.1 The allocation of CIL monies requires partnership working. In this instance, the two proposed schemes will provide an appropriate mechanism for working in partnership with organisations operating at the local level. The proposals meet the requirements of the CIL Regulations.

### **8 Risk Assessment**

- 8.1 The CIL Regulations encourage Collecting Authorities without parish or town councils to undertake arrangements to spend a proportion of their CIL receipts on the priorities of local communities. Failure to do so could result in reputational damage. We already have strong and long established links with a wide variety of local community groups. Providing such organisations with mechanisms to access funding to improve or bring forward new community infrastructure should serve to strengthen our position within local communities rather than erode it.

### **9 Conclusion and Recommendations**

- 9.1 The Borough Council, acting as the local CIL Collecting Authority, is encouraged under the CIL Regulations to spend a proportion of CIL receipts towards schemes coming forward from local communities. The Borough Council's JIG is promoting two proposals that will collectively meet this obligation.
- 9.2 The Committee are asked to consider the JIG's proposals and subject to any amendments or additions agree that these proposals be implemented as our approach for spending a proportion of CIL receipts on local communities.

**Ward(s) Affected: (All Wards);**