

<b>Report of:</b>	<b>Head of Economic Development</b>
<b>Contact Officer:</b>	<b>John Heminsley</b>
<b>Telephone No:</b>	<b>01543 464521</b>
<b>Portfolio Leader:</b>	<b>Economic Development and Planning</b>
<b>Key Decision:</b>	<b>Yes</b>
<b>Report Track:</b>	<b>Cabinet: 23/07/2015</b>

**CABINET**  
**23 JULY 2015**  
**CANNOCK CHASE COMMUNITY INFRASTRUCTURE LEVY FUNDING**  
**DECISIONS PROTOCOL**

**1 Purpose of Report**

- 1.1 To consider adoption of a protocol for allocation of Community Infrastructure Levy (CIL) funds to infrastructure projects.

**2 Recommendations**

- 2.1 That the recommended procedures set out in the proposed Protocol for Allocation of CIL Funds set out at paragraphs 5.1 to 5.9 below be adopted.
- 2.2 That authority be given to the Head of Finance and the Head of Economic Development to design an application form for use by all potential bidders for CIL funds to cover the key points set out in paragraph 5.13 below.

**3 Key Issues and Reasons for Recommendation**

- 3.1 The Council approved the CIL Charging Schedule and Regulation 123 List of infrastructure projects eligible to receive funding in the first year of operation of CIL at its meeting on 15/04/2015. CIL came into effect in relation to relevant chargeable development on 01/06/2015.
- 3.2 CIL is intended to provide a significant funding stream for infrastructure needed to support the policies and proposals in the adopted Local Plan. It will partly replace funding previously obtained via Planning Obligations ( S106 agreements and Unilateral Undertakings ) which have become more limited in scope in relation to pooling of funds from 5 or more obligations as a result of Regulations

which came into effect on 06/04/2015. Funding obtained or committed to be delivered from Planning Obligations completed in Cannock Chase District before 01/06/2015 can be added to CIL funds to deliver projects on the R123 list where the terms of the Obligation provide for this, but any Obligation completed on or after 01/06/2015 cannot provide funding for R123 projects.

3.3 The report to Council on 15/04/2015 proposing the adoption of CIL from 01/06/2015 noted that the following processes to be set up to authorise allocation of CIL funds needed to be the subject of a further report -

- A protocol for allocation of funds to external infrastructure providers with projects on the R123 list – initially this would include Staffordshire County Council, Network Rail and the Environment Agency.
- Part of the same process in relation to authorising spend on Cannock Chase Council capital projects and determining how the process of allocating the 15% of CIL receipts collected in Non-Parished areas of the District, which can be used not only to deliver infrastructure, but anything else which is concerned with addressing the demands development places on the area, would be handled.
- The procedure for annual review of the R123 list of projects.

3.4 The timetable for decision making on these matters needs to fit with the Council's annual budget processes. The table set out at paragraph 5.9 below proposes the processes and timescales to enable this to be achieved. The rest of section 5 of the report identifies potential bidders, makes recommendations on the criteria to be used in assessing bids, explains the relationship with S106 funds and summarises the annual reporting requirements.

## **4 Relationship to Corporate Priorities**

4.1 This report supports the Council's Corporate Priorities as follows:

### Environment and Planning

- Increase the economic, social and environmental prosperity of the District through delivery of sustainable development.
- Improve town centres through regeneration and management.

### Active and Healthy Lifestyles

- Provide accessible leisure and cultural facilities.
- Encourage investment in sporting and cultural facilities.

### Improved Living Environment

- Improve countryside site provision.

**5 Report Detail**

- 5.1 The allocation of Community Infrastructure Levy (CIL) funds to infrastructure projects consists of two distinct stages
- Determination of resources available
  - Bidding and allocation process
- 5.2 The process however needs to ensure that the allocation of resources maximises the impact of the use of such resources and is prioritised in line with the strategic objectives of the Council and its partners from a strategic medium to long term view rather than an annual first come first serve basis.
- 5.3 The process therefore needs to be tailored to the medium term three year rolling programme allocation process of the Council whereby a capital programme is approved for the next financial year and two subsequent years and reflects the resources available over that period.
- 5.4 The determination of resources will then need to reflect the level of resources available over that three year period and when resources will be able to finance the project. Financing will not be provided in advance of CIL funds being received.
- 5.5 In determining a protocol, it will need to be taken into account that it is very unlikely CIL funds will be generated in the early years of the CIL funding regime. The report to Council in 2014 highlighted potential receipts of £3.7 over the period 2015 to 2028 but it is unlikely that there will be any new retail development within the new chargeable categories until after 2017/18 .
- 5.6 In addition CIL monies will need to be allocated in accordance to Parishes in accordance with CIL Regulations and 5% will need to be set aside to offset the management and administration of the scheme whereas actual CIL receipts will in some cases be paid in instalments.
- 5.7 Nevertheless it is essential that the principles of the scheme and a protocol is established as soon as practically possible to ensure the Council's partners/bidders are aware of the process and that the objectives of the scheme are transparent.
- 5.8 The Key principles of the scheme are considered to be :
- CIL funds will be allocated based upon prioritising the schemes included on the Regulation 123 list to reflect the strategic objectives of the Council and its partners
  - The allocation will attempt to maximise the impact of the CIL resources after taking into the outcomes of the schemes; the business case and match funding

- The process will involve initially a three year window with bids thereafter relating to the rolling new year of the rolling programme e.g the 2016-17 process will relate to 2016-17 to 2018-19. The 2017-18 process will relate to new schemes for 2019-20.
- In the latter case bids will not be accepted for 2017-18 and 2018-19 unless it can be demonstrated that unforeseen circumstances beyond the control of the bidder have materialised .
- The process will not commence until sufficient resources are considered to be available within the three year period to enable the above objectives to be achieved.
- To aid this process the Regulation 123 list will be refreshed on an annual basis to identify the potential schemes falling due in the 3 -5 year period and the current shortfall requiring potential CIL allocations.
- Approval of any scheme will be at the risk of the bidder. The Council will not incur /reimburse any CIL related scheme expenditure until sufficient resources have been received. (Risks in this instance include the developer defaulting on the instalment schedule etc.)

5.9 Working back from the normal timing for the annual budget setting process in February, all the consultation and decision making processes would need to be completed by the end of the calendar year. The table below sets out recommended processes and timescales.

**Table 1 – summary of overall process and annual timetable**

<b>Date</b>	<b>Action</b>
By 30th of June	Invite bids from stakeholders for inclusion in the three year CIL Infrastructure Capital Programme
By 1 <sup>st</sup> September	Deadline for bids for projects submitted to officers
September	Initial assessment of submissions by officers and Cabinet Members
By 30 <sup>th</sup> September	Consultation event to share and review aspirations/priorities.
By 31 <sup>st</sup> October	Prepare draft programme of projects
By 30 <sup>th</sup> November	Feedback to stakeholders
By 31 <sup>st</sup> December	Prepare recommendations
February	Report to Cabinet/Council

5.10 Eligible bidders

For the projects currently included on the Regulation 123 List, these will be the District Council for open space, sport, recreation and cemetery provision, The District Council in partnership with the County Council, Network Rail and London Midland Trains for station improvements, Staffordshire County Council for education and highway projects, the Environment Agency for the Rugeley Flood Alleviation Scheme and the Cannock Chase Special Area of Conservation Partnership for projects relating to mitigation of visitor impact on the Cannock Chase SAC.

5.11 In relation to the non-Parished parts of the District which comprise Cannock North, Cannock East, Cannock West and Cannock South Wards ( excluding the area of Bridgtown Parish ) together with part of Rawsley Ward ( excluding the area of Cannock Wood Parish ) the recommended process is to consult Ward Members in relation to potential projects on which the 15% local funding can be spent. Proposals for projects would be invited on an individual Ward basis provided that funds had been generated from CIL in that Ward.

5.12 Use of S106 funds

As noted above S106 funds can be used to match CIL funding and therefore be included as part of the bidding process where such funds are identified for an appropriate item or items of infrastructure and the agreement or unilateral undertaking was completed before 1<sup>st</sup> June 2015. It may take several years before such funds are totally committed to infrastructure projects.

5.13 Recommended criteria for use of CIL funds

Clearly potential bidders must ensure that the project is on the R123 list and in the Infrastructure Delivery Plan. Bids should identify the the amount of funding being sought and also any other sources of funding, including potential leverage of match funding and use of pre 06/04/2015 planning obligations. Priority will be given to Capital schemes, although revenue funding via maintenance of associated assets will also be eligible.

The connection to relevant Local Plan policies will need to be identified together with an overall assessment of the economic, social and environmental benefits of the project. Finally evidence of deliverability and arrangements for ongoing maintenance/management should be set out. A pro-forma application form will be designed to ensure consistency of submissions.

5.14 Decision making on funding allocations in the early years

It is likely that receipt of CIL funds will start as a trickle and may not be sufficient to deliver key priority projects in the early years. So part of the process of identifying key priorities will almost certainly include “banking” funds against individual projects over one or more years until sufficient resources have been accumulated to secure delivery in later years.

## 5.15 Annual Report

The Council is required to produce an annual report of what funds have been received, what has been spent or committed, including the amount spent on administration, and what funds have been transferred to Parish and Town Councils arising from developments taking place in these areas. Parish and Town Councils are in turn required to inform the District Council what projects they have committed funds to. This annual process also provides an opportunity to update/review the content of the R123 List.

## **6 Implications**

### **6.1 Financial**

6.1.1 As referred to in para 3.4 the proposed consultation and decision making processes, subject to their approval, will need to have been completed before the end of the calendar year. This will enable the CIL funded projects to be included as part of the Councils Annual Budget process which is determined in February each year.

6.1.2 There are no further financial implications as a result of this report.

### **6.2 Legal**

In developing the Protocol for the allocation of CIL funding regard has been had to ensuring that it complies with all relevant legislation including the Community Infrastructure Levy ( England and Wales ) Regulations 2010 ( as amended ) and guidance. Once allocated a commitment should be sought from the recipient of the funds that they are spent in accordance with the R123 list.

### **6.3 Human Resources**

None

### **6.4 Section 17 (Crime Prevention)**

None

### **6.5 Human Rights Act**

None

### **6.6 Data Protection**

None

### **6.7 Risk Management**

Having a well documented and open procedure of identifying priorities for funding and delivery of projects as proposed minimises the risk of failure to maximise the beneficial use of CIL funding for the community as a whole.

**6.8 Equality & Diversity**

None

**6.9 Best Value**

None

**7 Appendices to the Report**

Appendix 1 Regulation 123 List of Projects

**Previous Consideration**

Council	15/04/2015
Cabinet	17/07/2014
Cabinet	21/11/2013

**Background Papers**

Planning Act 2008

Community Infrastructure Levy Regulations 2010,2011, 2012, 2014

DCLG National Planning Procedure Guidance on CIL and S106

Cannock Chase Local Plan June 2014

Infrastructure Delivery Plan May 2014



## Appendix 1

<b>Updated CIL Regulation 123 List (changes from submitted draft highlighted in bold) (note:- not in priority order)</b>				
<b>Site</b>	<b>Town/Location</b>	<b>Description of works</b>	<b>Evidence base - reference numbers from Local Plan (Part 1) list of evidence documents</b>	<b>Costs</b>
Conduit Road to Albutts Road mineral line	Norton Canes	Upgrade stoned path to cycleway to connect existing cycleway routes	Cannock Chase Integrated Transport Strategy - 99a	£48,000
Norton Canes Community Centre	Norton Canes	Pitch Improvements	PPG17 Open Space Sport & Recreation Facilities Studies- 129, 129a, 129b	£98,000
Heath Hayes Park	Heath Hayes	Pitch Improvements	129, 129a 129b	£300,000
Heath Hayes Park	Heath Hayes	Ancillary Facilities - Changing Rooms	129, 129a, 129b	£700,000
Heath Hayes Park	Heath Hayes	Car Parking	129, 129a 129b	£200,000
Heath Hayes Park	Heath Hayes	Refurbish Tennis Courts/Fencing	129, 129a, 129b	£90,000
Hednesford Park	Hednesford	Pitch Improvements	129,129a, 129b	£200,000
Hednesford-Rawnsley mineral line	Hednesford/Rawnsley	Create cycleway on former mineral line to provide off road safe route from Rawnsley to Hednesford and linking into the Chase.	99a	£100,000
Cannock Park	Shoal Hill/Longford	Replace 2 space nets, 2 multi units and resurface wet pour.	129, 129a, 129b	£120,000





Cannock Park	Shoal Hill/Longford	Refurbish heating system for showers, re-tile showers and refit changing rooms	129,129a, 129b	£40,000
Avon Road (former MEB sub station)	Shoal Hill/Longford	Install new Local Equipped Area for Play (LEAP) area	129, 129a, 129b	£100,000
Laburnum Avenue Recreation Ground	Shoal Hill/Longford	Pitch Improvements	129, 129a , 129b	£98,000
Green Lane	Rugeley/Etching Hill	Pitch Improvements	129, 129a, 129b	£150,000
Former Cannock Stadium	Chadsmoor	Elements of Phase 2 of Site Redevelopment - Pitch and Drainage improvements, Fencing, Artificial Grass Pitch (AGP), Access, Social Picnic Areas	129, 129a 129b	£750,000
Old Fallow Road	Chadsmoor	Pitch Improvements	129, 129a, 129b	£98,000
Rugeley Leisure Centre Artificial Turf Pitch Extension (ATP)	Rugeley/Hagley	Extend ATP into full size pitch and lighting upgrade	129, 129a, 129b	£400,000
Elmore Park	Rugeley/Western Springs	Dredge lake and stabilise banks	Rugeley Town Centre Strategic Flood Risk Assessment- 117	£500,000
<b><u>Brereton mineral line</u></b>	<b>Brereton and Ravenhill/Rugeley Town</b>	<b><u>Create cycleway on the Brereton and Ravenhill Way from Rugeley Town station car park to the Cannock Chase Area of Outstanding Natural Beauty</u></b>	<b>99a</b>	<b><u>£50,000</u></b>
Land south of A5190 Norton Canes	Whole District	Develop new Burial Space for North of District	Internally generated evidence of need for additional burial space.	£1,000,000



Cannock Chase Special Area of Conservation (SAC) Mitigation Measures <b>excluding review of access network, signage and path repairs</b>	Whole District	Measures to mitigate impacts of increased recreational pressure upon the Cannock Chase SAC arising from new housing developments within the District. Costs for CCDC currently approx 1/5 of £2m for entire SAC partnership area.	145-149 (inclusive)	£400,000
Heath Hayes and Wimblebury Parish	Heath Hayes and Wimblebury	Expansion of existing primary school provision by up to 210 additional places in the Heath Hayes and Wimblebury Parish.	Planning of School Places and Education Planning Obligations Policy- 88, 89	£4,416,000
Rugeley and Brereton	Rugeley/Brereton	Land acquisition and associated costs to provide additional primary school places in Rugeley	88,89	
West Hill Primary School	Hednesford	Expansion of West Hill Primary to provide an additional 105 places	88, 89	
Hob Hill Primary School	Brereton and Ravenhill	Expansion of Hob Hill to provide an additional 105 primary school places	88, 89	
<ul style="list-style-type: none"> <li>• <b><u>Hednesford (Town)</u></b></li> <li>• <b><u>Rugeley (Town)</u></b></li> </ul>	<ul style="list-style-type: none"> <li>• <b><u>Hednesford</u></b></li> <li>• <b><u>Rugeley</u></b></li> </ul>	Replacement of temporary accommodation <b><u>with permanent accommodation</u></b>	88, 89	
<b>TOTAL COST OF EDUCATION ITEMS</b>				
Cannock, Rugeley and Hednesford town train stations	Cannock, Rugeley and Hednesford	Upgrades to train stations to support Chase Line improvements	99a	TBC



Five Ways Island	Heath Hayes and Wimblebury	Delivery of Five Ways Junction Improvement (part of Local Pinch Point Package Programme)	99a	£300,000
Rugeley Town Centre (Hagley Park)	Rugeley	Rugeley Town Centre Flood Alleviation Scheme	117	£1,500,000
Hednesford, Rugeley, Brereton and Norton Canes	Hednesford, Rugeley, Brereton and Norton Canes	Initial programme to replace bus shelters (15), bins (15) , benches (15) and provide cycle racks (3)	Internally generated evidence of need for upgrades.	£121,000
<b>Eastern Way/Leacroft Island, Cannock</b>	<b>Cannock</b>	<b>Elements of duelling island improvements</b>	<b>Cannock Chase Integrated Transport Strategy 99a</b>	<b>TBC</b>
<b>Mill Green Nature Reserve</b>	<b>Cannock</b>	<b>Improvements excluding link from proposed Designer Outlet Centre to Railway Station</b>	<b>127,1297a,129b</b>	<b>TBC</b>
<b>Lichfield Road/Mill Street, Cannock</b>	<b>Cannock</b>	<b>Elements of pedestrian/cycle improvements linking to Cannock Town centre</b>	<b>99a</b>	<b>TBC</b>
<b>TOTAL COST OF PROJECTS</b>				<b>£11,729,000</b>