

Growth and Regeneration Scrutiny Commission 28th September 2023



Report of:	Planning Obligations Manager
Title:	STRATEGIC CIL UPDATE
Ward:	All
Officer Presenting Report:	Jim Cliffe
Contact Telephone Number / email:	0117 903 6724 / jim.cliffe@bristol.gov.uk

Recommendation:

That the contents of this report are noted. No actions are required.

The significant issues in the report are:

- 1. How CIL monies must be allocated**
- 2. The amount of Strategic CIL collected**
- 3. Schemes to which Strategic CIL has been allocated**
- 4. The rules around the spending of Strategic CIL**
- 5. The future of CIL**

Background

1. The Community Infrastructure Levy (CIL) was introduced by the government in April 2010. Bristol was an early adopter of CIL and commenced charging it on 1 January 2013. CIL is based on a charge per square metre of new development. For example if the CIL rate was £50 per metre and a house of 90 square metres was built, the CIL payable would be £4,500.
2. The operation of CIL is set out in detailed government regulations. These require each £1 of CIL received to be split into three components as follows:
 - 80p is applied to strategic infrastructure to support the growth of the city (Strategic CIL).
 - 15p is devolved to the Parish Council in which the development occurred for local infrastructure (Local CIL). In Bristol's case we are not parished, so we devolve decisions over the spend of Local CIL to the Area Committees
 - Up to 5p is to cover CIL setup and ongoing admin costs.
3. Where there is an adopted Neighbourhood Development Plan in place for the area in which a development has then been granted a consent (such as in Old Market, Lawrence Weston and Hengrove), the regulations require that the devolved amount of any CIL monies received from that development must be increased to 25p in the pound and the strategic infrastructure element reduced to 70p.

Section 106 & CIL Information

4. Monthly updated information about the receipt and spend of Section 106 and CIL monies is provided on the Councils website, along with annual Infrastructure Funding Statements. Links to these can be found in the Background Papers Section (below).

Strategic CIL allocations

5. As of 31 August 2023, the Council had collected a total of **£51,170,444.92** of Strategic CIL. Strategic CIL allocations totalling **£71,305,000.00** have been made and these are identified in Appendix A. Of these allocations; **£26,596,534.39** has already been drawn down, resulting in the delivery of key infrastructure schemes such as Perry Court Primary School, in Hengrove, Metrobus Route 1 from Ashton Vale to the City Centre, and the replacement of the New Cut Retaining Wall.
6. All Strategic CIL allocations are made by Cabinet, having first been considered by the relevant Strategic Director and the Capital Investment Board. This includes any allocations arising out of past budget amendments made by Full Council. Appendix A does not include those Full Council resolutions that have yet to be firmed up into deliverable schemes and subsequently approved by Cabinet.
7. None of those schemes that are identified as "Works Ongoing" or "Not Started" are scheduled to be completed this financial year.
8. The reason for this is that funding allocations are often made as part of a wider funding strategy, in advance of schemes being implemented. A good example of this is the Bristol Avon Flood Strategy, which has an allocation of over £20m but which will not start to be drawn down until 2025/26 and will be drawn down in tranches over a 7-to-10-year period thereafter. This is similar to many of the schemes that Strategic CIL is applied to, which, due to their nature and complexity, often take a number of years to complete. These schemes tend to be funded from several different sources, of which Strategic CIL forms only one component.

Rules relating to the spending of Strategic CIL

9. The spending of Strategic CIL is governed by statutory regulations and accompanying Planning Practice Guidance. The regulatory requirement is as follows:

A charging authority must apply CIL to funding the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area.

The regulations also allow CIL funding to be used for the provision of infrastructure outside of the charging authority's area, where to do so would support the development of its area.

Planning Practice Guidance expands on this as follows:

Local authorities must spend the levy on infrastructure needed to support the development of their area, and they will decide what infrastructure is needed. This flexibility gives local areas the opportunity to choose what infrastructure they need to deliver their relevant Plan (the Local Plan in England, Local Development Plan in Wales, and the London Plan in London). Charging authorities may not use the levy to fund affordable housing.

10. The key point is that Strategic CIL must be applied to infrastructure to support the development of Bristol, as set out in the Local Plan. Therefore there must be a direct link between the infrastructure that Strategic CIL is applied to, and the area(s) in Bristol to be developed that it is intended to support. Infrastructure in areas of Bristol where there is no or little development proposed will not be eligible for Strategic CIL, unless it is for a citywide facility to be located in that area. Hypothetical examples could be a new hospital, bus station, water treatment works etc.

The future of CIL

11. The 2020 Government White Paper on Planning set out plans for both CIL and Section 106 Agreements to be replaced with a new method of developer contributions call the Infrastructure Levy (IL), which is intended to deliver both infrastructure provision and affordable housing. Governments intention is that the IL will deliver at least as much (if not more) funding that the current system of Section 106 and CIL. However, when the detailed proposals were consulted on in spring 2023, the response was very strongly negative from all sectors (i.e. Local Authorities, housing associations, landowners, developers, and agents), and therefore there is uncertainty about whether the IL will be implemented. The Labour Party have indicated that if they form the next government then they will not proceed with the IL.
12. If the IL is implemented, then we will need to bring forward an IL for Bristol. However, if the current system of CIL and Section 106 remain, then our CIL rates will require revision at some point in the next few years.

Consultation

13. The following were consulted as part of the drafting of this report and their comments have been incorporated within it:

Internal

Dawn Bodill (Solicitor: Planning and Regulatory Services)

External

None

Public Sector Equality Duties

14. Before making a decision, section 149 Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following “protected characteristics”: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:

- i) Eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.
- ii) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to --
 - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic;
 - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);
 - encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- iii) Foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to –
 - tackle prejudice; and
 - promote understanding.

15. An equalities impact assessment has not been undertaken in the drafting of this report, as the report is for information only. It does not contain new policies or proposals, or recommend the implementation of a scheme or an approach to service delivery. Those schemes identified in Appendix A have all been subject to Cabinet Decisions, which will have incorporated equalities impact assessments.

Appendices:

Appendix A: Strategic CIL Allocations

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

The following weblinks contain information about CIL, and specifically the information referred to in Paragraph 12 of this report:

- [Community Infrastructure Levy \(CIL\) and planning obligations \(bristol.gov.uk\)](https://www.bristol.gov.uk/infrastructure-funding-statement)
- [Infrastructure Funding Statement \(bristol.gov.uk\)](https://www.bristol.gov.uk/infrastructure-funding-statement)
- [How we spend CIL money \(bristol.gov.uk\)](https://www.bristol.gov.uk/how-we-spend-cil-money)

APPENDIX A

STRATEGIC CIL ALLOCATIONS

Year	Cabinet Date	Scheme	Allocation	Drawn Down	Status
11/12	2 Sept 11	Provision of a Metrobus route linking Ashton Vale with the City Centre Station	£5,000,000	£5,000,000	Completed
12/13	26 Apr 12	Provision of Environmental Improvements to Gainsborough Square, to support development and assist in encouraging growth in Lockleaze	£750,000	£750,000	Completed
18/19	6 Nov 18	Provision of infrastructure required to bring forward the development of land at Temple Square in the Temple Quay Enterprise Zone	£2,100,000	£2,100,000	Completed
18/19	5 Mar 19	Provision of Flood Remediation Works and Strategic Highway Works required to support growth at Bedminster Green	£6,000,000	£746,534.39	Works Ongoing
20/21	1 Sept 20	Provision of a new primary school on the site of the current Perry Court School to increase capacity by 50% to support the growth of Hengrove	£10,000,000	£10,000,000	Completed
20/21	1 Sept 20	Provision of junction improvement highway works on Hengrove Way to support the growth of Hengrove. <i>(Scheme may be fully funded from WECA funding meaning that the CIL allocation will not be required)</i>	£4,800,000	£0	Not Started
20/21	25 Feb 21	Provision of a Community Hub to support the various developments taking place in Lawrence Weston	£1,000,000	£0	Not Started
20/21	25 Feb 21	Provision of a new Library and Health Centre to support the regeneration of Glencoyne Square in Southmead	£7,000,000	£0	Not Started
21/22	2 Mar 22	The replacement of the New Cut Retaining Wall to enable improved sustainable transport measures to support the delivery of Western Harbourside and the planned growth along Cumberland Road	£8,000,000	£8,000,000	Completed
21/22	2 Mar 22	Provision of a new Youth Zone at Hartcliffe Way to support the growth of Hengrove	£3,600,000	£0	Not Started
22/23	4 Oct 22	Provision of the Bristol Avon Flood Strategy to support growth in the City Centre, temple Quarter and St. Philips	£20,935,000	£0	Not Started
23/24	4 Apr 23	Improvements to parks and green spaces in growth areas across the City	£1,500,000	£0	Not Started
23/24	6 Jun 23	Additional funding for Glencoyne Square (see 25 Feb 21 above)	£620,000	£0	Not Started
Total			£71,305,000	£26,596,534.39	