

Report of the Strategic Director, Place to the meeting of the Executive to be held on 6th July 2021

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Subject:

Bradford Community Infrastructure Levy (CIL) – Investment of the Strategic Fund

Summary statement:

The Council has adopted the Bradford Community Infrastructure Levy (CIL), which has now been in place and applies to new development since July 2017. This report relates to the investment of the strategic CIL fund. The purpose of this report is to seek Executive approval for the investment of the CIL strategic fund collected 1st April 2020 to 31st March 2021.

EQUALITY & DIVERSITY:

These issues have been considered and no implications have been identified.

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Portfolio:

Regeneration, Planning and Transport

Overview & Scrutiny Area:

Regeneration and Environment

1. SUMMARY

- 1.1 The Community Infrastructure Levy (CIL) is intended as a means of contributing to the funding of infrastructure required to support the delivery of the Local Plan, including the adopted Core Strategy and other Development Plan Documents. It replaces part of the system of Planning Obligations (S106 Agreements), the scope of which has been restricted since 6 April 2015.
- 1.2 The purpose of this report is to seek Executive approval for the investment of the CIL Strategic Fund for monies accumulated up until March 2020, as set out in Tables 1 and 2.
- 1.3 This report includes a summary for the amount of CIL monies collected up to March 2020 and outlines recommendations for the allocation of monies from the Strategic CIL Fund to infrastructure priorities to support growth.

2. BACKGROUND

- 2.1 The District CIL was adopted by Full Council on 21 March 2017, and the charges were implemented from 1st July 2017. The process for the collection, spending and reporting of CIL monies must be transparent and undertaken in line with the requirements set out in the CIL Regulations.
- 2.2 The report to the Governance and Audit Committee on 28 February 2017, sets out the governance arrangements for allocating, spending and reporting on the Bradford CIL. This resolved that CIL receipts will be directed into two main funding streams; a CIL Strategic Fund and a Neighbourhood CIL Fund. The Council will retain 5% of the total CIL receipts collected to cover administration and implementation costs.

Neighbourhood CIL Fund

- 2.3 In line with the CIL Regulations 2010 (as amended) 15% of CIL income will be passed directly to those parish and town councils where development has taken place (the neighbourhood proportion), subject to the cap set in national CIL regulations. This will increase to 25% in any areas with an adopted neighbourhood plan.
- 2.4 The neighbourhood proportion will be transferred twice annually by the 28th April and 28th October each year.
- 2.5 In areas where there is no parish or town council communities will still benefit from the neighbourhood proportion, however the Council will retain and ring-fence the CIL receipts for these areas. The existing approach used for Planning Obligations (Section 106) will be used to direct spending of the CIL Neighbourhood Fund in areas without a parish or town council, in consultation with relevant ward councillors.

Strategic CIL Fund

- 2.6 After the Council has allocated the Neighbourhood CIL Fund monies and retained 5% for administration cost, the remaining proportion of the levy will be placed in a CIL Strategic Fund.

- 2.7 The CIL Strategic Fund monies can be spent anywhere across the District on infrastructure needed to support growth.
- 2.8 The Council's Regulation 123 List previously set out the types of strategic infrastructure within the District that could be funded through the CIL Strategic Fund.
- 2.9 Investment of the CIL Strategic Fund will be determined by the Council's Executive, taking into account the impact of specific and cumulative infrastructure needs arising from new development. It should be noted that the Infrastructure Funding Statement (IFS) introduced in December 2020 should detail the types of infrastructure the Council intends to fund, either wholly or partly, by CIL income and replaces the Regulation 123 List.
- 2.10 This report outlines the amount of CIL monies collected to date and sets out recommendations for the allocation of the CIL Strategic Fund towards infrastructure priorities.

Monitoring and Reporting

- 2.11 To ensure that the levy is open and transparent the Council must prepare and publish on its website a CIL Annual Monitoring Report, which sets out CIL receipts, balances and spend, for the previous financial year. The CIL Annual Monitoring Report was replaced by the IFS in December 2020.
- 2.12 It should be noted that the Bradford CIL came into effect on 1 July 2017. CIL is only liable for planning applications approved on or after 1 July 2017 and payment of CIL is only triggered on commencement of development, in line with the Council's approved CIL instalments policy.
- 2.13 The total amount of CIL monies collected between 1st April 2020 and 31st March 2021 was **£1,238,984.37**.
- 2.14 The amount of CIL monies received will increase in subsequent financial years as more planning applications become liable for CIL and development of approved CIL liable applications is commenced.
- 2.15 Appendix 1 provides a breakdown of the CIL payments received, the neighbourhood transfers and the administration sum retained by the Council. It should be noted that the surcharges are not included in the neighbourhood transfers or the 5% administration sum retained by the council. All surcharges collected are retained and placed in the strategic pot for allocating.
- 2.16 The purpose of the CIL Strategic Fund is to contribute to the costs of infrastructure to support development, not for the money to be substituted for general spending, for which funding streams should continue as at present. The levy has to focus on the provision and maintenance of infrastructure and should not be used to remedy existing deficiencies unless those deficiencies will be made more severe by new development. CIL Strategic Funds can be accrued to fund key infrastructure items.
- 2.17 There are various options and pressures in relation to the investment of the CIL Strategic Fund, such as competing demands for the monies from varying different

types of infrastructure. The Strategic Fund can be invested on strategic infrastructure throughout the District and is not restricted geographically. There is therefore the potential to direct CIL funds towards more strategic infrastructure priorities.

- 2.18 Investment of the strategic fund will also need to reflect the connection between the demands that development generates and investment of the monies. In addition, future investment will need to take into account the impact of cumulative infrastructure needs arising from new developments. Consideration has therefore been given to the impact of major development across the District, some of which will generate a need for infrastructure. However, smaller developments can also trigger smaller sums which can also accumulate CIL and create pressure for infrastructure provision.
- 2.19 It is important to note that CIL will not meet the total infrastructure needs as identified by the Local Infrastructure Plan (LIP), However CIL can along with other funding sources make a contribution to the delivery of infrastructure. The IDP identifies as far as possible planned infrastructure provision in the District, including the infrastructure necessary to support the delivery of the Local Plan.
- 2.20 It should be noted a number of council services and infrastructure providers have been consulted in producing the infrastructure evidence to inform the recommendations regarding the allocation of the CIL Strategic Fund including; education, health, parks, transport planning, landscape, countryside, clean air (pollution) and libraries. Officers have considered the options for investing the CIL Strategic Fund, in light of the amount of CIL and other demands resulting from growth and made recommendations in relation to the investment of the CIL Strategic Fund. It should also be noted that following the introduction of CIL the areas which have felt the largest impact in reduced developer contributions, previously secured through Section 106 Agreements, are education and recreation.

Requests for CIL funding received

- 2.21 There has been an increase in the number of requests received for CIL funding. A summary of these requests is below.
- 2.22 After the neighbourhood allocations and 5% administration fee has been retained the amount of CIL available for allocation is **£1,002,402.31**.

Education

Request a total of £411,175.20.

Recommended amount to be allocated £240,576.56 (see Table 3).

- 2.23 An assessment is made during the planning application process of the impact a new development may have on the existing educational infrastructure. This assessment includes calculating the potential number of additional children a new development may create.
- 2.24 CIL funding may be used towards the development of additional mainstream school places, and specialist places for Children and Young People with Special Educational

Needs and Disabilities. Of the developments that have generated a CIL payment, it is concluded that the following will cause an additional impact on the existing educational facilities, the amount requested per development is also noted:

17/04594/MAF: Land at Bingley Road, Menston £287,616.56

18/03569/MAF: Land at Simpsons Green, Apperley Bridge £95,154.11

19/01843/FUL: Darkwood House, The Street, Addingham £8,517.16

19/03395/MAF: 11 Chantry Drive, Ilkley £19,887.37

Parks and Green Spaces

Request a total of £300,720.69 or 30% of the CIL monies collected.

Recommended amount to be allocated £160,384.38 (see Table 3).

- 2.25 The monies will be allocated to Parks & Green Spaces projects to address the impact of developments upon existing recreational facilities and open space amenities primarily to address any shortfall in provision created by the developments and to support the Playable Spaces Strategy agreed by Executive 7th January 2020.
- 2.26 The projects will improve the Districts outdoor play and sport facilities, open spaces and green and blue infrastructure and their on-going maintenance, to support the wellbeing of our citizens by providing opportunities to live a healthy and active lifestyle.

Electric Vehicle Charging Points

Request a total of £75,000.00.

Recommended amount to be £40,096.09 (see Table 3).

- 2.27 CIL funding is being requested to support the installation of electric vehicle charging points. These will be located within the district to support residents & visitors to the district switch to electric vehicles.
- 2.28 An electric vehicle charging point (EVCP) capable of charging two vehicles at a time, costs in the region of £7,500.00 and the aim is to fund at least 10 twin charge points through CIL funding. If awarded the funding there maybe opportunities to match fund this with government grants of electric vehicle charging points.
- 2.29 The introduction of additional EVCHs across the District will assist in improving air quality as Air pollution is the top environmental risk to human health in the UK, and the fourth greatest threat to public health after cancer, heart disease and obesity. In 2018 Bradford Council received a ministerial directive to improve air quality within our district within the shortest possible time to bring about compliance with NOx levels. As a result of this Bradford Council is introducing a charging Clean Air Zone (CAZ) in January 2022 to limit and deter high polluting vehicles in the district. Electric vehicles will play a key part in reducing local NOx levels.

2.30 Further to this, in January 2019 Bradford Council declared a climate emergency. Bradford Council set 5 key aims a part of their Climate Emergency declaration one of which was:

- To increase the proportion of Electric Vehicles (EV) used in our fleet and support the roll out of EV charging points across the district to help promote uptake of electric vehicle use.

2.31 Bradford Councils aim is to significantly reduce our carbon emissions aiming to be a Zero Carbon City by 2038, with significant progress having been made by 2030.

2.32 Transport is the largest sector for UK greenhouse gas emissions (27%), of which road transport accounts for over 90%. Electric vehicles will form part of the solution to becoming Zero Carbon City as there are no exhaust emissions from a 100% Electric Vehicle (EV), emissions can be further reduced nationally if powered by renewable energy.

Cycle links

Request a total of £150,000.00.

Recommended amount to be allocated £80,192.18 (see Table 3).

To be used towards improving/providing cycle links across the District.

2.33 The recently published (July 2020) Gear Change requires that all new housing and business developments are built around making sustainable travel, including cycling and walking, the first choice for journeys.

2.34 The Government want new developments to be easily and safely accessible and navigable by foot and bike, and to make existing cycling and walking provision better.

2.35 Policy SP4 in Bradford's' Draft Local Plan requires a more transport orientated approach to development, whether sites are in inner or peripheral areas. This approach places an emphasis on public transport (planned or existing) routes as a key factor for locating or intensifying development. This also provides the scope to foster 'walkable' 15 minute neighbourhoods clustered along transport corridors.

2.36 Policy TR4 requires all new major developments to encourage the use of public transport through, amongst other things, facilitated access by foot or cycle to these stops. Therefore, safe and secure cycling and walking links between new developments and key destinations such as rail stations should be provided in order to reduce the need to travel by car.

2.37 Gear Change sets out several key design principles for new infrastructure including cyclists must be separated from volume traffic, both at junctions and on the stretches of road between them and that cyclists must be separated from pedestrians.

Clean Air Plan

Request a total of £150,000.00 or 15% of the CIL pot whichever is the greater.

Recommended amount to be allocated £80,192.18 (see Table 3).

- 2.38 The Clean Air Plan was supported and approved by Executive in March 2021. Air quality is a significant public health issue in Bradford, being responsible for the equivalent of 200 early deaths in the City every year. The City suffers from a disproportionate amount of COPD, asthma and breathing difficulties both regionally and nationally. There are no safe levels for these pollutants. This funding would be used to help mitigate the air quality impact of new developments on the existing population and ensure that new developments do not add to the significant existing public health burden associated with air pollution in Bradford.

Habitat mitigation

Request a total of £160,384.37 or 20% of the CIL monies collected.

Recommended amount to be allocated £120,288.28 (see Table 3).

- 2.39 The funds will be used to mitigate the additional recreational pressure on the South Pennine Moors SPA/SAC which arises from increases in residential dwellings within range of these areas within Bradford.
- 2.40 Research evidence from the Local Plan Habitats Regulations Assessment showed that the majority of people will travel up to 7kms from where they live to visit the moors. This creates additional erosion, disturbance, risk of wildfire and so forth which can impact upon the conservation objectives of these sites – something that we have a duty to avoid or mitigate under the Habitats Regulations.
- 2.41 The CIL payments made by developers will therefore fund a range of mitigation and management measures such as improvements to routes and sites which deflect pressure away from the moors, route improvements on the moors to reduce erosion, public information, wardening, and habitat repair.

Libraries

Request a total of £160,384.37 or 20% of the CIL monies collected.

Recommended amount to be allocated £80,192.18 (see Table 3).

- 2.42 Libraries are a statutory service that must be comprehensive and accessible to all who live work and study in the District. They are often the only place in communities that is free, neutral and open to people of all ages and backgrounds, providing access to essential resources and facilities, help and support, a wide range of family activities and events, and a safe space to meet others. New development places additional demands on library services, particularly from traditional user groups such as families with young children and older people, as well as job seekers and newcomers needing information and to make connections in the community to settle in. The Council's new vision and model for the Service, approved by Executive in March 2020, is

seeking to deliver more services from libraries that meet the Council's priorities, in partnership with other services and organisations as part of our Localities approach to working in communities.

- 2.43 If awarded, CIL funding will provide the stock and facilities required to meet these growing demands and to refresh and replenish stock as needed.

3. OTHER CONSIDERATIONS

Habitat Mitigation

- 3.1 European legislation (the Habitats and Wild Birds Directives), transposed into the Conservation of Habitats and Species Regulations 2017, as amended, requires local authorities to avoid or mitigate the impact of increased human activity on certain habitats and species in European protected areas, namely Special Areas of Conservation (SAC) and Special Protection Areas (SPAs). The Council when exercising its planning function is responsible for assessing the potential impact of the proposed development on the European Sites and for securing appropriate mitigation. The council therefore must ensure it meets its obligations under the Habitats Regulations considering whether the impact of additional residential development can be adequately mitigated. This requirement is described in policies SC8 & EN2 of the adopted Local Plan Core Strategy (2017).
- 3.2 The Council currently include Habitat Mitigation in CIL allocations. In order to ensure compliance with the Directives, the Council must put in place a system which ensures that mitigation is delivered at a time and place when it will be effective and be clear that it intends to prioritise the use of the levy to deliver habitat mitigation. A Supplementary Planning Document (SPD) is currently under production which will identify contributions and/or secure mitigation measures, in relation to provision of natural greenspace, where this is required to mitigate the effects of increased recreation pressure upon the South Pennine Moors SPA/SAC. However, prior to the adoption of the SPD it is considered that a proportion of the Strategic Fund should be allocated to habitat mitigation to ensure compliance with the habitat regulations.

As the once adopted the SPD will secure a per dwelling developer contribution which will be utilised to mitigate the impact of development upon the South Pennine Moors SPA/SPC. As a result of this, CIL will no longer be required to fund habitat mitigation measures.

Creation of a Strategic CIL pot

- 3.3 As the intention of CIL is a means to fund infrastructure required to support the delivery of the Local Plan, the Council is able to set aside a percentage of each year's CIL receipts into a Strategic CIL pot.
- 3.4 The aim of this funding pot would be to support the delivery of future strategic infrastructure projects which may come forward in the future.
- 3.5 This funding pot would be separate to any CIL funds allocated to internal infrastructure providers such as education, recreation and green infrastructure.

- 3.6 To date, two deposits have been placed within the Strategic CIL pot. The table below details the deposits and the current balance held.

Table 1: Strategic CIL pot sums retained and current balance held

Allocation year	Amount retained	Balance
2017/2019	£56,421.72	£56,421.72
2019/2020	£89,718.18	£146,139.90

- 3.7 Prior to the meeting of this Executive, there have been no requests received for funding to be released from the Strategic CIL pot.

4. FINANCIAL & RESOURCE APPRAISAL

- 4.1 The Community Infrastructure Levy Regulations 2010 (as amended) require the Council to prepare a report for any financial year in which:-

- a) It collects CIL, or CIL is collected on its behalf; or
- b) An amount of CIL collected by it or by another person on its behalf (whether in the reported year or any other) has not been spent.

- 4.2 CIL Regulation 62 sets out the specific requirements which must be covered by this Report. These reports are made available on the Council's website each year.

- 4.3 The total amount of CIL monies collected up to March 2021 is £1,238,984.37. In line with the CIL regulations the Council has transferred the neighbourhood proportion (15% or 25% with an adopted neighbourhood plan) directly to the town or parish council where development has taken place by the dates set out in the Regulations. Appendix 1 details the sums transferred to the parish and town councils.

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

- 5.1 The collection, spend and reporting of CIL is governed by Legislation set out in the Planning Act 2008 (as amended by the Localism Act 2011) and the CIL Regulations 2010 (as amended). If the Council does not follow appropriate governance arrangements for collecting, spending and monitoring CIL consistent with the CIL Regulations then the Council runs the risk of challenge over the use of CIL monies being upheld.

- 5.2 The report to the Governance and Audit Committee on 28 February 2017 sets out the governance arrangements for allocating, spending and reporting on CIL.

6. LEGAL APPRAISAL

- 6.1 The adopted Bradford CIL Charging Schedule has been prepared and implemented in line with the appropriate, legislation (UK and EU), regulations and guidance.

- 6.2 The process for implementing the CIL Charging Schedule and spending CIL monies is set out in the CIL Regulations 2010 (together with subsequent amendments). From

April 2015 the CIL regulations introduced restrictions on the use of S106 Agreements to secure infrastructure, commonly referred to as the “Pooling” restrictions (these restrictions were removed in September 2019). If the Council does not follow appropriate governance and spending arrangements consistent with the CIL Regulations, then the Council runs the risk of challenge over the use of CIL monies.

- 6.3 European legislation (the Habitats and Wild Birds Directives), transposed into the Conservation of Habitats and Species Regulations 2017, as amended, requires local authorities to avoid or mitigate the impact of increased human activity on certain habitats and species in European protected areas, namely Special Areas of Conservation (SAC) and Special Protection Areas (SPAs).

7. OTHER IMPLICATIONS

7.1 SUSTAINABILITY IMPLICATIONS

The CIL will support the delivery of infrastructure and sustainable development across the District and help to mitigate the impacts arising from growth.

7.2 GREENHOUSE GAS EMISSIONS IMPACTS

None

7.3 COMMUNITY SAFETY IMPLICATIONS

None

7.4 HUMAN RIGHTS ACT

These issues have been considered and no implications have been identified.

7.5 TRADE UNION

None

7.6 WARD IMPLICATIONS

In non-parished areas the decisions about spending will be delegated to the AD (Planning, Transportation and Highways) in consultation with relevant ward councillors and the CIL Neighbourhood Fund ring fenced by the Council for that purpose.

7.7 AREA COMMITTEE ACTION PLAN IMPLICATIONS (for reports to Area Committees only)

None

7.8 IMPLICATIONS FOR CORPORATE PARENTING

None

7.9 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

None

8. NOT FOR PUBLICATION DOCUMENTS

None

9. OPTIONS

- 9.1 The CIL is a key part of the delivery of the Council Plan priorities and can be spent on any infrastructure priority. This report recommends the investment of the Strategic Fund for the infrastructure priorities as set out in Tables 2 and 3 below, with justifications. Consideration has been given to the consultation with infrastructure service providers. Spend of the strategic fund for education, green infrastructure, recreation and open space, habitats mitigation and electric vehicle charging points is recommended as the most appropriate investment of the strategic fund accumulated up to March 2021.

Table 2:

Strategic CIL pot

Collection period	Total CIL receipts less Neighbourhood funds and 5% admin	Minimum 20% to be retained	Pot total* includes previous years retained sums
April 2020 – March 2021	£1,002,402.31	£200,480.46	£346,620.36

Table 3:

Infrastructure Type	Allocation of CIL Strategic Fund 2020/2021	Reason for allocation
Education including primary and secondary provision	30% of balance after Strategic CIL pot deposit £240,576.56	There is a proven link between the provision of new houses in a given area and increased pressure for additional school places.
Recreation and open space	20% of balance after Strategic CIL pot deposit £160,384.38	There is a proven link between the provision of new houses in a given area and increased pressure on existing recreational facilities.
Electric vehicle charging points	5% of balance after Strategic CIL pot deposit £40,096.09	It is a Council priority to mitigate the adverse impacts on air quality created by new development. EVCHs assist with this.
Cycle links	10% of the balance after Strategic CIL pot deposit £80,192.18	There is a proven link between the provision of new houses and an increased pressure on the existing cycle network.
Clean Air Plan	10% of the balance after Strategic CIL pot deposit £80,192.18	To support the previously approved Clean Air Plan and to mitigate the impact of new developments on air quality.
Habitat mitigation schemes including Suitable Alternative Natural Greenspace	20% of balance after Strategic CIL pot deposit £120,288.28	Required by European legislation see section 3.
Libraries	10% of the balance after Strategic CIL pot deposit £80,192.18	New developments create additional strain on existing facilities. The council has an Executive approved Vision for the District to help mitigate demand.

9.1 Option 1: Approve allocation of the CIL Strategic Fund as recommended in Tables 2 and 3

9.1.1 The allocation of the Strategic Fund as recommended in Tables 2 and 3 is considered the most appropriate investment of the CIL that reflects current strategic

infrastructure priorities.

9.1.2 This will enable the Council to direct strategic CIL monies to a range of necessary infrastructure types to support the development of the District.

9.2 Option 2: Approve the allocation of the Strategic CIL fund to alternative infrastructure priorities.

9.2.1 The Strategic CIL Fund may be allocated to alternative infrastructure priorities.

10. RECOMMENDATIONS

Recommended -

10.1 That the Executive agree the allocation of the CIL Strategic Fund as set out in Tables 2 and 3 (up to March 2021) be used to contribute to education, recreation and open space, electric vehicle charging points, cycle links, clean air plan, habitat mitigation and libraries.

10.2 That the decision on the spend of the Strategic CIL Pot in Table 1 be delegated to the Strategic Director (Place) in consultation with the Portfolio holder.

10.3 That the Strategic Director (Place) delegates to the Assistant Director of Planning Transportation and Highways to liaise with other Assistant Directors and Portfolio Holders to remind of the purpose of the Strategic Pot and how the CIL funds retained within it may be accessed to help deliver infrastructure projects.

11. APPENDICES

Appendix 1: CIL payments received, neighbourhood transfers and the administrative sum retained

12. BACKGROUND DOCUMENTS

- Bradford District CIL Charging Schedule (2017)
- Report 'Governance Arrangements for the Bradford CIL Charging Schedule' to the Governance and Audit Committee on 28 February 2017
- Infrastructure Funding Statement 2019/2020