

Agenda



Contact: Candida Mckelvey, Democratic Services
Telephone number 07895 213820
Email: candida.mckelvey@southandvale.gov.uk
Date: 13 November 2020
Website: www.whitehorsedc.gov.uk

A meeting of the

Scrutiny Committee

will be held on Monday, 23 November 2020 at 7.00 pm

Virtual meeting

View the meeting live: <https://www.youtube.com/channel/UCTj2pCic8vzucpzlaSWE3UQ>

Members of the Committee:

Councillors:

Nathan Boyd (Chairman)
Jerry Avery
Ron Batstone

Samantha Bowring
Cheryl Briggs
Hayleigh Gascoigne

David Grant
Robert Maddison
Max Thompson

Substitutes Councillors

Paul Barrow
Eric Batts
Eric De La Harpe
Andy Foulsham

Alison Jenner
Diana Lugova
Sarah Medley

Patrick O'Leary
Janet Shelley
Elaine Ware

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A handwritten signature in black ink, appearing to read "M Reed".

Margaret Reed
Head of Legal and Democratic

Agenda

Open to the Public including the Press

1. Apologies for absence

To record apologies for absence and the attendance of substitute members.

2. Minutes

(Pages 4 - 6)

To review and agree the minutes of the meeting held on 14 October 2020 as a correct record, and for the chair to sign them as such.

3. Declarations of interest

To receive any declarations of disclosable pecuniary interests in respect of items on the agenda for this meeting.

4. Urgent business and chair's announcements

To receive notification of any matters which the chair determines should be considered as urgent business and the special circumstances which have made the matters urgent, and to receive any announcements from the chair.

5. Public participation

To receive any questions or statements from members of the public that have registered to speak.

REPORTS AND ISSUES FOR THE CONSIDERATION OF THE SCRUTINY COMMITTEE

6. Work schedule and dates for all South and Vale scrutiny meetings

(Pages 7 - 10)

To review the attached scrutiny work schedule. Please note, although the dates are confirmed, the items under consideration are subject to being withdrawn, added to or rearranged without further notice.

7. Community Infrastructure Levy (CIL)

(Pages 11 - 30)

For the committee to review and give comments on the CIL Spending Strategy.

8. Car parking fees and charges (to follow)

For scrutiny committee to review the report on car parking fees and charges consultation and feedback any comments to Cabinet.

9. Civil Parking Enforcement (CPE) (to follow)

To review the Civil parking enforcement paper.

Minutes

of a meeting of the

Scrutiny Committee

held on Wednesday, 14 October 2020 at 7.00 pm

Virtual meeting

Watch the meeting here:

<https://www.youtube.com/channel/UCTj2pCic8vzucpzlaSWE3UQ/about>

Open to the public, including the press

Present:

Members: Councillors Nathan Boyd (Chair), Jerry Avery, Ron Batstone, Samantha Bowring, Cheryl Briggs, Hayleigh Gascoigne, David Grant, Robert Maddison and Max Thompson

Officers: Candida Mckelvey, Simon Hewings, Adrianna Partridge and Richard Spraggett

Also present: Cabinet member Councillor Andrew Crawford

Sc.71 Apologies for absence

There were no apologies for absence.

Sc.72 Minutes

The minutes of the meeting held on 28 September 2020 were not ready for sign off yet and the committee agreed to review them at the next meeting.

Sc.73 Declarations of interest

There were no declarations of interest.

Sc.74 Urgent business and chairman's announcements

None.

Sc.75 Public participation

None.

Sc.76 Financial outturn 2019-20

Cabinet member for finance and corporate assets, Councillor Andrew Crawford, introduced the report.

Officers Simon Hewings, Interim Head of finance, and Richard Spraggett, Finance business partner, were present to answer questions.

This report outlines the revenue and capital outturn for 2019-20.

On revenue, there is an underspend of £1.5 million on net service expenditure. Half of this underspend is for one-off schemes which have been carried over to 2020-21. Details are in the report.

Capital: underspend of £3.5 million, details and significant variances are detailed in the report.

Chair welcomed the committee to ask questions. The discussions are outlined below:

- Item 12: variance due to empty commercial properties. This was queried and finance officers will prepare a written response.
- Planning fees – they were below target due to a market slowdown. Finance officers will provide a written response. Officers did add that there was some uncertainty and a slow down due to leaving the EU.
- Page five – officers clarified the contingency figure. This figure is broken down in table three.
- Table three – £1.6 million for grants and contributions – finance officers explained that this figure is for housing benefit payment and housing subsidy – see table two.
- Page eight, table four – the last two years variance is around £700,000, Can you add some previous year's values to see the trends? Officers responded that we've tended to see that the number was bigger previously. In recent years, officers have worked to tackle excess budgets and reduce the variance. Written answer to follow.
- Housing benefits and rent allowances – table two, page five – what is a rent allowance overpayment? Officer responded that if a recipient doesn't notify of a change in circumstances, we are entitled to claim back the overpayment and we will get a government subsidy for part of that overpayment. It is a difficult debt to collect. Universal credit is lowering this – there are no new customers and this also impacts rent allowance income. There was a Department for Work and Pensions issue regarding getting information. There is now more real-time reporting, so there are less overpayments.
- When is the audit taking place? What variance is being expected? Officers replied that the audit is expected at the end of 2020 or early 2021. There is not normally an issue with revenue outturn. These are not the biggest numbers in the accounts. Unlikely to see a significant change. If there is a material change (unlikely) it may come back to scrutiny then, if requested.
- Page 9 – slippage: These are capital items, and these are listed in appendix 4. There is not that many of them – Faringdon Leisure pitch is one – there were technical issues and this project will move into 2020-21. Affordable housing is the largest – this has gone to Council and will be used but they were waiting to be attached to a project. Some of the affordable housing is linked to Growth Deal, its being dealt with. Optimism is being replaced with realistic profiles, and especially this year where there have been unexpected events and we can still expect slippage for this year because of that.
- It was confirmed that capital cannot be transferred to revenue, this is because of government regulations. There are strict rules on what counts as revenue.

Chair thanked officers and Cabinet member for bringing the report to scrutiny.

Sc.77 Work schedule and dates for all South and Vale scrutiny meetings

The office accommodation item has been moved into the new year. A34 diversion routing has been requested as a report in January 2021. Budget will be in February 2021.

Some have asked for a report on Oxfordshire growth deal, and the district council role in that. Chair will follow up with scrutiny lead officer.

At a later date we may see a confidential item for GLL.

Public consultations item – this is to be confirmed. We need to define what is wanted for the report and considering timescales, this will be in the new year. Chair will email the committee to gather feedback.

Meeting closed at 19:32pm.

Scrutiny work programme

1 November 2020

MEETING	AGENDA ITEM	PURPOSE	CABINET MEMBER	CONTACT OFFICER
Joint Scrutiny Committee 16 Nov 2020	Saba contract	to review the contract	Councillors David Rouane and Andrew Crawford	Liz Hayden liz.hayden@southandvale.gov.uk
Joint Scrutiny Committee 16 Nov 2020	Performance management	To outline the councils' proposed approach to performance management	Councillor Debby Hallett	Sally Truman Sally.truman@southandvale.gov.uk
Scrutiny Committee 23 Nov 2020	Civil parking enforcement		Councillor Neil Fawcett	John Backley john.backley@southandvale.gov.uk
Scrutiny Committee 23 Nov 2020	Car parking fees and charges		Councillor Neil Fawcett	Liz Hayden liz.hayden@southandvale.gov.uk
Scrutiny Committee 23 Nov 2020	Community infrastructure levy spending strategy	To consider the strategy	Councillor Judy Roberts	Mark Hewer mark.hewer@southandvale.gov.uk
Items for future meetings (dates to be determined)				

MEETING	AGENDA ITEM	PURPOSE	CABINET MEMBER	CONTACT OFFICER
Scrutiny Committee Not before 18 Jan 2021	Office accommodation		Councillor Debby Hallett	Adrianna Partridge adrianna.partridge@southandvale.gov.uk
Scrutiny Committee 18 Jan 2021	A34 diversion routing	Council adopted a motion on 9 October 2019 asking Scrutiny Committee to consider this.	Leader of the Council	Adrian Duffield adrian.duffield@southandvale.gov.uk
Joint Scrutiny Committee 1 Mar 2021	GLL performance report 19-20		Councillor Bethia Thomas	Melanie Smans melanie.smans@southandvale.gov.uk
Scrutiny Committee Meeting Date	GLL confidential item		Councillor Judy Roberts	Melanie Smans melanie.smans@southandvale.gov.uk
Joint Scrutiny Committee Meeting Date	Oxfordshire Plan 2050	To respond to the consultation draft plan	Councillor Catherine Webber	Adrian Duffield adrian.duffield@southandvale.gov.uk
Scrutiny Committee	Delivery of Affordable Housing	To receive a progress report	Councillor Bethia Thomas	Jayne Bolton jayne.bolton@southandvale.gov.uk
Scrutiny Committee Meeting Date	Planning appeals	To consider the annual report	Councillor Catherine Webber	Tracy Smith tracy.smith@southandvale.gov.uk

MEETING	AGENDA ITEM	PURPOSE	CABINET MEMBER	CONTACT OFFICER
Scrutiny Committee	Public consultations	To review how consultations are run	Councillor Debby Hallett	Shona Ware shona.ware@southandvale.gov.uk
Scrutiny Committee Meeting Date	Regular budget monitoring		Councillor Andrew Crawford	Simon Hewings simon.hewings@southandvale.gov.uk
Scrutiny Committee Meeting Date	Strategic property review		Cabinet member for development and regeneration	Catrin Mathias catrin.mathias@southandvale.gov.uk
Scrutiny Committee Meeting Date	The Charter, Abingdon		Councillor Bethia Thomas	Suzanne Malcolm suzanne.malcolm@southandvale.gov.uk
Joint Scrutiny Committee Meeting Date	Didcot Garden Town - project update		Cabinet member for partnership and Didcot Garden Town	Marybeth Harasz marybeth.harasz@southandvale.gov.uk
Joint Scrutiny Committee Meeting Date	Oxfordshire Growth Board - review outcome		Leader of the Council	Andrew Down andrew.down@southandvale.gov.uk
	HMO Legislation			

Scrutiny committee paper

Author: Mark Hewer

Telephone number: 01235 422472 / 07917 088371

Email: mark.hewer@southandvale.gov.uk

Head of service: Emily Cockle, Interim Head of Development and Regeneration

Cabinet member: Councillor Judy Roberts

Paper for Scrutiny Committee on 23 November 2020

Review of Community Infrastructure Levy (CIL) Spending Strategy

Purpose of report

1. The purpose of this report is to seek comments on the reviewed CIL Spending Strategy (appendix A), following approval of the original spending strategy in April 2019, for income generated by CIL.
2. The key priority of the review is to better enable spend of the available funding and the suggested steps to achieve this are set out in the proposed amendments section of this report (points 12 to 15).

Corporate Objectives

3. The proposed changes to the CIL spending strategy will help to support the new corporate plan themes:
 - Providing the homes people need
 - Tackling the climate emergency
 - Building healthy communities
 - Building stable finances
 - Working in partnership
 - Working in an open and inclusive way

Background

4. To enable sustainable housing growth in the Vale of White Horse, the district needs to ensure that supporting infrastructure is planned for and secured. Developers are obliged to contribute to new infrastructure investment through the Community Infrastructure Levy (CIL) system. The CIL charging schedule is under review, following the adoption of the Local Plan 2031 Part 2. The proposed revisions are scheduled to be discussed at Cabinet in December 2020. Officers will be recommending approval to undertake public consultation and the submission of the charging schedule in 2021.
5. The council introduced the CIL system in November 2017. Following a period of public consultation, the spending strategy was adopted in April 2019 and piloted for a period of two years to be followed by a review at Scrutiny and Cabinet in 2020, to ensure compliance in terms of meeting the desired objectives and to review its effectiveness.
6. CIL has not replaced Section 106 (S106) planning obligations. S106 obligations will continue to be used for:
 - a) On-site infrastructure, such as open space, play areas, household waste bins, street naming, public art and securing affordable housing on developments within the CIL charging zones
 - b) Financial and non-financial obligations on district development sites, which are exempt from CIL. These are sites which require developer contributions to make these sites acceptable in planning terms. These developments are identified within the council's Local Plan.
7. The CIL Regulations do not establish governance arrangements for the council, however they are clear that we have a duty to:
 - a) Pass to any town and parish 25 per cent of CIL revenues raised in those towns/parishes (the neighbourhood proportion) where there is an adopted neighbourhood plan, or 15 per cent, subject to a cap of £100 per existing council tax dwelling, where there is no neighbourhood plan;¹
 - b) Transfer the CIL income to the relevant town or parish council by 28 April and 28 October in any financial year (unless an alternative schedule is agreed);
 - c) Recover administrative expenses (the admin proportion) incurred in connection with CIL of up to five per cent of income generated;²
 - d) Spend the levy on infrastructure (see point 8), and
 - e) Report on CIL income generated and how it is spent.³

¹ Funds paid to and not spent by town and parish councils within five years may be claimed back by the district council.

² The admin proportion can be rolled over for the first three years following the adoption of CIL. Following this and on an annual basis, any underspend is to be added to the district proportion at the end of the reporting year.

³ As a requirement of CIL regulation amendments in September 2019, an annual Infrastructure Funding Statement covering both CIL and S106 income and expenditure is to be published by the charging authority by December of each year, covering the previous financial year, from 2020 onwards.

8. Following the allocation of the neighbourhood and admin proportions, the approved CIL spending strategy distributes the remaining amount (the district proportion) on a percentage-based system. This enables the allocation of funding to external partners and internal council departments, based on actual funds received, as follows:

Infrastructure type	Percentage of CIL to be allocated
Oxfordshire County Council (OCC):	
Education and transport infrastructure	50%
Oxfordshire Clinical Commissioning Group (OCCG)	
Community health care	20%
Vale of White Horse District Council:	
Sports and Leisure facilities (incl. improved disabled access)	20%
Green Infrastructure/Biodiversity provision	5%
Public art and cultural heritage/Public realm (including improved disabled access)	5%
TOTAL	100%

9. The district proportion must be spent in accordance with the following guidance:

The levy can be used to fund a wide range of infrastructure, including transport, flood defences, schools, hospitals, and other health and social care facilities (for further details, see [section 216\(2\) of the Planning Act 2008](#), and [regulation 59](#), as amended by the [2012](#) and [2013 Regulations](#)). This definition allows the levy to be used to fund a very broad range of facilities such as play areas, open spaces, parks and green spaces, cultural and sports facilities, healthcare facilities, academies and free schools, district heating schemes and police stations and other community safety facilities. This flexibility gives local areas the opportunity to choose what infrastructure they need to deliver their relevant plan (the Development Plan and the London Plan in London). Charging authorities may not use the levy to fund affordable housing.

Local authorities must spend the levy on infrastructure needed to support the development of their area, and they will decide what infrastructure is needed.

The levy can be used to increase the capacity of existing infrastructure or to repair failing existing infrastructure, if that is necessary to support development. ⁴

10. A summary of how some other authorities spend their CIL funds is as follows:

- CIL regulations relate to all charging authorities (unitary, two tier and London boroughs) and arrangements tend to differ regarding type of authority.
- District councils tend to have member spending panels or boards to consider CIL expenditure and make recommendations to cabinet for final approval.
- Publish spending criteria to guide CIL spending priorities. They usually include reference to Infrastructure Delivery Plans (IDP), Local Plan priorities but sometimes

⁴ Source: <https://www.gov.uk/guidance/community-infrastructure-levy>

are extended to include local and partnership benefits, other funding contributions, deliverability and local support.

- d) Establish panels to assess bids (internal and external) for funding using an agreed CIL grant allocation.

11. A report detailing CIL funding received from 1 November 2017 to 31 July 2020 and spending of these funds can be found in appendix B. The headlines of these figures are as follows:

- a) Total funds received = £2,755,477.46
 - i. 1 November 2017 to 31 March 2018 = £70,014.12
 - ii. 1 April 2018 to 31 March 2019 = £461,129.99
 - iii. 1 April 2019 to 31 March 2020 = £1,670,558.86
 - iv. 1 April 2020 to 31 July 2020 = £553,774.49
- b) Total neighbourhood proportion = £458,151.38 (of which £331,318.63 has been passed to town / parish councils as of April 2020)
- c) Total admin proportion = £160,071.07 (of which £84,130.08 has been spent on staff costs as of April 2020). The admin proportion is mainly used towards funding staff responsible for collection and spend of CIL funding and it is anticipated that this underspend will be fully used in 2020/21.
- d) Total district proportion = £2,137,255.01*
 - i. OCC (50 per cent of district proportion) £1,068,627.51 of which £131,771.78 has been approved / spent
 - ii. OCCG (20 per cent of district proportion) £427,451.00 of which £0.00 has been approved / spent
 - iii. Sports and leisure facilities (20 per cent of district proportion) £427,451.00 of which £0.00 has been approved / spent
 - iv. Green infrastructure / biodiversity provision (5 per cent of district proportion) £106,862.75 of which £0.00 has been approved / spent
 - v. Public art and cultural heritage (2.5 per cent of district proportion) £53,431.38 of which £0.00 has been approved / spent
 - vi. Public Realm (2.5 per cent of district proportion) £53,431.38 of which £18,604.68 has been approved / spent.

*Variance between total district proportion (d) and percent allocations (i – vi) of £0.01 due to rounding of figures.

Proposed Amendments

12. Following approval of the spending strategy, the financial climate has caused the council to review its approach in delivering new infrastructure. It is therefore proposed that the district council's allocation of funding can be directed towards existing council owned infrastructure, providing that it is spent in accordance with CIL regulations (i.e. it can be for improvement, replacement, operation or maintenance of existing infrastructure providing that this supports development) along with new infrastructure projects. For projects that meet CIL spending criteria, council departments will be directed to use these funds, wherever possible, prior to using council funds.

13. The Cabinet member for Development and Infrastructure has discussed the proposed amendments with officers and is supportive of a wider discussion on the direction of the strategy. This will be discussed at scrutiny committee.

14. The key proposed changes to the strategy are:

- Extending our own funding parameters, so that we can effectively respond to priorities in the Council's Infrastructure Development Plan (IDP) and new Corporate Plan.
- Minor amendments to the allocation of CIL funding with:
 - 50 per cent to Oxfordshire Council (to support transport and education) with the introduction of an application deadline to encourage timely use of available funding
 - 20 per cent to support healthcare (widening this to other organisations as well as OCCG). Ongoing discussions with OCCG on identifying suitable projects for funding will continue alongside exploring other options for delivering health care infrastructure.
 - 30 per cent to Vale of White Horse District Council – However, it is proposed to remove the percentage split within our allocation (currently set at 20 per cent leisure, 5 per cent green infrastructure, 2.5 per cent public art and 2.5 per cent public realm) so that any department can request use of our allocated CIL funding for a wider range of projects in line with our corporate plan themes and the IDP.
- Widening the geographic area where funds may be spent to provide more flexibility in funding projects across the district, which should enable more projects to be funded than under the current system.
- We will also allow the use of CIL funding across the district council boundary for projects in the Didcot Garden Town area, part of which is in the South Oxfordshire district area.
- Widening the use of funds to enable spending to improve and maintain existing infrastructure, as well as for new infrastructure, provided it supports development.
- Remove the Regulation 123 list and current pooling restrictions, as this is no longer a requirement of the September 2019 CIL regulations, meaning that CIL and S106 funds can now be used in combination to support projects.
- Continuing to develop and improve partnership working with towns and parishes to ensure effective use of both district and their own CIL funds in areas affected by new development.

15. Internal consultation has been widely carried out and the comments incorporated into the report where possible.

Climate and Biodiversity Implications

16. The new strategy will allow more flexibility for internal spending and although the 5 per cent allocation for Biodiversity and Green Infrastructure will be removed, the requirement for funds to be spent in line with the council's new corporate priorities will mean that it will still be possible to allocate CIL funding to these type of projects, including those supporting tree planting and climate mitigation.

17. Response to the internal consultation suggested that the CIL strategy includes an element of education and promotion of these new opportunities which could include:

- Electric vehicle charging points
- Battery storage
- Renewable energy installations such as ground mount solar
- Private wire electricity supplies.

Financial Implications

18. Oxfordshire County Council and Oxfordshire Clinical Commission Group, and relevant internal council departments will be informed of the amount of CIL available to them in April each year. This will be based on December year end actual CIL funds received, less transfers made to parishes and a five per cent administration cost deduction. These amounts will be included as part of our budget setting in February each year and detailed in the approved capital programme. Any amounts unspent will be returned to our CIL budget to be reallocated the following year. There will be no other additional budget requirements.

19. The potential change to the spending strategy to allow use of funds for improvement, replacement, operation or maintenance of existing infrastructure. This is on the proviso that this supports development as allowed by CIL regulations, to alleviate existing financial pressures. However, this approach may stifle the opportunity to accumulate funds to support key transformational projects.

Legal Implications

20. There is an ability for a Council as Charging Authority to spend CIL on maintenance of existing infrastructure that supports the development of its area. There is a requirement that this be confined to areas within the Charging Authority's area that have clearly experienced housing growth. This may ameliorate the demands that such development has made on that specific part of the Charging Authority's area. However, the levy is intended to focus on the provision of new or improved infrastructure and should not be used to remedy known deficiencies, unless those deficiencies will be accentuated by housing development.

21. A definition of "area" could not be found in the interpretation provisions of either the CIL Regs or the Planning Act so and it is therefore reasonable to take it as the normal extent of the relevant district. In any event CIL Reg 59(3) allows expenditure out of the "area" where to do so would support the development of its area. The Council will need to be able legally justify that any existing infrastructure we sought to maintain from CIL supports development in the area on a case by case basis. While this wording leaves a lot more flexibility than in relation to the application of funds received by a planning obligation pursuant to s106, there could be a potential risk of challenge to the Council if it applied funds where it did not "support the development of its area".

22. CIL is not to be used for routine expenditure of the Charging Authority, instead directed towards supporting the development of its area by the provision of new and improved infrastructure.
23. CIL Regulations set the context for the spending of CIL funds on infrastructure. The regulations encourage the accumulation of CIL funds into a 'pot'. Unlike other obligations or charges, CIL spending does not need to be directly related to the donor development and can address infrastructure needs in general across the Councils' administrative areas.
24. CIL monies can be spent on the provision, improvement, replacement, operation or maintenance of infrastructure, or anything else that is concerned with addressing demands that development places on an area. However, CIL may only be used to fund a project in an area that has experienced housing growth. The Levy can be used to increase the capacity of existing infrastructure or to repair failing infrastructure if that is necessary to support development.
25. CIL cannot be used to fund solutions to existing problems i.e. traffic calming/management or on repairs to existing infrastructure in an area that has not experienced housing growth. The levy is intended to focus on the provision of new or improved infrastructure and should not be used to remedy pre-existing deficiencies unless those deficiencies will be made more severe by new development.

Conclusion

26. The proposed amendments to the CIL spending strategy continue to allocate spending on a percentage-based system being spent in accordance with CIL regulations and it will support the council's new corporate priorities. The amendments to the spending strategy will come into force from 1 April 2021.
27. The proposed amendments to the spending strategy remove the percentage split for the council's internal departments, thus allowing any department to apply to use CIL funds for projects. This is providing that they meet the criteria set out in the CIL regulations and in the spending strategy. Any unspent funds as of 1 April 2021 allocated by percentage to internal departments under the original strategy will be reallocated, in line with the new stipulations.
28. As the Infrastructure Delivery Plan has not been updated since the original spending strategy was approved, the percentage allocation for OCC for transport and education infrastructure (50 per cent) will remain the same, but a deadline for funding applications will be introduced. The allocation of 20 per cent for health care will be widened to allow other organisations to access this funding.
29. The geographic area where funds may be spent is to be widened to provide more flexibility in funding projects across the district, which should enable larger projects to come forward rather than under the current system which restricts projects to specific areas. As part of this, funds within the Didcot Garden Town area can be spent across the wider district council boundary into the South Oxfordshire area, allowing larger

projects to be provided for both Vale of White Horse and South Oxfordshire residents. The reviewed CIL spending strategy sets out an option to use CIL funding towards enhancements, increasing capacity and retention of existing infrastructure as allowed within CIL regulations, as well as towards new infrastructure projects identified in the IDP.

30. The council continues to contribute towards the neighbourhood proportion to parish councils, in accordance with the schedule set out in the CIL regulations.
31. The strategy will be monitored every year alongside the approval of the annual infrastructure funding statement. Amendments can be identified, and a formal review can be triggered if required. This method would also allow the strategy to be agile enough to allow for any future changes in CIL / planning regulations, such as those proposed in the [Planning for the Future](#) white paper of August 2020..

Next Steps

32. The review will be taken through the normal committee process as follows:
- 23 November 2020 – Scrutiny Committee
 - 4 December 2020 – Cabinet
33. Consultation with parish and town councils will be conducted and comments be considered by Cabinet prior to the formal meeting in December.

List of appendices:

Appendix A – Reviewed CIL Spending Strategy
Appendix B – CIL financial report 01.11.2017 to 31.07.2020

Appendix A

Vale Community Infrastructure Levy – Spending Strategy – April 2021

Background

1. To support the continued housing growth in the Vale of White Horse there is a need to ensure the appropriate infrastructure is in place to support development. To help fund this, developers pay a CIL on new housing or retail developments to contribute towards the infrastructure supporting such developments. The current CIL charging schedule is being reviewed following adoption of the Local Plan 2031 Part 2.
2. The District proportion of CIL revenue can be used to fund new infrastructure projects as set out in our Infrastructure Delivery Plans (IDP) alongside the adopted Vale of White Horse Local Plan 2031 (consisting of Local Plan 2031 Part 1 and Part 2), or for enhancing existing infrastructure providing that this supports development.
3. The council staffing structure splits the collection and spending of CIL revenues between the planning service (collection) and the infrastructure and development team within the development and regeneration service (spending) respectively. Staff within the infrastructure and development team will oversee CIL expenditure and will facilitate the liaison between the parish and town councils, the relevant council departments and the external partners.
4. The infrastructure and development team will focus on ensuring effective spending and support to town and parishes to ensure infrastructure is delivered, including the possibility of providing parishes with approved projects on which they can support with their allocated CIL funds. CIL income and expenditure is monitored and reported in accordance with statutory CIL regulations and for financial accountability.
5. CIL has not fully replaced Section 106 (S106) planning obligations. Sites that are exempt from CIL as set out in the Charging Schedule (CIL Zone 3)¹ will have all infrastructure funded through S106. Other sites will continue to have infrastructure needs such as on-site open space, allotments, play areas, playing pitches, public transport, recycle bins, street naming and securing affordable housing through S106.
6. The CIL Regulations do not set out governance arrangements for the council, however they are clear that we have:
 - i. a duty to pass to any town and parish 25 per cent of the CIL revenues raised in those towns/parishes where there is a made neighbourhood plan, or 15 per cent, subject to a cap of £100 per existing council tax dwelling, where there is no made neighbourhood plan;

¹ Sites which have been zero rated for CIL are Crab Hill, Didcot Power Station, East of Coxwell Road Faringdon, Grove Airfield, Land South of Park Road Faringdon, Monks Farm, North of Shrivenham, South Faringdon and Valley Park

- ii. a duty to transfer the CIL income to the relevant town or parish council by 28 April and 28 October in any financial year;
 - iii. the ability to recover administrative expenses incurred in connection with CIL of up to five per cent of the income generated;
 - iv. to spend the levy on infrastructure, and
 - v. a duty to report on CIL income generated and how it is spent.
7. CIL expenditure aims at mitigating the infrastructure impacts of an individual development, as well as the overall cumulative effect of development. However, although CIL spending does not have to be directly spent on the individual development through which it was raised and can be used to support infrastructure expenditure in general.
8. Expectations regarding the possible impact of CIL need to be actively managed. There is currently a significant infrastructure funding gap as indicated in the council's December 2016 Updated Infrastructure and Funding Report replicated below². As can be seen the CIL income will not come close to filling this gap, and therefore it is clear that some infrastructure needs will not be met. CIL funding can only be expected to contribute to a small percentage of infrastructure needs.

Table 1: CIL income in the context of total infrastructure:

Total assessed infrastructure	£ 463,260,016
Other sources of income	£ 306,248,122
Funding Gap	£ 157,011,894
Total expected CIL income	£ 60,314,580
CIL income as a proportion of total assessed infrastructure	13%
Residual funding gap	£96, 697,314

CIL income

9. In the period from November 2017 (start of CIL collection) to 31 July 2020, the council received CIL payments of £2,755,477.46. The CIL payments only become due once a development has started and for liabilities over £50,000 developers can spread payments over three years. There will always be a gap between the amount demanded and funds received.
10. By July 2020 CIL transfers of £331,318.63 were made to town and parish councils. For the maximum five per cent allocation of CIL revenue for administration expenses, £84,130.08 has been utilised to cover expenditures on staff costs and other administrative purposes up to 31 March 2020.
11. Expected CIL income, estimated in December 2016, based on the updated infrastructure and funding report, is projected at approximately £60 million³ over 20 years i.e. £3 million per annum. Estimating future CIL incomes annually is difficult as the charging rate although fixed is index linked and will therefore change over time, some developments may be delayed, and some expected developments may never get started. Therefore, the annual amount of funds generated will fluctuate dependent on the amount of new developments started in that year plus the rate of payment of CIL

² Updated Infrastructure and Funding Report, December 2016. Page 6, Table 4.

³ Updated Infrastructure and Funding Report, December 2016. Page 6, Table 4: total CIL income - £60,314,580

charges that have been carried forward from previous years. Should less than expected be received, a budget pressure may arise.

12. In order to simplify the allocation process funds available for CIL spending will be based on actual amounts received, less transfers to town and parishes and administrative costs incurred. To meet the council's budget setting requirements the actual amount of funds available as at each December year end will be used as a basis for calculating the percentage allocation.⁴

CIL percentage allocation

13. The advantage of allocating a percentage of CIL revenues towards key infrastructure types such as transport, education (allocated to Oxfordshire County Council (OCC)) and healthcare (OCCG and other organisations) is that it::
- i. provides clarity for OCC so they can plan ahead and meet transport and education infrastructure needs for which they are responsible;
 - ii. will give the wider community the confidence that funding is allocated to the necessary infrastructure
 - iii. negates the requirement for a bidding process to take place.
14. Once the 15 or 25 per cent allocations for the town or parishes, and the maximum five per cent for CIL administration costs have been deducted, the balance remains with the council to be utilised. Taking into consideration historical percentages regarding S106 usage and incorporating the intended infrastructure expenditures in the council's Infrastructure Delivery Plans as well as comments from key council officers, percentage allocations to OCC and health care, and the remaining allocation for district council expenditure, are set out in Table 2 below.

Table 2: Percentage allocation of CIL

Infrastructure type	Percentage of CIL available
OCC:	
Education and transport infrastructure	50%
OCCG / other organisations:	
Community Health Care	20%
VOWH:	
Provision of new infrastructure as identified by the IDP and / or corporate priorities and enhancement of existing infrastructure providing that this supports development	30%
TOTAL	100%

⁴ Fiscal year end actuals would arrive too late for budgeting timings.

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15. A certain percentage of the funding would need to be shared with OCC to ensure the broader provision of infrastructure items, identified as part of general development needs. In this instance, as requested by OCC, restricted to transport and education only. As per Table 2, OCC's suggested allocation of CIL would be 50 per cent.
16. The funding allocation for OCC will be calculated at the end of the calendar year and included in the district council's budget for the following financial year. OCC are required to submit their annual application for funding by 31 March of each year. If funds are not applied for by this date, all or part of OCC's allocation, may be redirected to district council or health care projects.
17. A funding agreement between the council and OCC will be outlined in this respect agreeing how CIL funds transferred to OCC will be spent. This will be revised annually and include the funding allocation available and which project(s) that this will be allocated to. The amount to be transferred will be calculated on an annual basis and should be included in our annual financial budget and released in either a lump sum annual payment or quarterly as per the agreement reached.
18. OCC would complete a request for CIL funding form in order to draw down the allocated funding. This request would be subject to set criteria that:
 - meet the requirements of CIL Regulations
 - address the needs identified in our Infrastructure Development Plan
 - be fully costed
 - be deliverable within a specified timescale.

Health Care

19. A certain percentage of the funding will be apportioned to ensure that the provision of health care can also be increased in line with the demand generated by the increased number of residents in a location. As per Table 2, the health care allocation of CIL revenue for expenditure on such items has been set at 20 per cent. OCCG and other organisations will be eligible to apply for this funding to deliver projects allowable under CIL regulations and in such cases, the same procedures as OCC would need to be applied in terms of agreeing a funding agreement and meeting the criteria set out in point 18.

The Council's allocation

20. The council's allocation will be spent on provision of new infrastructure as identified by the IDP and / or corporate priorities and the improvement, replacement, operation or maintenance of existing infrastructure providing that this supports development as allowed by CIL regulations. To comply with the council's budget setting process the actual amount of CIL funds available at each December year end will be used as a basis for calculating the allocation amounts should be included in the council's capital programme and approved as part of the council's budget setting each February. Should this not be done, or the full amount of available funding not be included in the

budget, funding can be allocated and approved for projects during the year in line with the council's financial procedure rules.

21. It is important to note that developments liable for S106 planning obligations (North of Abingdon on Thames, North West of Abingdon on Thames, and the North West of Valley Park, plus those sites listed in CIL Zone 3⁵) will continue to secure funding for on-site specific infrastructure needs, as well as an element of offsite infrastructure. Strategic sites will continue to deliver key infrastructure on site, such as new schools, transport improvements, health provision, leisure, and community facilities.

Town and Parishes

22. The neighbourhood portion of the levy can be spent on a wider range of things than the rest of the levy, provided that it meets the requirement to 'support the development of the area'. The wider definition means that the neighbourhood portion can be spent on things other than infrastructure provided it is concerned with addressing the demands that development places on the parish's area. For example, the funds could be used to fund affordable housing.
23. It should be noted that a significantly larger proportion of infrastructure monies will be going to town or parishes than historically secured via S106 funding. With this additional funding the town or parishes may therefore be expected to help fund local infrastructure improvements such as items set out in the council's IDP. The council will support town and parishes with advice on how to spend CIL funds when required and facilitate linkages to OCC and other organisations on project possibilities.
24. Should town or parishes wish to support projects at a district or county level or delivered by another organisation, such as OCCG, and should town/parish clerks have the relevant qualifications that enables them to do so (General Powers of Componence), guidance notes are available from the Oxfordshire Association of Local Councils (OALC) on how to do so.⁶ These will be promoted to the relevant town and parish councils by the infrastructure and development team and support provided where needed.
25. Town and parish councils in receipt of CIL funding are required to report details of their CIL income and spend on an annual basis. These reports should be published on the town or parish council's website (should they have one) and also on the district council's website. Whilst the district council will advocate the use of the town and parish councils' CIL allocations towards projects identified within neighbourhood plans, where there is one, ultimately it is for the town or parish council to decide how they spend their funds providing that this is in line with CIL Regulations .

⁵ Sites which have been zero rated for CIL are Crab Hill, Didcot Power Station, East of Coxwell Road Faringdon, Grove Airfield, Land South of Park Road Faringdon, Monks Farm, North of Shrivenham, South Faringdon and Valley Park

⁶ CIL – OALC guide for parish councils, October 2018.

CIL spending cycle

26. The CIL spending cycle will work as follows:

- i. Identify current and previous years' unspent CIL revenue, as at 31 December
- ii. Calculate, based on percentage allocations, in time for inclusion in the council's annual budget setting process, CIL monies to be allocated to OCC, and health care (where applied for by a third party), to be transferred once applications for projects are received, approved and funding agreement signed.
- iii. Any funds not included in the council's annual budget can be allocated and approved for spend in line with the council's financial procedure rules.
- iv. For town and parish councils, funds will be released in line with regulations i.e. every six months in April and October, unless otherwise agreed.
- v. At the end of the calendar year all town and parish councils, OCC, organisations in receipt of health care allocation and relevant council departments will submit annual reports to the infrastructure and development team.
- vi. This approach will be monitored alongside the approval of the annual infrastructure funding statement at which point amendments can identified to the strategy and a review can be triggered if required. This method would also allow the strategy to be agile enough to allow for any future changes in CIL / planning regulations.

Linking CIL Spending Strategy to the capital programme and use of admin allocation

27. CIL is just one funding stream that can be used in conjunction with others to fund infrastructure projects. The allocation of CIL funding should ideally be included in the council's capital programme and approved as part of the council's budget setting each February. The advantage of linking the CIL funded spending estimates to the council's capital programme is to ensure a full overview of the key infrastructure projects supported under various funding streams and the identification of any gaps. However, if CIL funding is not included (or fully included) in the council's annual budget, it can be allocated and spent on projects in line with the council's financial procedure rules.
28. Allocations of CIL funding in the annual budget (approved in February, coming into force in April) will be made to relevant external organisations and internal council projects based on actual CIL figures available at the end of December the previous year. Any funds not allocated in the budget can be approved for spend in line with the council's financial procedure rules during the year or added to if they remain unallocated, to the approved budget the following year.
29. The budgetary allocation of the five per cent administration costs will be split evenly between CIL revenue management i.e. invoicing developers and tracking collection, and CIL spending and monitoring. After the first three years from adopting CIL, any underspend from the five per cent admin allocation at the end of the financial year must be added to the district council proportion for the following financial year.

Can the levy be spent outside the Vale of White Horse?

30. CIL regulations allow for funds to be spent in neighbouring authorities but the council will not exercise this option with the exception of funds generated in the Didcot Garden Town boundary (which covers parishes in both Vale of White Horse and South Oxfordshire district areas – See Appendix 2), providing that the project(s) are within that area. CIL funding in relation to projects delivered within DGT should align and/or promote the DGT principles and priorities where possible. This approach will contribute positively to creating a high-quality place across the garden town and districts. This provision will be replicated in the South Oxfordshire District Council CIL spending strategy.

Can the CIL funds be spent outside the development area where they were generated?

31. Local CIL funding is covered by the town and parish allocation. The district proportion is not restricted by locality and can be spent across the district. This allows greater flexibility when allocating funding to projects which in turn makes them more deliverable. This is particularly important where there is an identified need for larger infrastructure facilities, that also benefit a wider area and a large proportion of the population.

Reporting of CIL

32. As a result of the September 2019 CIL Regulation amendments, the council is required to prepare an annual infrastructure funding statement that covers both CIL and S106 income and expenditure and publish on its website no later than 31 December each year for the proceeding financial year. Town and parish councils are required to produce an annual report, published on their website (if they have one) and to send a copy of this to the council. We will publish this information on our website. CIL monies passed on to town or parishes, which have not been spent within five years of receipt can be recovered by the council who then must spend such CIL monies to support the development of the area which they have been recovered from.

Summary

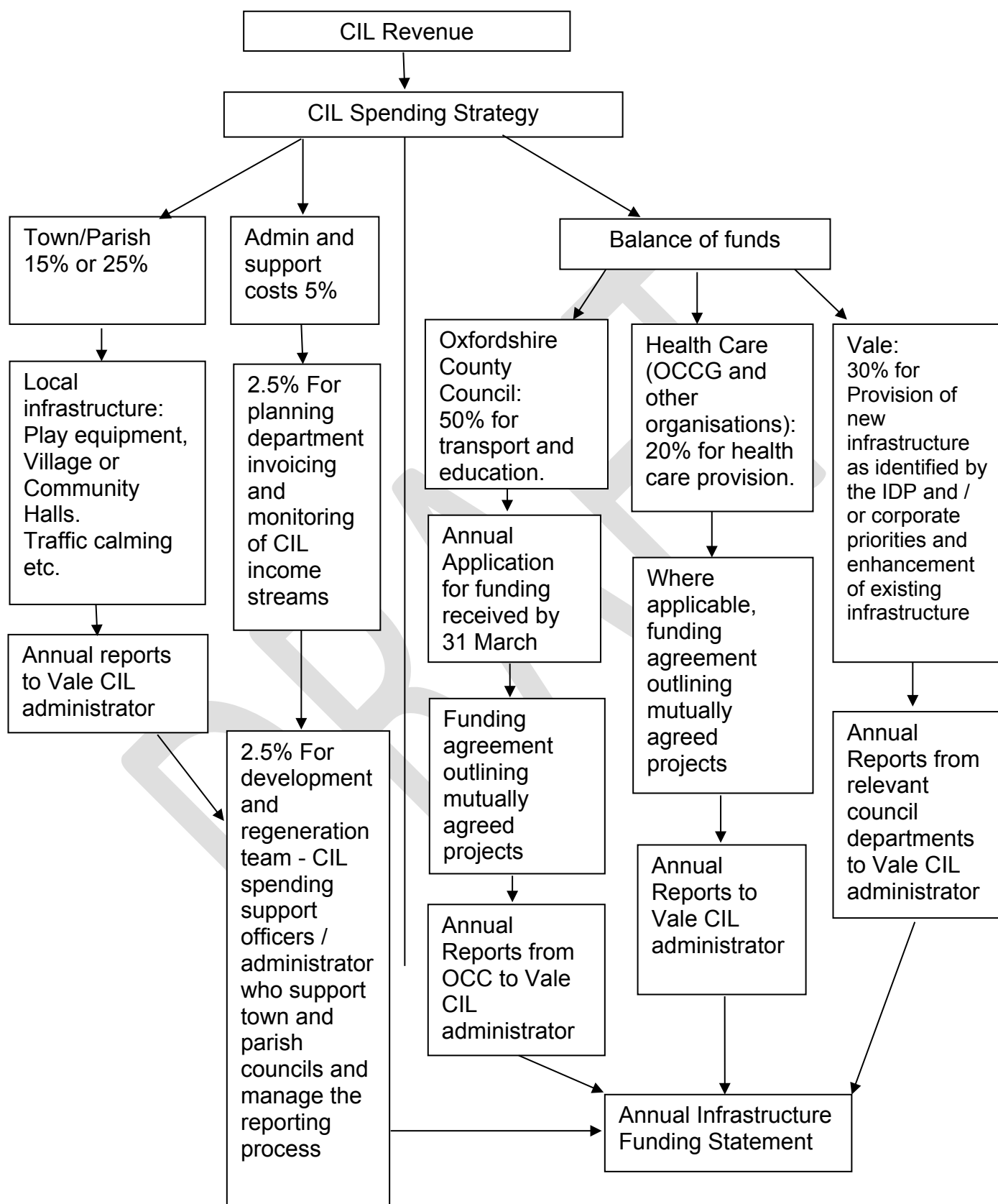
33. The CIL spending strategy will utilise a percentage allocation approach, apportioning funds on an annual basis, calculated on received funds, once town or parish allocations and council administrative costs have been deducted. The rationale for this is detailed above in paragraphs 14 and 15. Table 2 details the CIL percentage allocations. This process gives clarity of funding availability for transport and education, allocated to OCC, so that they can plan financially for upcoming infrastructure projects whilst allowing flexibility for use of the health care allocation and for the district council to use its funds to support the demands of new development.
34. Such an approach will be monitored alongside the approval of the annual infrastructure statement at which point amendments can be identified to the strategy and a review can

be triggered if required. This method would also allow the strategy to be agile enough to allow for any future changes in CIL / planning regulations.

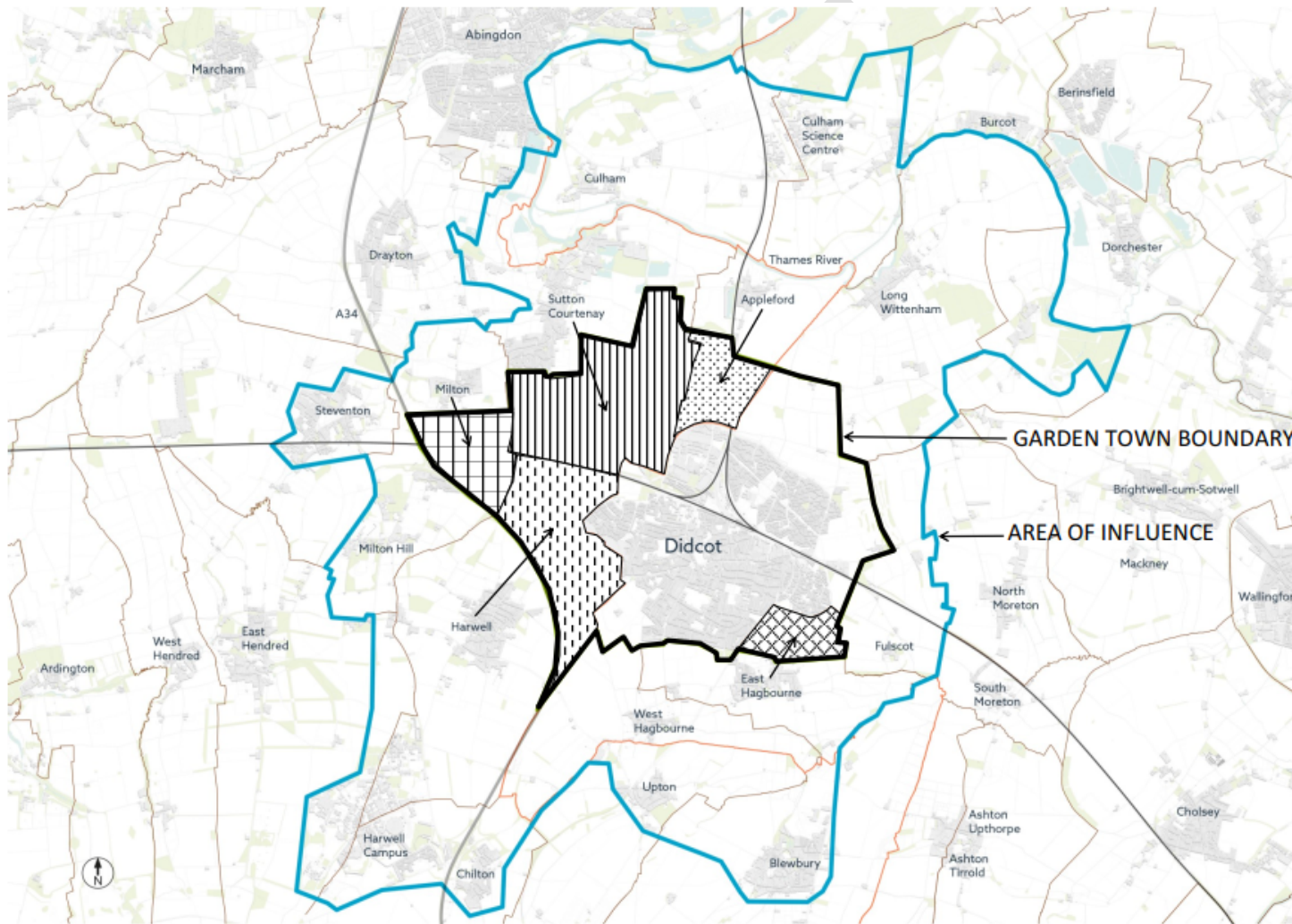
35. A procedural overview of the process for allocating, spending and reporting of CIL is outlined in Appendix 1.

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Appendix 1 – CIL procedural overview



Appendix 2 – Didcot Garden Town Area



Appendix B

Vale Proportions of CIL records received relating to developments in all parishes with a Date Paid between 01/11/2017 and 31/07/2020

Parish	Total Demand	Total Monies Received	Parish CIL proportion	Admin Proportion	DC Proportion	OCC Proportion (50%)	CCG Proportion (20%)	Sports & Leisure (20%)	Green Infrastructure (5%)	Public Art (2.5%)	Public Realm (2.5%)
Abingdon-on-Thames	£634,765.84	£518,986.49	£76,742.85	£32,948.41	£409,295.23	£204,647.62	£81,859.05	£81,859.05	£20,464.76	£10,232.38	£10,232.38
Besselsleigh	£151,038.88	£90,623.33	£13,593.50	£4,531.17	£72,498.66	£36,249.33	£14,499.73	£14,499.73	£3,624.93	£1,812.47	£1,812.47
Blewbury	£28,509.65	£28,509.65	£7,127.41	£1,425.48	£19,956.76	£9,978.38	£3,991.35	£3,991.35	£997.84	£498.92	£498.92
Coleshill	£3,503.50	£3,503.50	£525.52	£175.18	£2,802.80	£1,401.40	£560.56	£560.56	£140.14	£70.07	£70.07
Cumnor	£165,007.42	£165,007.42	£24,001.12	£13,000.38	£128,005.92	£64,002.96	£25,601.18	£25,601.18	£6,400.30	£3,200.15	£3,200.15
Denchworth	£32,832.17	£6,566.43	£984.96	£328.32	£5,253.15	£2,626.58	£1,050.63	£1,050.63	£262.66	£131.33	£131.33
Drayton	£103,355.66	£103,355.66	£25,838.92	£5,167.78	£72,348.96	£36,174.48	£14,469.79	£14,469.79	£3,617.45	£1,808.72	£1,808.72
East Hendred	£4,071.19	£4,071.19	£610.68	£203.56	£3,256.95	£1,628.48	£651.39	£651.39	£162.85	£81.42	£81.42
Faringdon	£155,060.14	£94,036.08	£22,884.02	£7,076.80	£64,075.26	£32,037.63	£12,815.05	£12,815.05	£3,203.76	£1,601.88	£1,601.88
Fernham	£4,333.85	£4,333.85	£650.08	£216.69	£3,467.08	£1,733.54	£693.42	£693.42	£173.35	£86.68	£86.68
Frilford	£111,109.23	£92,963.22	£13,569.49	£7,023.15	£72,370.58	£36,185.29	£14,474.12	£14,474.12	£3,618.53	£1,809.26	£1,809.26
Fyfield and Tubney	£39,761.12	£7,952.22	£1,192.83	£397.61	£6,361.78	£3,180.89	£1,272.36	£1,272.36	£318.09	£159.04	£159.04
Grove	£7,933.13	£7,933.13	£1,189.97	£396.66	£6,346.50	£3,173.25	£1,269.30	£1,269.30	£317.33	£158.66	£158.66
Harwell	£52,352.73	£52,352.73	£7,852.91	£2,617.64	£41,882.18	£20,941.09	£8,376.44	£8,376.44	£2,094.11	£1,047.05	£1,047.05
Kennington	£13,395.44	£13,395.44	£2,009.31	£669.77	£10,716.36	£5,358.18	£2,143.27	£2,143.27	£535.82	£267.91	£267.91
Kingston Bagpuize with Southmoor	£466,484.89	£160,013.85	£24,002.08	£8,000.70	£128,011.07	£64,005.54	£25,602.21	£25,602.21	£6,400.55	£3,200.28	£3,200.28
Longcot	£2,401.68	£2,401.68	£360.25	£120.08	£1,921.35	£960.68	£384.27	£384.27	£96.07	£48.03	£48.03
Longworth	£19,830.63	£19,830.63	£4,957.66	£991.53	£13,881.44	£6,940.72	£2,776.29	£2,776.29	£694.07	£347.04	£347.04
Milton	£342,767.83	£342,767.83	£51,415.17	£17,138.39	£274,214.27	£137,107.14	£54,842.85	£54,842.85	£13,710.71	£6,855.36	£6,855.36
North Hinksey	£253,830.27	£231,788.20	£34,235.24	£14,965.01	£182,587.95	£91,293.98	£36,517.59	£36,517.59	£9,129.40	£4,564.70	£4,564.70
Pusey	£66,977.63	£66,977.63	£10,046.64	£3,348.88	£53,582.11	£26,791.06	£10,716.42	£10,716.42	£2,679.11	£1,339.55	£1,339.55
Radley	£1,160,468.82	£248,151.28	£61,249.85	£12,407.57	£174,493.86	£87,246.93	£34,898.77	£34,898.77	£8,724.69	£4,362.35	£4,362.35
Shrivenham	£132,114.33	£132,114.33	£19,434.65	£9,028.22	£103,651.46	£51,825.73	£20,730.29	£20,730.29	£5,182.57	£2,591.29	£2,591.29
South Hinksey	£26,685.31	£26,685.31	£4,002.80	£1,334.27	£21,348.24	£10,674.12	£4,269.65	£4,269.65	£1,067.41	£533.71	£533.71
Stanford in the Vale	£15,234.13	£15,234.13	£2,285.12	£761.71	£12,187.30	£6,093.65	£2,437.46	£2,437.46	£609.37	£304.68	£304.68
Sutton Courtenay	£92,589.24	£92,589.24	£13,888.39	£4,629.46	£74,071.39	£37,035.70	£14,814.28	£14,814.28	£3,703.57	£1,851.78	£1,851.78
Wantage	£183,072.17	£183,072.17	£27,460.83	£9,153.61	£146,457.73	£73,228.87	£29,291.55	£29,291.55	£7,322.89	£3,661.44	£3,661.44
West Hanney	£9,849.65	£9,849.65	£1,477.45	£492.48	£7,879.72	£3,939.86	£1,575.94	£1,575.94	£393.99	£196.99	£196.99
Wootton	£30,411.19	£30,411.19	£4,561.68	£1,520.56	£24,328.95	£12,164.48	£4,865.79	£4,865.79	£1,216.45	£608.22	£608.22
Total:	£4,309,747.72	£2,755,477.46	£458,151.38	£160,071.07	£2,137,255.01	£1,068,627.51	£427,451.00	£427,451.00	£106,862.75	£53,431.38	£53,431.38
Spent / Approved payment			£331,318.63	£84,130.08		£131,071.00	£0.00	£0.00	£0.00	£0.00	£18,604.68
Balance			£126,832.75	£75,940.99		£937,556.51	£427,451.00	£427,451.00	£106,862.75	£53,431.38	£34,826.70

Spend Detail		
Allocation	Spend / Transferred Amount	Project Detail
OCC	£131,071.00	John Blandy Primary School Exapnsion to 1.5FE = £97,400
		Radley CE Primary Expansion to 1FE = £33,671
Public Realm	£18,604.68	Improvements to Abingdon Moorings