

Community Infrastructure Levy (CIL) and Identifying Strategic Infrastructure Priorities

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Points of discussion

- Background to CIL
 - What it is and what it is for?
- How Shropshire Council collects CIL
- How Shropshire Council apportions CIL
 - Neighbourhood Fund;
 - CIL Local
 - CIL strategic
- How we use CIL funding to support projects
 - Internal Infrastructure Group;
 - Council strategic priorities;
 - Expressions of Interest process;
 - Key messages

Background to CIL

Introduced in Shropshire in 2012

National CIL Guidance (2021)...

“The Community Infrastructure Levy (the ‘levy’) is a charge which can be levied by local authorities on new development in their area. It is an important tool for local authorities to use to help them deliver the infrastructure needed to support development in their area.”

In Shropshire the CIL only applies to new residential development (except affordable housing), and to new build residential extension where these are over 100sqm.

Exemptions for Self-Build development can apply

How can CIL be used?

CIL, as defined in the regulations is for -

“ the provision, improvement, replacement operation or maintenance of infrastructure to support the development of its area”

How Shropshire Council Collects CIL

- Amounts due based upon the CIL Charging Schedule.
- Shropshire's Charging Schedule was adopted in 2012 but has been subject to annual indexation
- Current prevailing rates as of 1st January 2022 are:
 - CIL Urban – £59.29 per sqm (£40 per sq m in 2012)
 - CIL Rural – £118.57 per sqm (£80 per sqm in 2012)
- Payments become due on **commencement of development**
- Incremental payments dependent on scale of development, e.g...
 - A site of up to 25 dwellings will have 1 year to pay the full amount due
 - A site of 201 dwellings will have up to 4 years to pay full amount due

How Shropshire Council Uses CIL

From the gross...

- 5% Administrative (contributes to the SC costs of administering CIL)
- 15% Neighbourhood Fund (capped) for Parish and Town Councils (25% uncapped in adopted Neighbourhood Plan Areas)

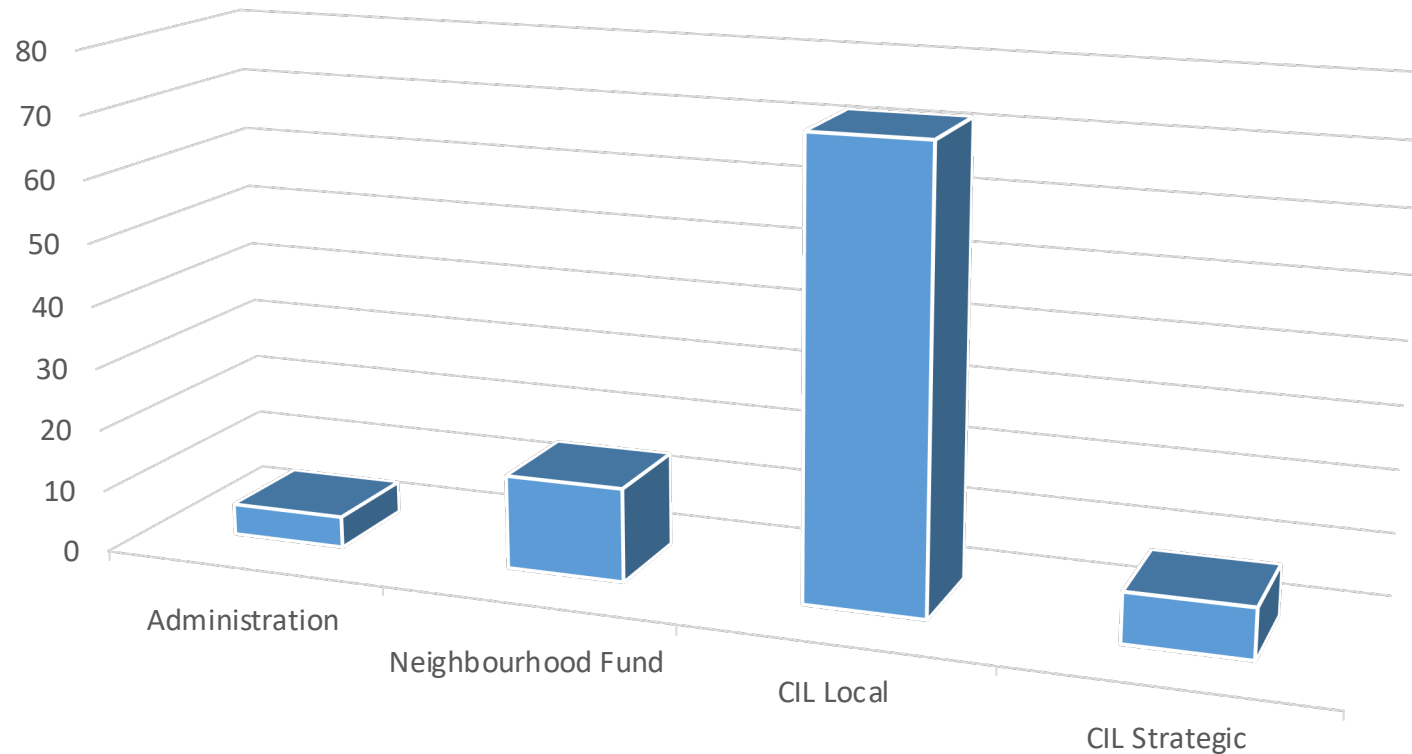
From the remainder...

- 90% CIL 'Local' – to be used to support infrastructure in the relevant Place Plan Area
- 10% CIL 'Strategic' – to be used to support County wide infrastructure projects

Both the CIL 'Local' and CIL 'Strategic' remain with Shropshire Council to determine how to use

The 90/10 split is unique to Shropshire and is not required by legislation

The Shropshire Approach



How Shropshire Council uses CIL funding

Must be used for infrastructure to support the growth of areas as a result of development

CIL can be...

- 'Banked' for use at a later time to reflect the cumulative impact of several developments in an area;
- used alongside other developer contributions, e.g. S106 to support the infrastructure needs of areas;
- Used on priority projects captured in Place Plans

CIL is not...

- A grant funding pot (although it can be used as 'match' funding for appropriate infrastructure projects);
- A replacement for service spending cuts;
- Able to be used on pre-existing infrastructure issues

Shropshire Local Plan Review

Draft Policy DP25 (Infrastructure Provision)...

1. New development should only take place where there is sufficient existing infrastructure capacity available. Where a new development would lead to a shortfall in infrastructure provision, the development will be required to fund necessary improvements through a suitable developer contribution, unless the identified shortfall is being addressed by other means.
2. **For new development where the Community Infrastructure Levy (CIL) applies, priority will be given to using CIL funds to support any critical or statutory infrastructure requirements resulting from the development.**
3. CIL funds derived from specific development which are not required to make the development acceptable in planning terms, will be prioritised according to the infrastructure needs of communities identified in the Shropshire Place Plans and the Local Infrastructure Plan.
4. On proposals where it is considered CIL funds will not be sufficient to meet the specific infrastructure needs of development, consideration will be given to applying additional Section 106 contributions for specific infrastructure items where this meets national requirements for planning obligations.
5. For development where the CIL does not apply, necessary infrastructure improvements will be secured through planning obligations where this meets national requirements.

Prioritisation of projects

Priority A projects

- Highest level of priority
- Able to unlock development
- Examples - strategic highway improvements, drainage schemes, school place planning

Priority B projects

- Infrastructure to support development across a number of areas
- Examples – Broadband connectivity, improved public transport provision, improved leisure provision

Neighbourhood Projects

- *Projects to support and which are important to local communities*
- *Examples – playgrounds, village hall car parks, street lights, local road safety schemes*

Internal Infrastructure Group (IIG)

Role of the Internal Infrastructure Group

- Understand and take into consideration Shropshire Council's strategic infrastructure requirements
- Review Expressions of Interest (CIL Project Management Guide Part 1) presented to the group in by Town and Parish Councils, considering the views of the local member and the CIL Member Advisory Group where relevant.
- Monitor the use of CIL monies (Administration, Neighbourhood, Local & Strategic) and ensure they are appropriately managed in accordance with the requirements placed on Shropshire Council as the CIL Charging Authority by the CIL Regulations and government guidance to fund the provision, improvement, replacement operation or maintenance of infrastructure which is directly associated with growth to support the development of the Council's area

Pause to Expressions of Interest for CIL 'Local' Funding

Why the need to pause Eols to April 2022?

Need to reflect upon emerging strategic infrastructure needs of areas;

- Shropshire Capital Investment Programme;
- Local Plan Review;
- Shrewsbury Big Town Plan and associated Movement Strategies
- School Place Planning Review;
- Local Transport Plan – Emerging priorities
- Further conversations with other infrastructure providers, e.g. CCG, National Highways

Supports improved communication to Parish and Town Councils –;

Improved decision making by the IIG – avoiding the 'first come first serve' basis for decision taking.

NOT, about a full review of CIL and the 90/10 Local/Strategic split

Pause to Expressions of Interest for CIL 'Local' Funding

Focus on two key Case Study Place Plan Areas – Bridgnorth and Oswestry

The aim is to provide clarity on:

- What CIL funding is currently available in these areas;
- What potential future CIL funds will become available;
- How these CIL funds are split - 'Neighbourhood Fund'; CIL Local; CIL Strategic
- What current Place Plan priorities are identified;
- What strategic future infrastructure needs are there in these areas (Priority A and Priority B projects) in five year periods to 2038 (end of the Local Plan Review period)

Growth – completions and planned Bridgnorth Town

2016-2021

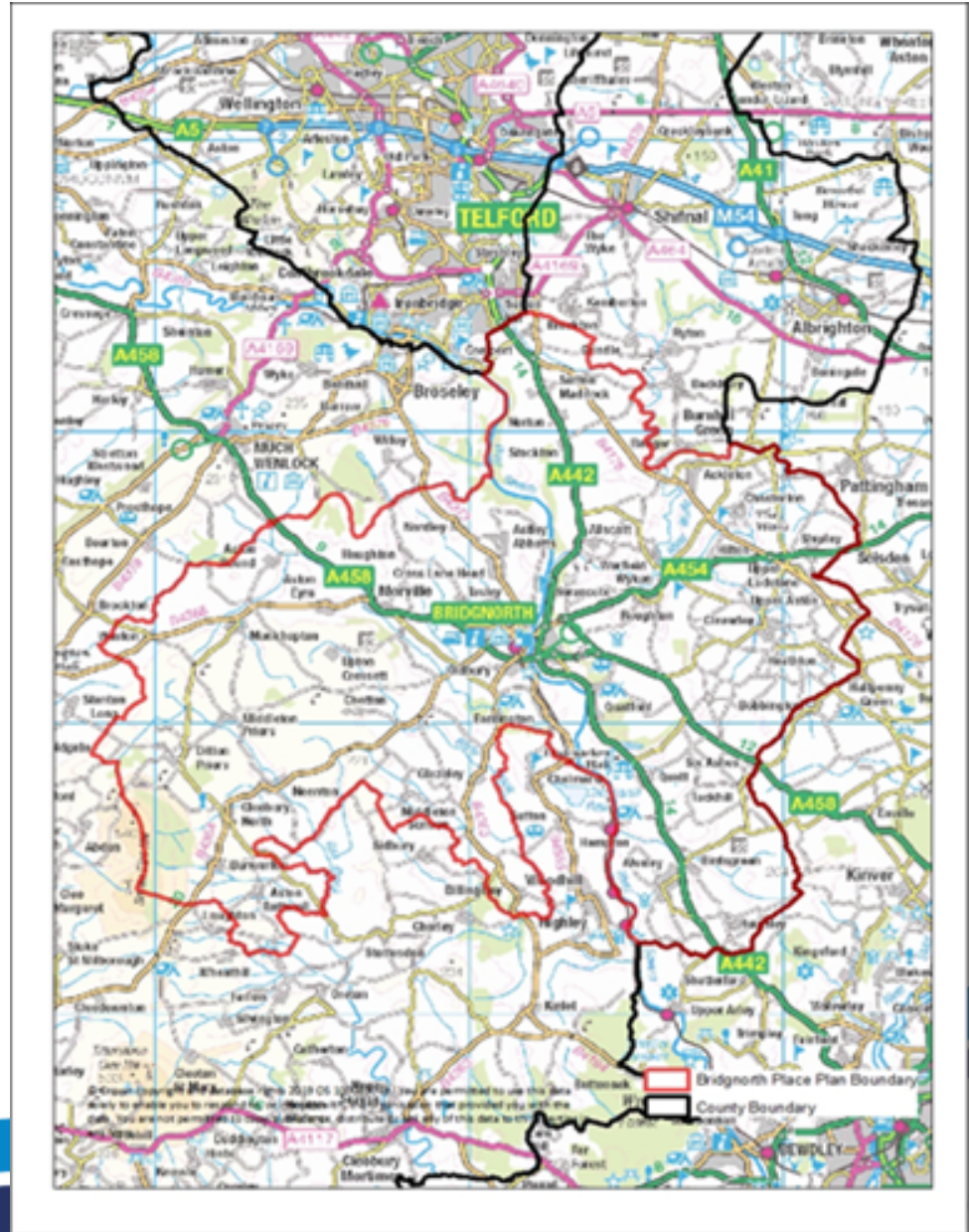
- 63 completions
- 93 approvals

2021 - 2038

- 550 on existing allocated site (Tasley Gateway)
- 1050 on proposed allocation Tasley Garden Village
- Around 50 ha of employment land

Other Community Hubs settlements

- Alveley
- Ditton Priors





Current CIL Funds for Bridgnorth Place Plan Area

Total CIL funds collected up to 31/12/21 - £1,122,236.87

Local / Strategic CIL Funds spent as at 01/04/21 - £3,666.31

Committed Funds to projects not yet applied - £161,9693.49

Neighbourhood Fund currently with Town and Parish Councils – 69,500.81

Total CIL Local and Strategic balance available for future investment in infrastructure - £758,494.11

CIL Local - £665,408.72

CIL Strategic - £93,085.39

Emerging key messages / observations

- Need for greater clarity of communication with Parish and Town Councils
- CIL 'Local' Funding is the responsibility of Shropshire Council to administer and spend
- Greater emphasis on CIL 'Local' funding to be used on Priority A and Priority B Projects
- Use CIL 'Local' to deliver Shropshire Council priority infrastructure projects in accordance with its growth plans;
- Shropshire Council departments to identify their short, medium and long term projects to inform better decision making
- May often be right to 'bank' CIL funding for future identified needs
- Continue with Expression of Interest after April, but with greater emphasis on increasing the use of Neighbourhood Funds to support Neighbourhood projects

Neighbourhood Funds – 2022/23

Total funds for 2022/23 - **£1,209,283.56**

71 Parish and Town Councils to receive Neighbourhood Funds this year

Reflective of commenced development in the Parish area

Town and Parish Councils responsible for managing the use of these funds by funding...

- (a) The provision, improvement, replacement, operation or maintenance of infrastructure; or
- (b) Anything else concerned with addressing the demands that development place on an area.

Next Steps

- IIG to complete the Case Study Examples in April.
- Likely this will lead to further work on the other Place Plan areas
- Current Eols going through the system will continue to be considered by the IIG
- New Eols will be accepted after April for consideration by the IIG
- Place Plan updates likely this year

Thank you and Questions