

To: City Executive Board
Date: 19 May 2016
Report of: Head of Planning and Regulatory Services
Title of Report: Report on the Community Infrastructure Levy (Neighbourhood Portion) – Agreeing the process for consulting and spending

| Summary and recommendations | |
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| Purpose of report: | <ol style="list-style-type: none"> 1. Note the requirements for expending the neighbourhood portion of CIL in parished areas 2. Agree the procedures for expending the Neighbourhood Portion of CIL in non parished areas. |
| Key decision: | Yes |
| Executive Board Member: | Councillor Alex Hollingsworth - Planning, Transport and Regulatory Services |
| Corporate Priority: | Vibrant and Sustainable Economy Strong and Active Communities A Clean Green Oxford. |
| Policy Framework: | None |
| Recommendation(s): That the City Executive Board resolves to: | |
| 1. | Note the requirements for expending the neighbourhood portion of CIL in parished areas |
| 2. | Approve the process for spending the Neighbourhood Portion of CIL in the non parished part of the City |

| Appendices | |
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| Appendix 1 | Risk Register |

Introduction

1. The City Council brought the Community Infrastructure Levy (CIL) into effect on 21 October 2013. The levy is a standard charge towards the cost of infrastructure and to support development in the City.

The Neighbourhood Portion of CIL

2. CIL receipts must be used for funding the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of the Council's area
3. The Neighbourhood Portion is an exception to this.
4. In the non parished part of the City, the CIL Regulations allow for a proportion of levy receipts to be used for a wider range of things than the rest of the levy. Where the receipt derives from a development within the area covered by a neighbourhood plan that proportion is up to 25%. Otherwise the proportion is up to 15% with a cap of £100 (indexed) per dwelling within the non parished area per financial year. This is known as the Neighbourhood Portion.
5. The wider range of uses comprise supporting the development of the non parished area by funding
 - a. the provision, improvement, replacement, operation or maintenance of infrastructure; or
 - b. anything else that is concerned with addressing the demands that development places on an area.
6. It is recommended that the Council uses this power.
7. In parished parts of the City the Council must pass the Neighbourhood Proportion of levy receipts from development within the parish to the parish council. Again the proportion is 25% if the development was located in an area covered by a neighbourhood plan and 15% (subject to the cap) if not.
8. These funds must be used by the receiving parish council to support the development of that parish council's area, or any part of that area, by funding
 - a. the provision, improvement, replacement, operation or maintenance of infrastructure; or
 - b. anything else that is concerned with addressing the demands that development places on an area.

PROCESS FOR SPENDING THE NEIGHBOURHOOD PORTION

Areas with a Parish Council

9. The process we follow is to pass the Neighbourhood Portion directly to parish councils twice a year (end of April for payments made between 1 October and 31 March and end of October for payments made between 1 April and 30 September).
10. There are provisions for the recovery of CIL monies by the City Council if parish councils do not spend the CIL receipts as set out in paragraph 8 within 5 years of receiving it.

11. The Planning Practice Guidance recommends that the City Council and the receiving parish council should engage and work closely to agree with them how best to spend these funds. The use of neighbourhood funds should therefore match priorities expressed by local communities, including priorities set out formally in neighbourhood plans

Areas not covered by a Parish Council

12. In areas without parish councils it is recommended that up to £5,000 per ward of the Neighbourhood Portion is added to the ward members' budgets annually (i.e. £2,500 each). If the amount of the Neighbourhood Portion is insufficient to fully fund that sum it would be proportionally reduced so that the total amount added matches the Neighbourhood Portion. Ward members will be responsible for spending the money appropriately (in line with the requirements above) – and are able to pass the money back into a greater pool of money for bigger infrastructure projects. The existing procedures that apply to the expenditure of the existing ward members' budgets would apply. Any part of the Neighbourhood Portion that remains unallocated would be available for expenditure by the Council on the wider range of purposes listed in paragraph 5 above.

Financial implications

13. The financial implications of this report is that the Council will continue in its commitment to notify, discuss and work in partnership with local community groups, Ward Councillors and parish councils in the payment and subsequent use of Neighbourhood CIL. Budgets will be allocated each April based on the actual amount of CIL collected in the previous financial period.

14. The Parishes of Blackbird Leys and Littlemore are essentially wholly parished, so would not get the £5,000. The Barton and Sandhills is a very small parished areas, so will get the £5,000. Marston Ward and Quarry and Risinghurst Ward are about 50:50, so would receive the £5,000.

15. On this basis there will be 21 wards receiving the £5,000, meaning a total of £105,000 added to Member's ward budgets from the overall CIL funds up to the end of 2015/16, leaving approximately £367,572.00 of the unparished neighbourhood portion to consult on as per the Government guidance.

16. Since the commencement of the Community Infrastructure Levy receipts process being introduced in Oxford a breakdown of the overall total CIL received by area and the related Neighbourhood portion (up to 31 March 2016) is as follows:

| Area | Amount Received | Neighbourhood Portion (15%) | Amount Already Paid to Parish Council |
|-------------------------------|-----------------|-----------------------------|---------------------------------------|
| PARISH COUNCILS | | | |
| Blackbird Leys Parish Council | £141,531.60 | £21,229.74 | £18,988.50 |
| Littlemore Parish Council | £83,600.00 | £12,540.00 | £12,540.00 |

| | | | |
|---|---------------|-------------|-----------|
| Old Marston Parish Council | £40,384.00 | £6,057.60 | £2,307.60 |
| Risinghurst and Sandhills Parish Council | £24,260.20 | £3,639.03 | |
| NON PARISHED PART OF CITY | | | |
| Rest of City – Barton & Sandhills, Carfax, Churchill, Cowley, Cowley Marsh, Headington, Headinton Hill & Northway, Hinksey Park, Holywell, Iffley Fiels, Jericho & Osney, Lye Valley, Marston, North, Quarry & Risinghurst, Rose Hill & Iffley, St Clements, St Matgarets, St Marys, Summertown, Wolvercote | £3,150,484.51 | £472,572.67 | |
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17. In summary

1. No CIL Neighbourhood Portion will be made available to ward member's in wards where that ward is entirely or almost entirely within the area of a Parish Council.
2. The regime of topping up ward member budgets, relating to non-parish areas of the city, will take effect from 2016/17 and will look to apportion any Neighbourhood Portion cumulatively received up to the end of the previous financial year subject to point 3 below.
3. A maximum of an additional £5,000 per Ward in unparished area of the City of any Neighbourhood Portion of CIL received will be made in any one financial year. The amount available per financial year will be equitably apportioned between local ward members. The balance of any Neighbourhood Portion will be utilised on the provision, improvement, replacement, operation or maintenance of infrastructure or anything else that is concerned with addressing the demands that development places on an area.
4. Ward members must be mindful of the intended use of the Neighbourhood Portion of CIL and should endeavour to fund related projects, or seek to combine resources for a larger project.
5. All unspent annual ward member allocations will be in the first instance moved back to the general Neighbourhood Portion for that ward to be allocated in future financial years, up to the maximum of £5,000 per ward.

6. An annual summary of the Neighbourhood Portion of CIL passed to Parish Councils, Neighbourhood Forums and non-parish Wards (Ward Members) detailing the projects and activities the distributed CIL monies have financially supported during the year will be compiled and copies will be available for interested parties.

Legal issues

18. The legal issues are addressed throughout the main body of the report.

Level of risk

19. A risk assessment has been undertaken (Appendix 1). All risks have been mitigated to an acceptable level.

Equalities impact

20. There are no equalities impacts arising from this report.

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| Background Papers: None |
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