

HAMBLETON DISTRICT COUNCIL

Report To: Cabinet
4 September 2018

Subject: **COMMUNITY INFRASTRUCTURE LEVY (CIL) – PRIORITISATION OF SCHEMES**

**All Wards, excluding areas within the North York Moors National Park
Portfolio Holder for Planning: Councillor D A Webster**

1.0 PURPOSE AND BACKGROUND:

- 1.1 Following the adoption of the CIL Charging Schedule in 2015, the Council identified how it intended to use the collected CIL monies to deliver the strategic infrastructure necessary to support development proposed in the Local Development Framework in the CIL Regulation 123 List. The Council prioritised the new primary school in the North Northallerton development for CIL funding (Minute CA.29)The purpose of this report is to review the prioritisation of the schemes to be funded through CIL and review the content of the CIL Regulation 123 List.
- 1.2 CIL is a levy on development with the funds being used to provide infrastructure to support the development of the area, which largely replaced the use of Section 106 planning obligations. There is discretion for the Council in how the funds are used, although CIL cannot be used to fund affordable housing. Section 106 planning obligations may still be used to fund site specific improvements where these are necessarily and directly related to new developments. In contrast CIL is secured to address the cumulative impacts of development across the Council's area by supporting improved infrastructure.
- 1.3 Within Hambleton, because of viability considerations, CIL is levied on new housing (excluding affordable housing) and retail development only. The CIL regulations provide that areas that accommodate new development will get 15% (rising to 25% in areas with adopted Neighbourhood Plans) of the CIL revenues secured in their area paid directly to the Town or Parish Council. CIL Regulations also allow for the Council to retain up to 5% of CIL receipts to cover its administrative costs.
- 1.4 When CIL was adopted in 2015 it was envisaged that it would have raised approximately £2.6M (based on a projection of £884,560 per annum for CIL Reg 123 List projects) for infrastructure projects by now. This projection has not been realised for three main reasons. A number of large projects that were included in the projections were granted planning permission before CIL came into force, the North Northallerton development has not contributed any CIL income in cash terms owing to the provision of land and infrastructure "in kind" and a large number of small proposals have benefitted from an exemption for self-build housing and as such have not contributed to the CIL Regulation 123 fund.

2.0 REGULATION 123 LIST:

Current Situation

- 2.1 The Regulation 123 list is accruing funds towards the projects on the priority list and currently stands at £1.2M.

- 2.2 Since the examination of the CIL Charging Schedule and Cabinet approval of the Regulation 123 List, there have been some changes in circumstance which affect schemes on the List. Before considering the prioritisation of the schemes, it is sensible to consider the List to ensure that the most appropriate infrastructure requirements for CIL funding are included. The list has been considered and it is proposed that the list remains unchanged. The list of schemes is set out in Annex '1'.

North Northallerton School Development

- 2.3 The North Northallerton Development includes Outline Planning Permission for a new primary school. The land is to be provided through the accompanying S106 agreement which ensures it is transferred to the County Council and its use is protected for the purposes of the provision of the school until December 2023. The Council has committed to the provision of approximately £2M from the CIL Regulation 123 List to the construction of the school.
- 2.4 At the present time it is not clear when the school will be delivered. However, as mentioned previously, the use of the land is protected within the S106 agreement until December 2023 and as such, given commitments made by this Authority, this money could be drawn down by the County Council at any time during this period.
- 2.5 Presently the CIL receipts retained by the Council amount to approximately £1.2M which is still well short of the £2M required. On current projections it is likely that the £2M point will be reached in approximately 1 year. In discussion with the County Council Education Team it is unlikely that the timescale to realise the £2M will cause any significant problem in terms of the delivery of the school.
- 2.6 It should be noted that concerns have been raised by Local Councils (Town and Parish Councils) about the lack of CIL spend within their areas. However, given the priorities previously set within the Regulation 123 List and the commitments made to the County Council it is considered necessary to set aside this funding in order that it can be made immediately available as required. It is also important to note that these Town and Parish Councils have received 15% of CIL income and have been able to use it for infrastructure projects that are not on the Regulation 123 List. Annex '3' lists payments made so far to Town and Parish Councils.

Other Reg 123 List Priorities

- 2.7 Other top priorities in the current CIL Regulation 123 List include the North Northallerton Link Road, Northallerton Sports Village and Dalton Bridge.
- 2.8 The North Northallerton Link Road is to be fully funded through direct provision of land and infrastructure by the North Northallerton Development Consortium and funding from the Local Enterprise Partnership. However, given that this project remains a major priority for the Council it is considered that the Link Road should remain on the CIL Regulation 123 List until it is complete.
- 2.9 The Northallerton Sports Village project is at the early stages of development and the cost, timescales and CIL contributions to this project are still to be clarified. This project remains central to the successful delivery of the North Northallerton Development and the provision of formal recreation facilities in Northallerton and as such it is considered that this project should remain on the CIL Regulation 123 List with a view to a more detailed review of the priorities and CIL contribution to this project in due course.

New Local Plan and Proposed Changes to the CIL Regulations

- 2.11 Through the development of the emerging Local Plan a new Infrastructure Delivery Plan will be developed which will set out the infrastructure needed to ensure that the new Local Plan is delivered sustainably and effectively. The Infrastructure Delivery Plan will also inform a new CIL Regulation 123 List.
- 2.12 A revised Local Development Scheme, containing a detailed timetable for the remaining milestones for the production of the Local Plan is to be produced in the autumn. The next milestone for the Local Plan is Publication, which includes a statutory 6 week period for representations. This publication period will begin later in the autumn, subject to completion of supporting evidence, including the Infrastructure Delivery Plan. The Infrastructure Delivery Plan (IDP) will be produced with the Local Plan and a draft available for comment with the Publication version of the Local Plan. The final version of the IDP would then be produced to accompany the submission of the Local Plan to the Secretary of State, expected to be in spring 2019.
- 2.13 It should also be noted that a review of CIL was undertaken by the Government in late 2017 which identified a number of issues which had resulted from the implementation of CIL. The review made a number of recommendations which are likely to lead to amendments to the CIL Regulations and these are expected to be announced in the Chancellor's Autumn Statement. These amendments are likely to alter the amount of CIL raised and change the ability to raise funding for discreet elements of infrastructure through S106 agreements.
- 2.14 The conclusion from this is that there are likely to be changes to the CIL Regulations in the short to medium term and the Infrastructure requirements for the District over the next plan period, will be informed by the Infrastructure Delivery Plan to be developed as part of the development of the new Local Plan. It is considered that the Regulation 123 List should be fully reviewed alongside the development and adoption of the new Local Plan (Annex '2' Proposed Programme for further review of CIL Regulation 123 List).

3.0 LINK TO COUNCIL PRIORITIES

- 3.1 CIL supports the provision of key projects identified in the Council Plan under the priority of Driving Economic Development and the priority of Enhancing Health and Wellbeing, for example, the Northallerton Sports Village.

4.0 RISK ASSESSMENT:

- 4.1 There are no significant risks to the Council in approving the recommendations.
- 4.2 The key risk is in not approving the recommendations as shown below.

Risk	Implication	Prob*	Imp*	Total	Preventative action
The funds needed to deliver the North Northallerton Primary School are used on other projects.	<ul style="list-style-type: none">• Insufficient funds to build the school.• Damage to the Council's reputation.	5	5	25	Continue to prioritise for CIL funding until £2M is secured.

5.0 FINANCIAL IMPLICATIONS:

The financial implications are covered within Paragraphs 2.3 to 2.6.

6.0 LEGAL IMPLICATIONS:

6.1 Legal implications have been considered, however, there are no issues associated with this report.

7.0 EQUALITY/DIVERSITY ISSUES

7.1 Equality and Diversity issues have been considered, however, there are no issues associated with this report.

8.0 RECOMMENDATION(S):

8.1 That Cabinet approves:

- (1) that the prioritisation of the Regulation 123 List remains unchanged for the present;
- (2) that a full review of the Regulation 123 List be undertaken to coincide with the submission of the new Local Plan.

HELEN KEMP
DIRECTOR OF ECONOMY AND PLANNING

Background papers: None

Author ref: AR and PJ

Contact: Peter Jones
Development Manager (North)
Tel: 01609 767099

Ann Rawlinson
Development Manager (Planning Enforcement and Planning
Support/TSU)
Tel: 01609 767123

Annex 1:

CIL Regulation 123 List

Hambleton District Council Community Infrastructure Levy (CIL) Regulation 123 List: May 2015 (Proposed to be retained August 2018)

Introduction:

This document has been prepared in accordance with Regulation 123 of the Community Infrastructure Levy Regulations 2010 (as amended). CIL Regulation 123 restricts the use of planning obligations for infrastructure that will be funded in whole or in part by the Community Infrastructure Levy, to ensure no duplication between the two types of developer contributions.

Charging authorities are required to publish on its website a list (the Regulation 123 List) setting out those projects or types of infrastructure that it intends will benefit from CIL funding. The Regulation 123 List can be reviewed at any time but it is likely that the Council will undertake to do this annually, following the publication of the Council's Annual Monitoring Report which will identify progress on collecting and spending CIL. In line with Government guidance on the preparation and implementation of the CIL, the Council will undertake appropriate local consultation when reviewing the Regulation 123 List.

The inclusion of a project or type of infrastructure in this list does not signify a commitment from Hambleton District Council to fund, either in whole or in part, the listed project or type of infrastructure through CIL. Nor does the order of the List imply any order of preference or weighting of one project against another.

Infrastructure to Benefit from CIL Funding:

The list below sets out those infrastructure projects that Hambleton District Council intends will be, or may be, wholly or partly funded by CIL.

	Location	Infrastructure Requirement
Road Network and Transport	Northallerton	North Northallerton Line Road (inc Bridge)
	Northallerton	Northallerton Public Transport Interchange
	Easingwold	Easingwold Footpath and Cycleway Network
	Stokesley	Stokesley Footpath and Cycleway Network
	Thirsk	Thirsk Public Transport Interchange
	District Wide	Junction improvements required to mitigate the cumulative impact of housing and employment allocations.
Education	Northallerton	Provision of new primary school in North Northallerton
	District Wide	Provision of additional primary school places required as a result of new development.
Green Infrastructure	Northallerton	Northallerton Sports Village
	Northallerton	Northallerton Town Park
Healthcare	District Wide	Healthcare Facilities – Additional GPs

Continuing Role for Planning Obligations (Section 106 Agreements):

The CIL Regulations 2010 include a deadline of April 2015 beyond which restrictions on the pooling of planning obligations (i.e. S106 Agreements and commuted sums) will come into force. From this date, the Council will not be able to pool more than five contributions from separate developments towards a single item of infrastructure not to be funded by the CIL. In order to ensure that developments are not charged twice for the same item of infrastructure, the Council cannot require the provision of any item of infrastructure on the Regulation 123 List via a planning obligation.

Despite these restrictions, there will continue to be an important role for planning obligations in mitigating the site specific impacts of a development and in providing affordable housing. The Council will continue to secure the types of infrastructure identified in its adopted Local Development Framework by way of planning obligations, where they meet the tests set out in Regulation 122 of the CIL Regulations 2010 and do not appear on the Council's Regulation 123 List.

Affordable housing, on-site infrastructure requirements and open space provision (in line with Policy DP37 of the Council's Development Policies Development Plan Document) and maintenance payments to ensure the long-term upkeep of open spaces, will continue to be sought via planning obligations.

Annex 2:

Proposed Programme for further review of CIL Regulation 123 List

Introduction:

In order for a fully informed review of the CIL Regulation 123 List to take place, additional information is required. Given the need for the Regulation 123 List to reflect the infrastructure development needs set out in the new Local Plan, it is considered that the timing of the full review should run alongside the timetable for the Local Plan.

Programme:

Members recently approved work to identify how the recently published NPPF would influence production of the Local Plan and the extent of work required to bring the plan into conformity with new national planning policy.

A revised Local Development Scheme, containing a detailed timetable for the next milestones for the production of the Local Plan is intended to be produced in the autumn once the impact of the NPPF is clear.

The next milestone for the Local Plan is Publication which includes a statutory 6 week period for comments (often referred to as consultation, this is strictly speaking incorrect as the comments will go to the planning inspector and form the basis of the examination of the plan).

This publication period is programmed to begin later in the autumn, subject to completion of supporting evidence, including the Infrastructure Delivery Plan, and the Council being satisfied that the plan conforms with the new NPPF.

The Infrastructure Delivery Plan (IDP) will be produced with the Local Plan and a draft available for comment with the Publication version of the Local Plan. The final version of the IDP would then be produced to accompany the submission of the Local Plan to the Secretary of State. The Infrastructure Delivery Plan will then inform the proposed new CIL Regulation 123 List. At this stage it is anticipated that the replacement CIL Regulations will also be in place.

Annex 3:

List of payments made so far to Town and Parish Councils

List Of Councils with CIL Monies	CIL Monies paid out to date	CIL Monies due to be paid by 31st march 2019 on Applications already commenced
Aiskew	£10,800.00	
Aine	£2,609.82	
Aldwark	£5,197.50	
Bagby		£3,209.25
Bedale	£1,366.20	
Brafferton	£194.70	
Burneston	£1,353.00	
Carlton Husthwaite		
Carlton Miniott	£2,937.00	
Carthorpe	£48,675.00	£511.50
Catton	£1,260.765	
Crakehall	£8,927.58	
Crayke	£2652.37	
Dalton	£21,008.03	£7,957.12
Danby wiske	£7,145.68	
Easingwold	£31,075.91	£85,722.06
East Harsley	£1988.25	
Flawith		£5,230.05
Felixkirk		
Great Broughton		£1,923.57
Hackforth	£6,421.36	£7,752.97
Huby	£924.00	£5,849.25
Hutton Bonville	£1,446.23	
Hutton Rudby		£5,379.00
Kirby	£464.56	
Kanyton	£1,301.85	
Morton on Swale	£27,931.20	
Newton on Ouse		£6,059.62
Northallerton		£2,206.87
Pickhill		£5,921.02
Shipton		£1,068.37
Sowerby	£1,516.35	£1,666.5
Stokesley	£27,161.06	£81,483.18
Thirsk	£17,424.51	£633.60
Thrintoft	£273.08	
Tholthorpe	£2,623.50	
Thornton le Moor	£957.74	
Tollerton	£1,773.75	
sinderby		£1,195.08

Sessay	£4,413.75	
Sutton on forest	£387.75	
Skipton on swale	£1,658.25	
Stillington		£5,777.49
Raskelf	£3,311.55	£3,869.25
West Tanfield		£31,328.87
TOTAL	£247,182.00	£264,744.62