

Scrutiny Board (Sustainable Economy and Culture)

Scrutiny Working Group – Community Infrastructure Levy – 3 February 2015

Report to Executive Board

Background

The Sustainable Economy and Culture Scrutiny Board carried out pre-decision scrutiny on the draft charging schedule for the Community Infrastructure Levy (CIL) in September 2013. The Board made a number of comments including the following recommendation:

Allocation of CIL resources

We noted that decisions on spending priorities and local apportionment of the CIL is a separate workstream, for consideration at a later date.

We recommend that the Executive Board requires that the Scrutiny Board is notified of the timetable and given the opportunity to be involved in this work at the appropriate time.

The Scrutiny Board agreed in November 2013 that it would invite a member of the Housing and Regeneration Scrutiny Board to join the meeting when this item was considered.

On 3 February, a scrutiny working group met with the Executive Member and officers to carry out pre-decision scrutiny on the proposals for Strategic and Neighbourhood Spending of the CIL. The Chair of the Housing and Regeneration Scrutiny Board took part in the working group alongside members of the Sustainable Economy and Culture Scrutiny Board.

The Scrutiny Board asks the Executive Board to take the following issues into account when considering the report on the Leeds Community Infrastructure Levy – Strategic and Neighbourhood Spend.

Conclusions and recommendations

The working group noted the proposals in recommendations (i), (ii) and (iii) of the Executive Board report with regard to the administration and neighbourhood fund elements of the CIL, and the timescale for transferring the neighbourhood fund, to be in line with national regulations.

With regard to the ongoing work on shared infrastructure planning highlighted in recommendation (iv), the working group strongly supported the importance of Community Committees working closely with Parish and Town Councils in their area to ensure spending matches priorities. The recent annual meeting with Parish and Town Councils and the work being undertaken by the Outer North East Community Committee on this matter were highlighted.

Members reiterated the importance of Neighbourhood Planning, especially in areas likely to generate a significant CIL income. In most cases this was ongoing and it was important that members work with local communities to ensure that priority

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infrastructure needs are identified and articulated in these plans, which can then be used by local people to hold decision makers to account. Officers are also supporting this process and feeding comments in as Plans are developed.

The working group also noted that Neighbourhood Plans have to go through an external inspection process, with the City Council having the opportunity to make representations at this point.

Recommendation 1

That the Council uses its ability to make representations during the inspection of Neighbourhood Plans, if necessary, to support the inclusion of priority infrastructure needs.

The working group supported recommendation (v) in relation to the role of Community Committees in directing spending of the neighbourhood fund. However, they asked the Executive Member to ensure that Community Committees receive adequate support in terms of capacity building and staffing resource to enable them to carry out this new role, including meeting the requirement for local consultation. The Executive Member confirmed that he would raise this matter with the Assistant Chief Executive, Citizens and Communities.

Recommendation 2

That the Executive ensures that there are sufficient resources to Community Committees to carry out their new functions in relation to the CIL. Resources in this context refers both to staff support and capacity building.

In relation to recommendation (vi) in particular, Members noted that there is still further work to be done to clarify protocols and processes in preparation for the first tranche of CIL money becoming available to spend.

The working group broadly supported recommendation (vii) to set the priorities for strategic CIL spend through the budget setting process. However, concern was expressed about the potential for unnecessary delay in progressing infrastructure to support development if this only took place at the annual review of the capital programme. Officers clarified that the capital programme is revised during the course of the year. They also highlighted that under the proposal, key infrastructure projects could also be prioritised for funding from other sources within the overall capital funding programme of the council in advance of the receipt of the associated CIL funds.

It was noted that the CIL was not suitable for the very largest developments which will probably require their own feasibility study to address the associated infrastructure needed within the development site. It was stated that the Site Allocations Plan would need to identify these sites.

Recommendation 3

That the identification of such sites be included as part of the ongoing development of the Site Allocations Plan.

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General comments and observations

During the course of the discussion, there were a number of additional issues raised:

- Recognition of the work that had gone in to get the proposals to this stage and the challenges ahead as the CIL income begins to be collected and allocated.
- The working group sought reassurance that there was sufficient resource within City Development to support the community-led Neighbourhood planning process, and that the required financial processes would be in place in time for collection of the CIL to commence from 6 April
- Members highlighted the potential for Section 106 negotiations to become even tougher following the introduction of the CIL
- Members raised a concern about the potential for developers to seek to reduce the level of CIL payable at sites where there is a net increase in occupancy levels and criteria regarding occupation for 6 of the past 12 months were being applied.
- The working group raised the infrastructure impact of some developments outside their own local area as an area for consideration in determining the spending of CIL income (for example where development in an outer area places significant additional demand on the road network and public transport capacity on city centre commuting routes).
- Members discussed accountability for CIL spending, particularly with regard to Parish and Town Councils. It was noted that there was a requirement for annual reporting of expenditure. Members clarified the mechanisms for clawing back or claiming back CIL where it had either not been spent or had been spent on non-priority projects. They also raised a potential role for Scrutiny within the accountability framework.