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5 December 2019

COMMUNITY INFRASTRUCTURE LEVY: FUNDING REVIEW 2019

1. Summary

1.1 The report sets out an updated indicative five year programme of potential infrastructure projects that could be supported by Community Infrastructure Levy (CIL). It sets out progress made over the past year. It details current CIL receipts and forecasts and reports on progress to date on mechanisms to release unparished neighbourhood funding to locally focused projects.

2. RECOMMENDATIONS

2.1 That the CIL Indicative Five Year Programme as set out in Appendix A, be agreed as a basis for ongoing liaison with relevant infrastructure providers and further development of the identified schemes.

2.2 That, once individual projects within the Indicative Five Year Programme are sufficiently progressed to demonstrate they are deliverable, further reports be submitted to Cabinet for decisions on the CIL funding contribution towards them.

2.3 That the CIL Monitoring Report, at Appendix C, be agreed for publication.

3. Background and Discussion

3.1. A report on CIL governance arrangements was agreed by Cabinet on 9 March 2017 (Minute No. 124). Subsequent to this, an annual update on the Five Year CIL Rolling Programme, together with an updated Infrastructure Delivery Plan and an Annual CIL Monitoring Report providing details of CIL income and spending is provided to Cabinet in December each year. This process gives delivery bodies some certainty that they will obtain CIL funding for their schemes and thereby facilitates development of the scheme and securing other sources of funding.

3.2. As at March 2019 total funding receipts, net of transferred local area monies and administrative costs amounted to £4.48m as outlined in the Monitoring Report (Appendix C). The CIL Monitoring Report provides details of income held, details of monies received during 2018/19 and information on Parish Councils' CIL receipts and spending. If approved, it will be published on the Council's website.

3.3. Whilst future CIL receipts cannot be estimated with a high level of certainty, based on pipeline developments there is potential for the CIL funding pot to have reached approximately £17.5m by the end of the current five year programme period (March 2025), after deductions for Parish and Neighbourhood funding and admin costs. This figure could be more or less and is dependent on the amount of CIL liable

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development commencing over the period and the amount of statutory relief given.

Potential CIL Funded Projects

- 4.1 The purpose of CIL funding is to make a contribution towards the infrastructure required to support new development in the Borough. Such infrastructure has been identified in the 2019 updated Infrastructure Delivery Plan (IDP), Appendix B. The IDP updates the current funding circumstances of the identified projects. Some projects are fully funded through historic S106 obligations and other funding sources, such as the Education and Skills Funding Agency and, therefore, will not require CIL funding. These include the Rivermill Primary School at Central Road, the secondary school at Stone Lodge, the expanded and improved junction at St Clements Way/London Road and expanded/improved junctions at Bean and Ebbsfleet on the A2. The full list is set out in Part 1 of the IDP and is being progressed by relevant partners.
- 4.2 Part 2 of the IDP identifies projects that could potentially be enabled by CIL monies, alongside other funding streams. These are as follows:
- Dartford Town Centre transport and public realm improvements
 - North of Dartford Town Centre – pedestrian/cycle bridge over the River Darent
 - Stone 2-Form Entry Primary School
 - 1FE primary school extension and 0.5 school extension in the north and west part of the Borough
 - Dartford Town Centre Health and Well Being Hub
 - Stone/Greenhithe Primary Care facility
 - Darent Valley Path – improvements to river and riverside path and associated waymarking
- 4.3 These projects are considered necessary to support development in the Borough and on currently available information are likely to meet CIL Assessment Criteria. Therefore, it is recommended that they are included in the indicative CIL Five Year Programme 2020-2025. Currently estimated delivery timescales are provided in Appendix A.
- 4.4 There has been progress in developing these projects over the last year, including firming up of site options, identifying supporting funding sources, early design and feasibility studies. The preparation phases undoubtedly take a considerable amount of time. However, some of the projects have now been progressed to the point where it may be possible to commence delivery in the 2020/21 financial year. This includes the Dartford Town Centre Health Hub and the Northern Gateway pedestrian and cycle bridge.
- 4.5 It is proposed that Officers continue to work with partners to progress these projects listed above, with a view to subsequent reports being brought to Cabinet with specific recommendations for funding. Where it

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becomes clear that an eligible project could be enabled through CIL funding during the 2020/21 financial year, a report will be submitted to Cabinet for decision.

- 4.6 It is not envisaged that CIL will fund any of these projects in full as this would not result in the most effective use of CIL funds. Rather, partners are being encouraged to seek other sources of funding, with CIL being used as part of the funding cocktail.
- 4.7 Part 3 of the IDP identifies potential projects that require more detail in terms of proposal and timescale, such as a future expansion of Darent Valley hospital. This section also contains future Fastrack projects. At present identified enhancements have sufficient approved funding to progress and deliver these schemes. Details are listed in the IDP. Feasibility studies of additional schemes are underway. Once these are completed, funding to deliver the schemes will be explored including potential CIL support.

5 Leader's Advisory Group on CIL

- 5.1 In accordance with the agreed governance arrangements, the Leader's Advisory Group on CIL, comprising Members, EDC and service and infrastructure provider representatives met in October to discuss potential projects for CIL funding support. Representatives updated on the current status of their projects and funding support requirements. These updates are reflected in the Infrastructure Delivery Plan, Appendix B. There was general support for the Indicative Five Year Programme, outlined above and attached as Appendix A.

6. CIL Neighbourhood Proportion

Parished/town council areas

- 6.1 CIL Regulations require that 15% of CIL receipts from development in a parish or town council area is passed to those councils. The majority of the Borough is parished with one town council. The proportion rises to 25% where there is an adopted neighbourhood plan. None currently exist, although one is in preparation in Stone Parish. This should be used on projects that support development in the area or address local priorities of communities impacted by development.
- 6.2 During the monitoring year, £122,146 has been passed to a number of parish and town councils in the Borough, with Stone Parish Council being the biggest beneficiary. Details of the payments made are provided in the CIL Monitoring Report (Appendix C). In total, just over £0.5m of CIL monies has been distributed to Parish Councils since the commencement of CIL in 2014. During 2018/19 CIL monies were passed to Bean, Longfield, Stone, Swanscombe and Greenhithe and Wilmington. A number of the Parish Councils have applied CIL allocations to local projects during the monitoring year, some of which are detailed in the Annual Report. Remaining monies are being held over for future identified projects.

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- 6.3 The CIL Regulations require that parish and town councils work closely with the Council to agree spending priorities. The CIL Lead Officer will liaise with parish/town councils to identify projects where CIL funding and local monies could be combined to meet shared priorities. Examples could be health provision projects or schools that address development needs within a specific area. This is in accordance with the views expressed by Cabinet, after considering this matter on 7 December 2017 (minute no.77), that Parishes would be expected to contribute some of their allocated neighbourhood funding to support the provision of key infrastructure projects in their area supported by the Council through CIL funding.

Un-parished Areas

- 6.4 CIL receipts arising from developments in unparished areas of the Borough are retained by the Council in the same proportion as for parished areas. They are to be used to support growth and on local priorities in areas impacted by development. As at October 2019, £430,003 is being held by the Council for such schemes.
- 6.5 National Regulations require that the Council engages with communities to ensure funded projects address local neighbourhood priorities. Projects may be commissioned and delivered by either local interest/community groups where they meet the criteria or the Council, where they are additional to the usual remit of Council services and meet criteria.
- 6.6 Individual projects may potentially be large and complex and beyond the scale of community projects to date. Robust financial, legal and governance arrangements need to be in place and the Council will need to ensure it has sufficient expertise and resource to manage and monitor them. Community groups are likely to need assistance in developing and implementing their projects. Proposals for the governance and resourcing and implementation of CIL projects in the non-parished areas are being drawn up and will be presented to Cabinet for approval.

7. Relationship to the Corporate Plan

To ensure that regeneration in Dartford is sustainable and of benefit to all of our communities

To reduce overall health inequality in Dartford to provide for a rich and varied quality of life.

8. Financial, legal, staffing and other administrative implications and risk assessments

Financial Implications	At this stage, no infrastructure projects are recommended for final approval of CIL funding. CIL net receipts (minus administration and local
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	<p>proportion monies) will be retained by the Council until final approval is agreed by Cabinet for projects and the monies awarded to the relevant projects.</p> <p>Local CIL ‘unparished’ monies will be held by the Council and awarded to projects, following approval by Cabinet.</p>
Legal Implications	The use of CIL monies is defined by regulatory requirements. Regulations also require the monitoring and reporting of CIL receipts and spending. Appendix C of this report sets out the CIL Monitoring Report for 2018-19. The processes outlined are in accordance with national CIL Regulations.
Public Sector Equality Duty Crime and Disorder Duty	There are no specific Public Sector Equality Duty and Crime and Disorder Duty implications arising from this report. However, individual infrastructure projects will need to be assessed against these duties as they come forward.
Staffing Implications	The administration of CIL collection, spending and governance is carried out within existing staff resources. It is partly funded by up to 5% of annual CIL contributions, which is permitted under the Regulations.
Administrative Implications	As above
Risk Assessment	There is a risk of overspend on individual projects within the 5 year infrastructure programme. Legal agreements will be entered into for each individual project, with the risk of overspend resting with the delivery agency.

9. Details of Exempt Information Category

Not applicable

10. Appendices

Appendix A– CIL Five-Year Programme 2020-2025

Appendix B– Infrastructure Delivery Plan Update 2019

Appendix C – Dartford CIL Monitoring Report 2018-19

BACKGROUND PAPERS

<u>Documents consulted</u>	<u>Date / File Ref</u>	<u>Report Author</u>	<u>Section and Directorate</u>	<u>Exempt Information Category</u>
		Teresa Ryszkowska (01322) 343631	External Services Directorate Regeneration	N/A