

Item No: 20.	Classification: Open	Date: 11 December 2018	Meeting Name: Cabinet
Report title:		Allocation of Local Community Infrastructure Levy funding	
Ward(s) or groups affected:		All	
Cabinet Member :		Councillor Johnson Situ, Growth, Development and Planning	

FOREWORD – COUNCILLOR JOHNSON SITU, CABINET MEMBER FOR GROWTH, DEVELOPMENT AND PLANNING

The recently adopted Council Plan reaffirmed our commitment to deliver regeneration that works for local people, to reduce health inequality, create jobs and opportunities. The Council plan also detailed our commitment to ensure that as we see some changes in the borough we are ensuring we're working with local communities every step of the way.

This report will be delivering on both those commitments by allocating the local element of CIL as set out by Cabinet in July 2017. However we have listened also to the feedback from community councils and other stakeholders, and also having looked at how a number of other boroughs have collected and distributed local CIL, it is clear that certain revisions to the process should be instigated. So this report is calling on officers to engage with community councils to develop community investment plans.

Also, given the council priorities and the changes to come with the new innovative integration of services in the new Places and Wellbeing Department, it is an ideal opportunity to explore the growth of communities through the delivery of local CIL funded projects to build stronger links between community engagement and ensure that CIL is collected, distributed and monitored more equitably across the borough.

The Community Investment Plans will be developed with the local community and the report also calls for a paper on the CIP to bring back to Cabinet in April 2019.

RECOMMENDATIONS

1. That the Cabinet commit to spending the funds collected to end of financial year 2017-18 (as detailed in paragraph 37) as the 25% neighbourhood portion of the Community Infrastructure Levy within each community council area in which it was collected and that this funding be committed on the basis of the cabinet decision made in March 2015.
2. That Cabinet note the submission from each community council and instruct that officers undertake further consultation with the community councils.
3. That the Cabinet approve funding to be released and allocated to the priority projects put forward by the community councils for projects within the existing Council Capital Programme as listed in Appendix 1.
4. That officers be instructed to develop projects that are currently on the Council Plan but not yet included on the capital programme and report to cabinet in April 2019.

5. That the Cabinet recognise that the current system of Community Infrastructure Project Lists should be improved in order to make it more transparent and that they instruct officers to work with the community councils to develop Community Investment Plans for each area to prioritise the allocation of funding collected 2018-19 and to allocate unspent CIL generated pre-2017-18.
6. That officers report back to cabinet in April 2019 setting out the proposed process for the consultation and implementation of Community Investment Plans.

BACKGROUND INFORMATION

7. The Community Infrastructure Levy (CIL) is a charge the council issues on new developments to pay for infrastructure needed to support growth within the borough of Southwark. 70% of the funds collected are spent on strategic borough-wide projects as detailed on the council's regulation 1,2,3 list. [Note: in practice this currently all goes to the underground improvements to the Northern Line at the Elephant and Castle].
8. Cabinet agreed on 17 March 2015 to commit Southwark spending at least 25% locally, given the need for local communities to benefit from the CIL collected.
9. In the Outturn Capital Monitoring for 2016-17 and Capital Programme Refresh 2017-18 to 2026-27 report debated at cabinet on 18 July 2017, it was agreed that the community councils were to prioritise projects on the Community Infrastructure Project Lists (CIPL) taking account of local need and the council's own capital programme. The final decision on which projects would be funded would be decided by the cabinet.
10. The process currently adopted by the council is that each community council generates a Community Infrastructure Project List. The list is to be generated by the community for "publically accessible physical improvements". The projects are then approved to be included on the list by councillors once a year at the relevant community council. The instructions are on the website at <http://www.southwark.gov.uk/planning-and-building-control/section-106-and-community-infrastructure-levy/community-infrastructure-projects-list-cipl>
11. It was stressed at cabinet that the council has allocated all of its available capital funds and that it is now relying on borrowing to fund capital investment. This obviously has an impact on the revenue budgets and therefore service delivery.

KEY ISSUES FOR CONSIDERATION

Policy implications

12. Southwark's S106 Planning Obligations and Community Infrastructure Levy Supplementary Planning Document (SPD) committed the Council to spend 25% of Southwark CIL locally whether there is an adopted neighbourhood plan or not, using the following sequence of areas to identify relevant projects:
 - Areas with an adopted neighbourhood plan
 - Opportunity areas/action areas
 - SPD areas (other than individual sites/buildings)
 - Community council areas (for those areas which are not covered by any of the above).

13. Monies secured under Southwark's CIL have a wide application breaking the link between funding development and mitigation. Southwark CIL funded projects must be for infrastructure that supports growth.
14. The essential features to recognise here are:
 - National Planning Policy Framework
 - Localism 2011 Act
 - Community Infrastructure Regulations 2010, 2011 and 2014 Amendments,
 - Section 106 and CIL SPD (2015) and the Addendum (Jan 2017).
15. In September 2017, the council adopted the Social Regeneration Framework (SRF) which sought to build on the council's commitment to invest in communities across the borough and embed the principle of regeneration for all across the borough. The framework has 3 primary objectives:
 - A borough-wide, partnership approach to improving the wellbeing of all current and future generations.
 - A one-Council approach to ensure all our assets are used and aligned effectively to bring about improved well-being for people and places across Southwark.
 - Wellbeing as a primary outcome of all our work.
16. As part of the SRF there is a commitment to produce Social Regeneration Charters (SRC) for every major regeneration area. These SRCs will include Place Action Plans (PAPs) that will include details of the council's and the developer investment in the area and incorporate proposals for governance and delivery mechanisms.
17. It is recognised that within the scope of these charters to use them to deliver additionality; for instance the potential for leveraging third party resources of capital, manpower, in kind contributions etc. in the form of commitments / deliverables that go beyond those secured through the planning process and adopted regulatory framework.
18. In order to update the Social Regeneration Framework the Southwark Conversation was carried out. Occurring between October and December 2017, over 3,000 people took part in the Council's most far-reaching consultation, asking residents how they feel about change in our borough. Core Principles of the emerging framework have been developed in recent months:
 - life opportunities, good health and well-being for all,
 - communities and future generations and
 - reducing inequalities.
19. In September 2018 the Place and Wellbeing department was formed combining Planning Regeneration, Public Health and Public Engagement with a stated aim of ensuring all the places where people live, now and in the future, create new opportunities, promote wellbeing and reduce inequalities so that people have better lives, in stronger communities and achieve their potential. This will be achieved in a number of ways including:
 - Ensuring regeneration works for everyone by working with communities, developers, and partners within and outside the council to ensure that all communities benefit from changes in the borough, maximising opportunities to

promote wellbeing, improving the public realm, building communities, and creating robust infrastructure;

- Building strong, resilient and cohesive communities by strengthening the way the council connects and interacts with local communities, and work with our partners to promote asset based community development;
- Promoting health and wellbeing by working with health, care, community and other partners to improve health, wellbeing and tackle inequalities for all of Southwark's residents; and
- Creating pride of place for our borough to ensure Southwark is the best place to live, work, play and learn and be economically productive.

20. These objectives could be reinforced by the adoption of Community Investment Plans and would assist in the development of 'Pride in Place'.

Community impact statement

21. The five community councils throughout the borough are an important part of the council's decision making process. They provide an established forum for consultation with local people on various issues, giving residents and community groups the opportunity to influence how services and funding is delivered. The local elected ward councillors at community councils involve the local community in discussions on local issues and they can take decisions on key matters.

22. Given that the community councils are established forums for local discussion and have delegated authority to take decisions about local matters, it is appropriate for Community Investment Plans (CIPs) be developed, discussed and agreed at these meetings.

23. The community investment plans would take due regard to the agreed council priorities and programmes, for instance the great estates guarantee. In determining priorities regard will also be had to the existing council's investment plans (programmes including regeneration capital, the housing modernisation investment, schools expansion, public health, culture etc.) and be based on an evaluation of the needs that are not being met from these mainstream programmes. For instance between 2016-26 the council is investing over £359m in Surrey Docks and Rotherhithe wards.

24. The CIPs would be evidenced based on what is needed and what may be lacking in the existing programmes, forming the basis of further conversation with the community. They are intended to put the proposals collected as part of the CIPL process into a strategic context which is particularly crucial in areas not already covered by SPDs, AAPs or the PAPs. .

25. There are similarities between CIPs and PAPs; the main difference currently is that PAPs are an agreed plan between the council and a developer whereas working with the local communities, CIPs will consolidate the neighbourhood CIL collected from a number of developers and also will cover areas with little development yet still in need in infrastructure. The greatest impact in CIPs is likely to be those areas outside/ between major regeneration areas and therefore not covered by a commitment to produce a Social Regeneration Charter.

26. Criteria for CIPs need to be developed further especially in light of the feedback received regarding the CIPL (see paragraphs 34-35). As a basis for further work the proposals should as a minimum:

- be in the Council Plan
 - relates to a council plan commitment
 - support a Fairer Future commitment
 - be affordable and
 - feasible.
27. Inevitably economic conditions, technology, the policy environment, partners, resources and priorities will change over time. It is essential therefore that the CIPs are flexibly to respond to change and it follows that there will need to be a robust and ongoing community engagement. This is critical as the role of the community council system is currently under review. If they were to be changed significantly the whole approach to what is defined as “local” may need to be further refined.

Resource implications

28. The management of the CIL is covered by the 5% of the total CIL collected that the Council can retain for administration purposes. Currently this funding is being invested in a new software programme (EXACOM – which is the industry standard) that will allow accurate monitoring of both S106 and CIL and will also provide a public facing module to ensure openness and transparency of the collection and expenditure of council resources.
29. The local project lists (CIPL) are also managed from this administration proportion of CIL. However a number of issues have arisen regarding these lists (see paragraph xx below) that has resulted in none of the local CIL collected having been either allocated or spent.
30. It was proposed that once the funding had been allocated, the project delivery mechanism would be identified. It is suggested that in order to avoid duplication of resources the council’s existing project delivery teams in Regeneration, Highways and Cleaner, Greener Safer are used. However additional resource may be required with the teams in order to take on this additional work load. This could be in a similar format to that of the CGS teams where a fee is included in the overall project budget.
31. To develop the Community Investment Plans for each community council area, it is envisaged that additional officer time will be required depending on the methodology adopted to do this.
32. Further work is needed to determine how best to implement CIPs and how they will co-ordinate with both existing and proposed council area plans (see hierarchy of plans in Appendix 2) and capital programmes. There is also the need to determine specific plans for projects and the planned investment; monitoring; incorporation of indicators and outputs; and engagement with local delivery partners and stakeholder groups. It is crucial that aspirations are built on transparency and accountability as part of the criticism levelled at the current CIPL process is that it lacked this.
33. Governance arrangements should emphasise the importance of periodic review and evaluation to meet potentially changing circumstances and allow the flexibility needed to continue to deliver the agreed outcomes.

Consultation

34. From December 2017 to April 2018 officers have been attending community councils in order to agree which projects should go onto the list, which projects should be

removed and to agree priority lists. As a result of this consultation it is clear that there are various approaches to this prioritisation and still some considerable confusion around local CIL.

35. In light of the above, officers were requested to look at best practice elsewhere in London. As a result of this it is proposed that the council adopt local community investment plans. The adoption of these plans will address the following issues:
- There will be agreed set of criteria for projects. Currently we have a rather vague definition in para 6.6 of the SPD which states that the projects "...will need to be publically accessible physical infrastructure improvements in the local area that support growth".
 - There will be a clear definition of what constitutes 'local'. There has been some debate that anywhere in Southwark could be considered to be local for certain infrastructure. Alternatively local could be defined by the community council area or possibly down to ward level. Some local groups have argued that local should be in the immediate vicinity of the development or what they consider to be their local community and that even considering wards is too broad a definition. This confusion will be addressed by a clear geographical area.
 - An assessment on a projects feasibility would need to be undertaken prior to inclusion in the plan. Indicative costs and any ongoing revenue implications would also need to be taken into account. .
 - Different approaches adopted by community councils to determine plans could still apply. For instance Bermondsey & Rotherhithe undertook an on-line questionnaire to determine local strategic priorities (Note: there was a considerable cost both to set this up and in officer time that was not matched across all community councils).
 - Geographical imbalance of CIL which is not entirely due to quantum of development. For instance off-site affordable housing may be built elsewhere in the borough and does not attract CIL. There are also varying rates of CIL across the borough to encourage investment in certain areas.
 - The plan would address the perception from some organisations that being approved to go on the list is de-facto an approval of funding as it would make clear and transparent the priorities of the local area.
36. It is clear from the above that further investment in time and resources is required to set up a more open and transparent system as generally there is confusion with the process; when projects can be submitted; to whom; in what format; what information is required; when and how decisions are made.

Financial implications

37. The amount of local CIL collected by community council area is shown in the table below. None of the money collected is yet committed to any project yet.

	25% Southwark CIL by year:			
Community Councils	2015/16	2016/17	2017/18	TOTAL
Borough, Bankside & Walworth	18,309.50	838,962.01	1,340,034.92	2,197,306.43
Bermondsey &	41,698.50	746,168.54	376,935.12	1,163,939.66

	25% Southwark CIL by year:			
Rotherhithe				
Camberwell	1,556.25	5,875.00	16,376.75	23,808.00
Peckham & Nunhead	70,157.50	15,618.50	174,455.95	260,231.95
Dulwich	2,900.00	47,800.00	119,016.29	169,716.29
Total 25% SCIL Receipt	133,759.25	1,654,424.05	2,026,819.03	3,815,002.33

38. There are no revenue implications due to the implementation of these recommendations.
39. The expenditure of this funding will be managed within existing revenue budgets; specifically the 5% CIL administration charge.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance (FC18/024)

40. The report is requesting the cabinet to approve the release of funding collected to end of financial year 2017/18 as the neighbourhood portion of the Community Infrastructure Levy and approve the allocation of the released funding to the priority projects put forward by the relevant community council as listed and that officers be instructed to develop the projects agreed and confirm to cabinet the actual budgets required.
41. The report is also requesting the cabinet to recognise that the current system of Community Infrastructure Project Lists could be improved in order to make it more transparent with a greater strategic approach and that they approve the proposal for officers to work with the community councils to develop Community Investment Plans for each area to prioritise the allocation of funding collected 2018/19 and to allocate unspent CIL generated pre-2017-18 and that officers report back to cabinet in April 2019.
42. The strategic director of finance and governance notes that there will be no revenue implications due to the implementation of these proposals.
43. It is also noted that the costs associated with implementation of the recommendations can be recovered from the 5% of any CIL income permitted under CIL regulations.
44. Staffing and any other costs connected with this recommendation to be contained within existing departmental revenue budgets.

Director of Law and Democracy

45. This is a report relating to the emerging proposals concerning the allocation of funds received from the collection of the Community Infrastructure Levy. Officers will undertake further consultation with community councils with the intention for an updated report to be presented to cabinet in April 2019. in the meantime, cabinet is

being asked to approve funding for certain priority projects as set out in the Appendix 1 to the report.

46. The Community Infrastructure Levy can be used to fund a wide range of infrastructure, including transport, flood defences, schools, hospitals, and other health and social care facilities as set out in section 216(2) of the Planning Act 2008, and regulation 59, as amended by the 2012 and 2013 CIL Regulations). This definition allows the levy to be used to fund a very broad range of facilities such as play areas, parks and green spaces, cultural and sports facilities, academies and free schools, district heating schemes and police stations and other community safety facilities. This flexibility gives councils the opportunity to choose what infrastructure is needed to deliver their local plan. It should be noted that charging authorities may not use the levy to fund affordable housing.
47. Local authorities must spend the levy on infrastructure needed to support the development of their area. the levy is intended to focus on the provision of new infrastructure and should not be used to remedy pre-existing deficiencies in infrastructure provision unless those deficiencies will be made more severe by new development.
48. The Government does not prescribe a specific process for agreeing how the neighbourhood portion should be spent. It is expected that councils will use existing community consultation and engagement processes. This should include working with any designated neighbourhood forums preparing neighbourhood plans that exist in the area, specific neighbourhood groups, local businesses (particularly those working on business led neighbourhood plans), and using any networks that ward councillors have.
49. Paragraph 12 of the report refers to the council's Section 106 Planning Obligations and Community Infrastructure Levy Supplementary Planning Document which commits to a spend of 25% of Southwark CIL on local projects.
50. The recommendations as set out in this report accordingly fall within the powers of cabinet.

BACKGROUND DOCUMENTS

Background Papers	Held at:	Contact
S106 Planning Obligations and CIL SPD	Planning Department	Simon Bevan 020 7525 5655
Link (please copy and paste into your browser): http://www.southwark.gov.uk/planning-and-building-control/planning-policy-and-transport-policy/supplementary-planning-documents-spd/spd-by-planning-topic?chapter=6		

APPENDICES

Number:	Title:
Appendix 1	Projects for funding or further work
Appendix 2	The Hierarchy of plans prepared by the Place and Wellbeing Department

AUDIT TRAIL

Cabinet Member	Councillor Johnson Situ, Growth, Development and Planning	
Lead Officer	Simon Bevan, Director of Planning	
Report Author	Alistair Huggett, Planning Projects manager	
Version	Final	
Dated	30 November 2018	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS /DIRECTORATES / CABINET MEMBER		
Officer Title	Comments sought	Comments included
Strategic Director of Finance and Governance	Yes	Yes
Director of Law and Democracy	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	30 November 2018	

APPENDIX 1

Projects for funding or further work

Projects proposed for immediate funding:

Projects that were put forward by community councils that already were:

- in the Council Plan
- included within the Capital Programme
- support a Fairer Future commitment
- be affordable and
- Feasible.

Project	Community Council	Notes
Harper Road Improvements	BB&W Chaucer*	There are both highways proposals and a shopfront scheme underdevelopment. In addition there are plans for the local park.
Newington Gardens	BB&W Chaucer	Work with Parks to develop proposals
St Mary's Churchyard Path Improvements	BB&W Cathedrals	Work with Parks to develop proposals
Little Dorrit Park Improvements	BB&W Cathedrals	Work with Parks to develop proposals
St Mary Magdalene Churchyard path to Tanner Street Park	B&R Grange	Adjacent developments will part-deliver this scheme. Further funding required to complete the northern section.
Spa Road pedestrian crossing	B&R Grange	Work with Highways to develop a scheme.
New Community facilities on Surrey Docks Farm	B&R Surrey Docks	Part funded with S106
Improvements to Albion Street	B&R Rotherhithe	Project proposals under development by Regeneration North team
Shad Thames Streets projects	B&R Riverside	Highways Dept scheme part funded with S106

*NOTE – wards quoted are those where the funding was original collected

Projects proposed that officers undertake further work

Project	Community Council	Notes
Camberwell Road Pedestrian safety	Camberwell Camberwell Green	Highways are currently working on a scheme
Pedestrian Crossing facilities – Lordship Lane/Dulwich Common	Dulwich College	Discuss with Highways the feasibility
Pedestrian Crossing facilities – Dulwich Wood Park	Dulwich College	Discuss with Highways the feasibility

Note officers to go back to Peckham Community Council as the decision to shortlist projects for funding was deferred to a future meeting.

APPENDIX 2

The Hierarchy of plans prepared by the Place and Wellbeing Department

1. New Southwark Plan

- Borough regeneration strategy
- Visions for each place which set out how the place should look in 15 years time
- Strategic policies and detailed policies that need to be taken into account by all development
- Site allocations with more detail where there are strategic sites or sites where they need to be different to the general policies
- Borough implementation plan for infrastructure and how the plan will be delivered
- A map of the area

2. Area Action Plan

- Area regeneration strategy
- Visions for each place which set out how the place should look in 15 years time
- Strategic policies and detailed policies that need to be taken into account by all development
- Site allocations with more detail where there are strategic sites or sites where they need to be different to the general policies
- Area implementation plan for infrastructure and how the plan will be delivered
- A map of the area

3. Social Regeneration Charter

- 5 page document
- Sets out how the way in which people identify with each place
- Sets out how places will change at a strategic level
- A map of the area

4. Place Action Plans / Community Investment Plans

- Area regeneration strategy
- Area implementation plan for infrastructure and how the NSP, AAP and SRC will be delivered
- A map of the area

All will have an equalities assessment and communications plans with community/stakeholder engagement

Proposal of how these might be created

- Working with local communities and councillors, agree the geographic area
- Within the area identify key landowners
- Also identify key stakeholders and local communities
- Create library of local information to act as a baseline
- Develop a list of all of the social and physical regeneration initiatives currently being delivered in the chosen area
- Set up client project board including local ward members and community representatives.
- Identify likely themes for area which are linked to the council plan and based on the specific area.
- Insert social regeneration indicators into the brief linked to the draft themes.
- Use expert facilitators (in-house where available) to carry out consultation and to work with all stakeholders to prioritise specific themes