

MAJOR DEVELOPMENTS PANEL

MINUTES

14 NOVEMBER 2017

Chair: * Councillor Keith Ferry

Councillors: Sue Anderson * Barry Macleod-Cullinane
* June Baxter * Sachin Shah
* Stephen Greek * Anne Whitehead

* Denotes Member present

RECOMMENDED ITEM

95. Community Infrastructure Levy (CIL) - Proposed Allocation Process

The Panel received a report which provided a background to the Community Infrastructure Levy (CIL), which was introduced by the Planning Act 2008. Consideration was given to the CIL receipts, received and projected, from new development in the borough, the criteria for their distribution and the allocation for boroughwide and neighbourhood portions.

An officer introduced the report and informed the Panel that, in accordance with the regulations, at least 15% of the CIL funds received had to be spent on projects that took account of the views of the communities in which development had taken place and that supported the development of the area in which the CIL had been generated. The percentage was 25% if there was a neighbourhood plan or a neighbourhood development order.

Particular attention was drawn to:

- the broad allocation of Neighbourhood CIL would be agreed as part of the capital programme;
- the proposed timetable for implementation;

- the allocation of Neighbourhood CIL to specific projects would follow the same process as for past community engagement schemes.

Members considered the proposed approach to allocating Borough CIL and the geographic options for allocating Neighbourhood CIL together with potential project-specific criteria for the allocation of CIL.

In response to questions, the Panel was informed that:

- the government envisaged neighbourhood CIL schemes would be initiated and implemented using current processes. Ward member involvement would be similar to how ward projects had been initiated in the past with the assistance of the Community Engagement Team. With regard to the 'pooled' Opportunity Area funds, Members from all relevant wards would be involved;
- failure to spend CIL could result in it being clawed back after five years;
- capital programme bids for the 2018/19 financial year were currently being assessed for potential borough CIL funding;
- match funding, an incentive for the community to work together, was one of the financial criteria available for consideration;
- developers would be unable to avoid CIL payments by submitting two smaller planning applications as it applied to any new residential unit regardless of size.

A Member suggested that it would be useful for budget lines in the capital programme to indicate which elements of the capital programmes were directly funded by CIL. The officer stated that whilst the exact format was to be determined finance colleagues currently indicated external funding, which would include CIL.

With regard to consideration of bids from external providers, such as NHS and TfL, the officer stated that this was possible under the Regulations and health and emergency services could be considered for funding, if the Local Authority so decided. The mechanism for inviting external bids had not yet been considered in detail. Discussions with external providers took place as part of the infrastructure delivery plan and they were aware of CIL.

A Member stated that currently there were no neighbourhood plans in Harrow, although an application had been made for Harrow Hill. She enquired whether the process would ensure transparency of the funding received, how it was spent and any remaining funds. The officer stated that the application for Harrow Hill would be submitted to the December meeting of the Planning Committee and it was envisaged that should a neighbourhood plan be adopted and identify potential use of neighbourhood CIL, projects would still be delivered by the Council and the Council CIL reporting cycle would cover the points raised.

Members discussed the CIL income based on the 9 sub areas comprising groups of wards as shown in the Core Strategy. A Member referred to area 5 which had raised £2918 neighbourhood CIL in three years and queried whether there was a level where the sum was so small it was of no consequence. The officer informed the Panel that one modest development in a ward could result in a significant increase in CIL payments. Legal advice had been received that when balancing the area from which the CIL payment had been made with a broader approach, care should be taken to ensure adherence to the concept of neighbourhood CIL. Regarding a question as to the affect of large developments in central Harrow on surrounding areas, the rationale for the pooling of Neighbourhood CIL contributions within the Opportunity Area was to take into account the broader impacts of development. The main focus was to mitigate development and if the impact in other areas could be demonstrated it was possible for a CIL funded project to address this even in a separate location.

Members discussed the Harrow and Wealdstone Opportunity Area and noted that the Wards most affected by proposed development would be Greenhill and Marlborough whereas areas on the fringe of the Area such as Headstone North and Wealdstone formed a smaller amount of development. It was therefore agreed to recommend that there be a Harrow and Wealdstone sub area based on the geographical definition of the Opportunity Area which would not be defined on a Ward basis. As a result, for a Ward partly in the Opportunity Area, CIL could be allocated either in the Opportunity Area 'pooled' funds or to individual Wards as appropriate. The allocation process could be reviewed subsequently.

Resolved to RECOMMEND: (to Cabinet)

That

- (1) the allocation of Borough CIL be included as part of the Annual Budget Setting process and included in the Capital Programme report which is presented to Cabinet every year in December (draft budget) and February (final budget);
- (2) the allocation of Borough CIL be informed by the Harrow Local Plan, Infrastructure Delivery Plan, corporate priorities and external funding opportunities and have regard to the criteria outlined in Section 7 of the report;
- (3) the following approaches to allocating Neighbourhood CIL be approved:
 - (i) Allocation of 15% of CIL receipts raised in each ward back to the respective ward in which it was generated (except where received from within the geographical definition of the Harrow and Wealdstone Opportunity Area), provided there was no neighbourhood plan for that area (if there was, the amount be 25%).

- (ii) For CIL received within the geographical definition of the Harrow and Wealdstone Opportunity Area, (which was considered to form a neighbourhood), allocation of 15% of CIL receipts into a combined fund to be spent on projects across the entire area, to reflect that the area contained the greater proportion of strategic development sites within the borough.
- (iii) The broad allocation of Neighbourhood CIL be agreed as part of the Capital Programme (based on available funds at the time and allocated as per (i) and (ii) above), and included in the Capital Programme report which was presented to Cabinet every year in December (draft budget) and February (final budget).
- (iv) Once the broad allocation of NCIL is agreed as part of the Capital Programme, individual projects put forward by the relevant Directorates / Ward members be assessed against the criteria outlined in section 7 of the report (including the extent of consultation and level of community support), with the final decision on what projects were funded from the agreed CIL allocations being delegated to the Divisional Director – Regeneration and Planning, in consultation with the Portfolio Holders for Regeneration and Planning, and Finance and Commercialisation.

Reason for Recommendations: The Community Infrastructure Levy Regulations and the National Planning Practice Guidance set a framework in which CIL receipts need to be spent. Establishing a robust mechanism for the allocation of CIL that seeks to ensure these requirements are complied with and links expenditure to supporting new development in the borough to maximise the benefit such expenditure brings. A transparent mechanism also provides opportunity for input from stakeholders.