

CABINET

Newcastle
City Council 

15 October 2018

Community Infrastructure Levy (CIL)

Name of Cabinet Member:

Councillor Ged Bell

Director presenting report:

Michelle Percy, Acting Director of Place

Report Author:

Kath Lawless, Assistant Director Planning

Confidential /Not for publication:
No

Key Decision

Report summary:

This report provides an update on the Community Infrastructure Levy and specifically seeks approval for engagement on the strategic approach to the allocation of the neighbourhood funds secured through the Levy.

Newcastle City Council's Community Infrastructure Levy came into effect on the 16th November 2016 and secures a levy receipt for strategic infrastructure as well as local neighbourhood improvements.

The strategic spending priorities for the majority of the receipt were agreed by Full Council in 2016 and are set out in appendix 1. This report sets out an approach to the allocation of the non-parished neighbourhood portion of the fund and recommends it is invested in open space, green infrastructure and children's play.

Summary of decision being asked:

Cabinet is asked to note the update on Community Infrastructure Levy and approve engagement on the proposed strategic approach for the allocation of the Non-parished Neighbourhood Portion of CIL. It is proposed that this is allocated to spend on open space, green infrastructure and children's play.

1. What is this report about?

- 1.1 This report seeks to provide an update on the Community Infrastructure Levy and specifically seeks approval of the strategic approach to the allocation of the neighbourhood portion of the fund. The Community Infrastructure Levy is a charge which allows planning authorities to raise funds from developments to help deliver infrastructure to support the development of their area.
- 1.2 The City Council's Community Infrastructure Levy (CIL) Charging Schedule was approved by Full Council on 2nd November 2016 and came into effect on the 14th November 2016.
- 1.3 CIL income is required to be allocated as follows:
- 80% of CIL is to be applied to strategic infrastructure as identified on the City Councils published Regulation 123 List. This list was approved by Full Council in 2016. (see appendix 1);
 - 5% towards the implementation and ongoing administration by the City Council;
 - 15% of CIL is passed to Parish Councils/Neighborhood's (Neighbourhood Portion) in which the development that paid the CIL is located for the provision of local infrastructure improvements or other measures to support the development of the area.
- 1.4 The majority of the overall CIL Receipt (80%) is allocated to the strategic infrastructure projects contained on the City Councils Infrastructure list (appendix 1).
- 1.5 A proportion of CIL payments collected by the City Council are also passed on to Parish Councils where development takes place within their boundary. As none of the Parishes have a Neighbourhood Plan in place this amount is a maximum of 15% of the total receipt.
- 1.6 The Parish Councils have a duty to spend CIL income on providing, improving, replacing, operating or maintaining infrastructure that supports the development of the Parish area or anything else concerned with addressing the demands that development places on the area. At present there are only two parishes in the city which have CIL development taking place - Dinnington and Woolsington.
- 1.7 In terms of the amounts to be transferred to date, these will be:
- Dinnington Parish Council– £7,868
Woolsington Parish Council - £29,180

- 1.8 Each year the Parish Councils must publish a report which provides information on money received, spent and held. This must be published by the 31st December every year. Where there is no parish council 15% of the levy can be spent in the surrounding location of where the levy was received. This portion is discussed in section 3.

2. What decision are being asked for?

2.1 Cabinet is asked to:

- a) Note the update on Community Infrastructure Levy;
- b) Approve the proposed strategic approach for the allocation of the Non-parished Neighbourhood Portion of CIL on open space, green infrastructure and children's play for public engagement and agree that it can take place during Autumn 2018.
- c) Delegate authority to the Assistant Director Planning in consultation with the Portfolio holder to make any changes as necessary to the strategic approach to the allocation of the neighbourhood portion of the fund to reflect the responses received following the public engagement exercise.

3. Why is the proposal being put forward?

3.1 As previously stated, 15% (in Non-Parish Council areas) of the total must be used towards neighbourhood improvements in the area where the development takes place.

3.2 For non-parished areas it is up to the Council to decide how the money is allocated but national guidance does require local engagement. It is proposed that the strategy outlined in this report will be the basis of the engagement exercise in order to seek the views of the public. The monies can be spent on revenue or capital and should meet local needs.

3.3 It is proposed that monies received for non-parished areas should be allocated to spend on open space, green infrastructure and children's play. This would clearly meet two of the Council's priorities of Environment and, Health and Social Care thus tackling inequality and developing decent neighbourhoods and assisting with the wider agenda of improving health and wellbeing.

3.4 We have a strong emerging evidence base of the investment priorities for open space, recreation grounds, trees and children's play parks. There would therefore be a strong case for allocating any neighbourhood contributions to this area of work as all areas of the City require investment in open space provision. It would also assist in mitigating against the impact of new development by investing in local facilities that will benefit existing and new residents.

- 3.5 Currently the majority of the Council's evidence base reports for open space assets have divided the City into 4 sub areas – East, West, North and Outer. This has the benefit of allowing a more holistic assessment of need. It is proposed to align investment from the CIL neighbourhood portion to the same sub areas. (see appendix 2)
- 3.6 It is intended that the neighbourhood element of any CIL payment will be spent within the city quarter where the development is located and would be allocated according to the priorities set out in approved investment frameworks (play areas, trees, open space or recreation grounds).
- 3.7 Any specific project spend would still be subject to the Council's existing approval processes.
- 3.8 Currently it is estimated that the existing approved applications could generate c£200k of income for the non-parished Neighbourhood portion over the next 3 years. A further £800k could be generated from CIL receipts over the next 5-6 years for local neighbourhoods. CIL monies can be spent on Capital or revenue projects. This figure will grow as new developments come forward.

4. What impact will this proposal have?

- 4.1 The use of the neighbourhood portion on both revenue and capital provision of open space, green infrastructure and children's play would bring significant benefits to not only the city but also the health and well-being of its residents.

5. How will success be measured?

- 5.1 Newcastle City Council are required by the CIL Regulations to produce an annual monitoring report on CIL performance providing information on monies received and expended on the Regulation 123 list, Parish Councils and the Neighbourhood Portion.
- 5.2 Therefore, all expenditure on the neighbourhood portion will be reported on and Members will be able to see what money has been spent on.

6. What is the timetable for implementation?

- 6.1 If approval is given to the strategy for the proposed allocation of the neighbourhood portion it is envisaged that the public engagement exercise would take place during the Autumn.

7. What are the legal implications?

- 7.1 The Assistant Director Legal Services has been consulted on this report and has no additional comments to make.

8. What are the resource implications?

- 8.1 The representative of the Director of Resources has reviewed the report and their comments are reflected in the body of the report.

9. What are the procurement implications?

- 9.1 At present there are no procurement issues. However, if the allocation of the neighbourhood portion is approved then procurement services may be required in the provision of neighbourhood improvements.

10. What are the key risks and how are they being addressed?

- 10.1 The key risk is if development does not take place and the levy is not received. However, as CIL is non-negotiable once a development has started the secured money will be received and can be spent on neighbourhood improvements.

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Appendices:

Appendix 1 - Newcastle City Council Regulation 123 List
Appendix 2 - Neighbourhood Zones/Ward Map

Background papers

None

Appendix 1 - Newcastle City Council Regulation 123 List

| CIL List (Core Strategy and Urban Core Plan Ref, IDP Ref) | List Exclusions (Core Strategy and Urban Core Ref, UDP Ref and IDP Ref) |
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| Strategic Cycle Routes (citywide) in Newcastle (UC9), (IDP T11) | Necessary site-specific transport measures required to make the development acceptable. |
| West Road bus corridor (CS13 (1)) (IDP T3) Necessary site-specific transport measures required | Necessary site-specific transport measures required to make the development acceptable. |
| Potential New Tyne Crossing (feasibility) in Newcastle (CS13 (2) (v.)), IDP T32) | |
| Urban Core Distributor Road in Newcastle (UC9), (IDP UCDR1) | Necessary site-specific transport measures required to make the development acceptable. |
| Urban Core Bus Loop in Newcastle (UC7 (3)) (IDP BL1) | Necessary site-specific transport measures required to make the development acceptable. |
| Urban Core Primary and Secondary Pedestrian Routes in Newcastle (UC5), (IDP PPR 6-PPR10 and SPR1-SPR2) | Necessary site-specific transport measures required to make the development acceptable. |
| Primary age school provision (Rec.-YR6) (DEL 1) | Provision of serviced land, capital build, access and associated site curtilage cost+ to mitigate the impact of the allocated sites (site policies AOC1, NN1-4, NV1-3) in the Core Strategy and Urban Core Plan (IDP GA1.3 (primary age school provision only), GA2.3, GA7.1). |
| Secondary age school provision (DEL 1, Site Policies AOC1, NN1-4, NV1-3) | Serviced land required for new secondary school age provision (land for building and site curtilage including site access, hard and soft landscaping, playing fields) at Newcastle Great park (Policy NN4(1)(i)) (IDP ref GA1.3, (secondary age school provision only). |
| Major Built Sports Facilities identified in the Councils Plan for Built Facilities 2015-2030 (adopted October 2015) (indoor swimming pools) | Site specific compliance with saved UDP open space standards (UDP OS1/OS1.1/OS1.2) and associated built facilities. |
| Strategic Green Infrastructure projects within the Green Infrastructure Network and Opportunity Areas and identified in Green Infrastructure Delivery Plan (CS18 (3) and CS18 (4), UC15) | Green infrastructure and open space required for development scheme compliance with saved UDP open space standards (UDP OS1/OS1.1/OS1.2) and associated replacement open space. |
| Strategic flood risk and drainage projects identified in the forthcoming Local Flood Risk Management Strategy (CS17) | Site specific flood risk mitigation measures identified in site specific flood risk/drainage strategy. |

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| Infrastructure to support regeneration in the defined Neighbourhood Opportunity Areas (Policy CS3) in the Core Strategy and Urban Core Plan | |
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Appendix 2 - Neighbourhood Zones/Ward Map

