

## CABINET

19 June 2018

<b>Title:</b> Allocation of Community Infrastructure Levy to Strategic Projects	
<b>Report of the Cabinet Member for Finance, Performance and Core Services and the Cabinet Member for Regeneration and Social Housing</b>	
<b>Open Report</b>	<b>For Decision</b>
<b>Wards Affected:</b> All	<b>Key Decision:</b> Yes
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<b>Accountable Director:</b> Dave Mansfield, Chief Planner	
<b>Accountable Strategic Leadership Director:</b> Graeme Cooke, Director of Inclusive Growth	
<b>Summary</b> <p>Community Infrastructure Levy (CIL) is a charge that local authorities can levy on new development. The proceeds can be spent on infrastructure to support the needs of development anywhere in the borough. £1,758,480 of strategic CIL has been collected and is currently available to be spent on strategic projects.</p> <p>At its meeting on 12 December 2017, the Cabinet agreed the process for determining the Borough's Strategic Community Infrastructure Levy (CIL) spend (Minute 71 refers).</p> <p>In line with this process Be First invited bids for CIL funding. Three bids were received and appraised by Be First and put forward to the Local Plan Steering Group which recommended that they be approved by Cabinet.</p>	
<b>Recommendation(s)</b> <p>The Cabinet is recommended to agree that Community Infrastructure Levy funding be allocated to the following strategic projects:</p> <ul style="list-style-type: none"><li>• Parsloes Park 'Parklife' project - £600,000</li><li>• Children's Play Spaces and Facilities - £275,000 over five years</li><li>• Parks and Open Spaces Strategy 2017 Implementation - £500,000 over five years</li></ul>	
<b>Reason(s)</b> <p>To assist the Council in achieving its corporate priorities in relation to "Encouraging civic pride", "Enabling social responsibility" and "Growing the borough".</p>	

## **1. Introduction and Background**

- 1.1 The Community Infrastructure Levy (CIL) is a charge which local authorities can levy on all net new development of 100 square metres or more or the creation of one additional residential unit in their areas. The proceeds of the levy can be spent on infrastructure to support the needs of new development anywhere in the borough. Charging rates are set at a level which will not affect the economic viability of development in the borough.
- 1.2 At its meeting on 21 October 2014, the Cabinet endorsed the borough's Community Infrastructure Levy Charging Schedule. It subsequently came into force on 3 April 2015 and, to date, £2,182,469 has been collected. £1,745,982 (80%) of this is allocated to strategic projects with the remainder allocated to neighbourhood projects (15%) and administration (5%). A separate report is currently being prepared on the process for allocating the Neighbourhood CIL.
- 1.3 CIL can be used to fund a wide range of infrastructure, including open space improvements, transport, flood defences, education, health and social care facilities; not only the initial capital cost but also operational and maintenance costs. This definition allows the levy to be used for a broad range of facilities such as play areas, parks and green spaces, cultural and sports facilities and education including academies and free schools, children's centres and nursery provision, district heating schemes and police stations and other community safety facilities.
- 1.4 The levy must be spent on infrastructure needed to support the development of the area and is intended to focus on the provision of new infrastructure. It should not be used to remedy pre-existing deficiencies in infrastructure provision unless those deficiencies will be made more severe by new development. The levy can be used to increase the capacity of existing infrastructure or to repair existing infrastructure, if that is necessary to support development.
- 1.5 The CIL Regulations 2010 require collecting authorities to publish a Regulation 123 list which sets out a list of those projects or types of infrastructure that it intends to fund, or may fund, through the levy. The list is attached as Appendix 1.
- 1.6 At its meeting on 12 December 2017 (minute 71), the Cabinet agreed the process for prioritisation and allocation of strategic CIL funds.

## **2. Proposal and Issues**

- 2.1 The Council annually invites bids for CIL. This process is managed on its behalf by Be First. To do this infrastructure providers are required to complete a project appraisal form. The form is clear that only projects that cannot be funded entirely from other sources, that help address the impact of new development and fall under one of the categories in the Regulation 123 list can be put forward. Be First then assesses and ranks these projects against the following criteria:
  - Their impact on delivering Borough Manifesto targets;
  - The amount of match funding that the CIL funding unlocks;
  - The robustness of the delivery strategy including how will the project be delivered and the timetable for delivery with regard to the growth impacts the project is meant to be addressing;

- The revenue impacts and what if any CIL is needed for maintenance and/or operational costs;
- Impact on cohesion and equalities including groups with protected characteristics.

This long list is then put forward to the Local Plan Steering Group (LPSG) to consider the projects that should be funded by the CIL collected in that year. The list proposed by the LPSG is then submitted to Cabinet for approval. This is an annual process to coincide with the annual capital projects budget setting cycle.

2.2 There is no time limit on spend for strategic CIL.

### **Recommended Projects**

2.3 In February 2018, relevant stakeholders, including Council Directors and managers responsible for infrastructure delivery, were invited to submit projects for CIL funding. Three projects were submitted as follows:

2.4 **Parsloes Park – Parklife:** The construction of a new state of the art changing pavilion and three full-size artificial grass pitches with flood lighting, as well as a new park hub with toilets, facilities for disabled people, meeting rooms, a gym and dance studio, and a café. A separate report on this agenda provides further details of this project. £600,000 CIL is requested for a £5 million project.

2.5 **Children’s Play Spaces and Facilities:** This project aims to ensure that every residential area in the borough has a variety of high-quality play spaces for all children, regardless of their circumstances, to play safely and free of charge. In addition, the project seeks to develop high quality ‘main/hub’ play spaces and facilities in key parks, and to support and work with partners to create ‘flagship’ play spaces, designed with input from the local community. This supports delivery of the play objectives of the Parks and Open Space Strategy (POSS) 2017 which was approved by Cabinet in July 2017 (Minute 28 refers). The POSS included analysis of the distribution of play provision across the borough, based on age ranges and accessibility thresholds set out in the GLA Supplementary Planning Guidance. Taking child population densities into account, this analysis identified a significant deficit of accessible play provision in almost all of Becontree Ward, most of Whalebone Ward and parts of Alibon, Eastbury, Heath Longbridge, Parsloes, Valence and Village Wards. There are also deficiencies in parts of Chadwell Heath, Eastbrook and River. Therefore, the priorities for creating and improving play facilities across the borough will take into account these findings, whilst also seeking to achieve a sustainable balance between the number and quality of play facilities, and the revenue budgets available to manage and maintain these assets to the required standard. A list of existing play facilities is attached as Appendix 2. £550,000 CIL is requested over 10 years for a £1.9 million project.

2.6 **Parks and Open Spaces Strategy 2017 Implementation:** Allocation of £100,000 of CIL funds per year for parks projects that will include a ‘quick wins’ programme, and ongoing works to refurbish and upgrade the borough’s green spaces and to use as match funding resources to support applications for external funding, in line with the POSS 2017. £1million CIL is requested over 10 years for a £6.3 million project. The majority of the match funding will come from a Heritage Lottery Bid for Barking Abbey, there is £622,000 committed in the Capital Program and the remainder from

the London marathon Charitable Trust, Veolia Environmental, North Meets South Big Local, and crowd funding.

2.7 Be First appraised the above projects which all scored well against the criteria listed in paragraph 2.1. The scoring is provided in appendices 3, 4 and 5. The total amount of CIL funding requested is £2.15m, which is more than the funding available. For this reason and because it is not known if the CIL regime will still be in place in 10 years' time, Be First recommended to Local Plan Steering Group that the following CIL amounts be allocated:

(a) Parsloes Park – Parklife - £600,000

(b) Children's Play Spaces and Facilities - £275,000 over 5 years

(c) Parks and Open Spaces Strategy 2017 Implementation - £500,000 over 5 years

2.8 A small percentage of the CIL funding allocated to the latter two projects will be used for maintenance and operational costs, such as repair of play equipment, but there are no new on-going revenue implications as a result of these projects.

2.9 Local Plan Steering Group met on 26 March 2018 and agreed that these projects should be submitted for approval by Cabinet. If agreed by Cabinet these projects will then be incorporated into the annual Capital Programme budget setting cycle.

2.10 A second round of funding bids will be invited later this year and in future bids will be invited on an annual basis.

### **3. Options Appraisal**

3.1 Three bids were received which all scored highly against the agreed criteria for allocating CIL. The allocations for children's play spaces and facilities and parks and open spaces strategy have been reduced from 10 to 5 years to bring them within the funding available and to reflect the fact that the long-term future of CIL remains uncertain.

### **4. Consultation**

4.1 Relevant stakeholders were invited to submit project funding bids. Consultation will be undertaken on an annual basis with all service and infrastructure providers to develop a list of projects which support the delivery of the targets in the Borough Manifesto and the Vision and Objectives of the Local Plan.

4.2 The proposals in this report were considered and endorsed by the Council's Assets and Capital Board and by the Local Plan Steering Group.

### **5. Financial Implications**

Implications completed by: Katherine Heffernan – Finance Group Manager

5.1 The proposal is to allocate £1.375m of currently held Community Infrastructure Levy (CIL) funds as a contribution towards to three Strategic projects. £600k of this funding will be drawn down in the current financial year and the remaining £775k will be drawn down over the next five financial years.

- 5.2 Funding is available to make these contributions as the current CIL receipts for Strategic projects total £1.746m.

## **6. Legal Implications**

Implications completed by: Dr. Paul Feild, Senior Governance Lawyer

- 6.1 The legislation governing the development, adoption and administration of a Community Infrastructure Levy (CIL) is contained within the Planning Act (2008) and the Community Infrastructure Levy Regulations 2010 (as amended). The associated Government National Planning Policy Guidance is also important in guiding this process. There are other areas of law which should be considered when assessing certain developments for CIL liability and determining the appropriate sum due. These include matters relating to social housing, procurement, charitable institutions and 'state aid'. Further legislative reforms to the CIL regulations are expected shortly as part of a wider review of CIL by government.
- 6.2 The Community Infrastructure Levy (the levy) is a tool for local authorities in England and Wales to help deliver infrastructure to support the development of the area. The levy is charged on new development. Normally, this requires planning permission from the local planning authority, Levy rates are expressed as pounds per square metre. These figures are applied to the gross internal floorspace of the net additional development liable for the levy.
- 6.3 Local Planning authorities must be able to show and explain how their proposed levy rate (or rates) will contribute towards the implementation of their relevant plan and support development across their area.
- 6.4 As set out in the National Planning Policy Framework in England, the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened.
- 6.5 The charges are set out in a charging schedule sets out the levy rates for the authority's area. The Schedule is produced on an evidence-based process and subject to consultation and verification by an external examiner and then approved by the full Council (the Assembly). There is an obligation to keep the CIL under review and ensure that the revenue is used to the best effect for which this report is part of the ongoing process.
- 6.6 Under the Equalities Act 2010 the Council has a "public sector equality duty" (PSED). This means that in taking decisions and carrying out its functions it must have due regard to the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the 2010 Act; to advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it; and to foster good relations between persons who share a relevant protected characteristic and those who do not share it. The Council is also required to have due regard to the need to take steps to take account of disabled persons' disabilities even where that involves more favourable treatment; to promote more positive attitudes toward disabled persons; and to encourage participation by disabled persons in public life. The implication is that the CIL bidding process and outcomes must proposed must be

structured and the results be analysed within the PESD context, and in due course the recommendations be made with due regard of the duty.

## 7. Other Implications

### 7.1 Risk Management –

<b>Risk</b>	<b>Probability</b>	<b>Impact</b>	<b>Priority</b>	<b>Action</b>
That the agreed projects will not be delivered on time and the CIL funds are not spent.	Low	Medium	High	While there is no time limit on CIL spend, if projects are not delivered, the funds can be allocated to alternative projects.

7.2 **Corporate Policy and Equality Impact** - The Community Infrastructure Levy is an important source of funding to provide the infrastructure necessary to support the growth identified in the Council’s emerging Local Plan (2018-2033) and Borough Manifesto.

7.3 **Safeguarding Children** - All three recommend projects which improve park facilities for informal and formal recreation for children, helping promote health and wellbeing as well as making the borough’s open spaces safer places to visit.

7.4 **Health Issues** - The borough manifesto includes targets to improve healthy life expectancy, physical activity and healthy weight. These health issues all show an inequality, for example, between the most and least affluent in our borough, different age groups and ethnic groups. These projects are welcomed as they promote physical activity and have potential for a reduction in obesity. They can also support giving every child a good start in life, for example through play and increased educational attainment. These impact, in turn on a healthy life expectancy. Key to realising these health outcomes in the borough, however will be ensuring that these facilities are well maintained and accessible to those who need them, or they may act to widen inequalities and impact negatively on community cohesion.

7.5 **Crime and Disorder Issues** - This funding will help make the borough’s parks safer and more welcoming places.

**Public Background Papers Used in the Preparation of the Report:** None

#### List of appendices:

- Appendix 1: Regulation 123 list
- Appendix 2: Children’s Play Facilities and Quality Assessment
- Appendix 3: Parsloes Park Parklife Score Sheet
- Appendix 4: Children’s Play Spaces and Facilities Score Sheet
- Appendix 5: Parks and Open Spaces Strategy 2017 Implementation Score Sheet