



**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**CABINET**

**17 OCTOBER 2019**

**COMMUNITY INFRASTRUCTURE LEVY ('CIL')**

**REPORT OF DIRECTOR OF PROSPERITY AND DEVELOPMENT IN DISCUSSIONS WITH THE CABINET MEMBER FOR ENTERPRISE, DEVELOPMENT AND HOUSING, COUNCILLOR BEVAN**

AUTHOR: Jim Bailey, Development Services Manager

**1.0 PURPOSE OF THE REPORT**

- 1.1 The purpose of this report is to seek Cabinet's approval of the contents of the CIL Annual Monitoring Report including an extension of time to the approved strategic spend on Ffynnon Taf Primary School and amend the Regulation 123 List.
- 1.2 To advise Members of the pre-scrutiny by the Finance & Performance Scrutiny Committee in respect of the Community Infrastructure Levy.

**2.0 RECOMMENDATIONS**

- 2.1 It is recommended that Cabinet:
  - (1) Approve the CIL Annual Monitoring Report (Appendix A)
  - (2) Approve the amended Regulation 123 List (Appendix B) for publication on the Council website for a period of 28 days and consultation as set out in paragraph 5.9
  - (3) Approve the subsequent adoption of the amended Regulation 123 List if no adverse comments are received.

**3.0 REASONS FOR RECOMMENDATIONS**

- 3.1 To enable the Council to continue to operate a Community Infrastructure Levy in accordance with the statutory regulations.

## 4.0 BACKGROUND

- 4.1 The Community Infrastructure Levy Regulations 2010 (as amended) require the Council to produce an **annual report detailing CIL income and expenditure** (Appendix A). Set out in paragraph 5.2 below is the details of the fourth of these annual reports since the Council introduced CIL in December 2014.
- 4.2 The Community Infrastructure Levy Regulations 2010 (as amended) also require the Council to publish an Infrastructure List (known as the Regulation 123 List). The List should set out the infrastructure, which the Council considers it is likely to apply CIL revenue to.
- 4.3 At the meeting of the Cabinet held on 23 July 2015, Members agreed the process for formulating, monitoring and revising the Regulation 123 list, which includes that the relevant Scrutiny Committee/Group review the operation of the list and consider the annual 123 list and annual CIL financial monitoring report and make recommendations to Cabinet where appropriate.

## 5.0 MATTERS FOR CONSIDERATION

### CIL INCOME & EXPENDITURE

- 5.1 The Regulations require that CIL income must be split into three parts:
- 80% to be applied to infrastructure to support growth of the Council's area (known as the 'Strategic CIL' and is to be spent on items on the Regulation 123 List).
  - 15% to be passed to the Community/Town Council in whose boundary the development that paid CIL is located for the provision of local infrastructure improvements of other measures that support the development of the area.
  - 5% to be applied towards implementation and ongoing administration.
- 5.2 The total CIL income received in 2018/19 was £301,043.83
- 80% as Strategic income = £242,789.54
  - 15% Local income = £43,202.07
  - 5% Administration income = £15,052.22

Strategic income carried forward from 2017//18 was £394,779.23  
Balance of strategic CIL income £637,568.77

- 5.3 The **annual monitoring report** at Appendix A provides a breakdown of the CIL receipts received and the distribution of 15% of CIL receipts to Community/Town Councils.
- 5.4 There has been no expenditure of Strategic CIL income to date however, Cabinet agreed on 20th September 2018 to spend £395,000 of Strategic CIL on Ffynnon Taf Primary School with the work due for completion by autumn 2019. This project has been delayed as additional Welsh Government funding

has been obtained to build a new community hall as part of the same project. The entire project is anticipated to be completed by autumn 2020 and will include a new build extension (4 classrooms and a hall) and refurbishments to the current school buildings for school and community use. The £395,000 Strategic CIL money is proposed to be spent by end 2020/21.

#### THE REGULATION 123 LIST

- 5.5 Whilst some amendments are needed to the Council's updated **Regulation 123 List** (considered at Cabinet on 21<sup>st</sup> November 2017) the broad thrust of the List remains the same in that it proposes highway and education projects that support and mitigate the growth anticipated through the Council's Local Development Plan.
- 5.6 There are four proposed changes to the highway projects part of the list. The first is to remove the part signalisation of the A473 Cross Inn roundabout as being no longer necessary, as the signalisation of the A473/A4119 roundabout has resolved the issues on the subject roundabout. The second is the removal of the A4119/B4595 signals – capacity enhancements due to the work having been undertaken in stages and is now complete (subject to some minor contract remedials). The third is to add Llanharan Community Route – which is the construction of new active travel routes to create a continuous link from Bridgend to Talbot Green. Routes to serve proposed new residential and commercial developments as well as existing facilities and trip attractors such as Llanharan railway station, local schools and employment sites. The fourth is to add Trefforest Industrial Estate – which is the construction of new active travel routes through the centre of Parc Nantgarw with links off this route to various facilities and trip attractors such as Coleg y Cymoedd and the new DWP offices.
- 5.7 There are no proposed changes to the education elements in the List.
- 5.8 Attached at Appendix C is a table, which sets out in detail what schemes have been removed, which have been added and the reasons for the change.
- 5.9 It is recommended that Cabinet approve the updated **Regulation 123 List** (Appendix B) for publication on the Council web-site for 28 days and if there are no adverse comments received then the 123 List can be adopted. It is further recommended the notification of the consultation be sent to all elected Members, Town and Community Councils and to the Members of the Council's Developers Forum.
- 6.0 PRE – SCRUTINY**
- 6.1 As outlined within the Committee's Terms of Reference, pre-scrutiny and monitoring of the CIL is a role placed on the Finance and Performance Scrutiny Committee.
- 6.2 In light of this role, Pre-scrutiny on the CIL was undertaken by the Committee on the 26th September 2019 prior to Cabinets consideration.

6.3 At the meeting Committee Members discussed the draft report and subsequent 123 List and provided comments. An overview of these comments are set out below:

- Potential for an increase in CIL receipts in future years following an increase in residential developments since the schemes introduction;
- The effect of CIL on tourism
- Retrospective payments of CIL

## **7.0 EQUALITY AND DIVERSITY IMPLICATIONS**

7.1 There are no direct implications as a result of this financial report, however, the equality and diversity implications of any infrastructure schemes that will be funded by CIL will be considered in the development of those projects.

## **8.0 CONSULTATION**

8.1 As set out in paragraph 5.9 above.

8.2 The CIL Annual Monitoring Report was presented to the Finance and Performance Scrutiny Committee on 26 September 2019 and Members agreed the recommendations as listed above in paragraph 2.1.

## **9.0 FINANCIAL IMPLICATION**

9.1 No additional budget requirements and the CIL receipts and spend for the year 2017/18 is set out at Appendix A.

## **10.0 LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED**

10.1 The report and appendices have been prepared in accordance with the Community Infrastructure Levy Regulations 2010 (as amended).

## **11.0 LINKS TO THE COUNCILS CORPORATE PLAN / OTHER CORPORATE PRIORITIES / FUTURE GENERATIONS - SUSTAINABLE DEVELOPMENT**

11.1 Infrastructure funded through CIL will support the Building a Strong Economy and Creating Neighbourhoods Where People are Proud to Live and Work priorities in the Corporate Plan.

## **12.0 CONCLUSIONS**

- 12.1 CIL receipts have been relatively low over the first four years of its implementation. This is partly as a result of development being undertaken in the first few years of the implementation of the Council's Charging Schedule being granted planning permission prior to CIL being implemented. It should also be noted that for those significant sites in CIL residential Charging zones 2 and 3 that are not already built or already benefiting from planning permission there are a few strategic sites that should be forthcoming in the near future. There are also a small number of sites that are unlikely to come forward in the near future due to significant deliverability and viability concerns. It is proposed to undertake a full review of the operation of CIL as part of the forthcoming review of the Council's Local Development Plan.
- 12.2 The minor changes to the Regulation 123 List are considered appropriate to assist in funding schemes that support growth in the County Borough.

**Other Information:-**

***Relevant Scrutiny Committee***

Finance and Performance Scrutiny Committee

***Contact Officer:***

Simon Gale

**LOCAL GOVERNMENT ACT 1972**

**AS AMENDED BY**

**THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

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**Item:**

Background Papers

None.

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