



PRCC.14 13/14

Prosperous Communities  
Committee

3 September

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**Subject: Community Infrastructure Levy Regulation 123 List**

Report by:

Director of Regeneration and Planning

Contact Officer:

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Purpose / Summary:

- To advise members of the proposals for the development of a Community Infrastructure Levy (CIL) Regulation 123 List
- To present a draft list for consideration and comment on projects identified

**RECOMMENDATION(S):**

Members are asked to:

- Note content of the report
- To Approve the Draft Regulation 123 list is for consultation alongside the CIL draft charging schedule.

**IMPLICATIONS**

**Legal:** Legal implications of implementing CIL are being considered as part of the programme for introducing a charge.

**Financial : FIN REF 13/14**

The CIL Regulation 123 list will have a direct impact on how

Infrastructure related to development is funded. In order to support growth the interplay between CIL and Section 106 must be monitored. There will be a cost to implement CIL as it must undergo an independent examination but it is expected that the cost of this will be reduced by undertaking a joint examination with City of Lincoln and North Kesteven.

**Staffing :** Staffing is being considered as part of the CIL programme but it is envisaged that a further staffing resource will be required across Central Lincolnshire. Administration costs are included within the CIL charges and will not require other funds.

**Equality and Diversity including Human Rights :**

none

**Risk Assessment :**

n/a

**Climate Related Risks and Opportunities :n/a**

**Title and Location of any Background Papers used in the preparation of this report:**

n/a

**Call in and Urgency:**

**Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?**

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

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**Key Decision:**

A matter which affects two or more wards, or has significant financial implications

Yes

No

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## **1.0 Introduction**

As part of the Community Infrastructure Levy (CIL) charging regime charging authorities are required to produce a Regulation 123 list. It is only possible to continue using Section 106 agreements for infrastructure if a Regulation 123 list is published. The list identifies the projects which the authority is going to charge CIL for as a contribution to the cost of the project's delivery.

## **2.0 Regulation 123 List**

As part of the work programme around developing CIL a group of Central Lincolnshire Officers from each authority (including a group of finance officers) are working on a draft Regulation 123 list. This draft is informed by the adopted Infrastructure Delivery Plan and will identify infrastructure projects categorised as

- Central Lincolnshire Strategic infrastructure - 70% of total CIL fund
- Local Infrastructure ( each authority's specific infrastructure) 30% of total CIL fund ( meaningful proportion and administration to come out of this element)

Members should note that in relation to the production of a Regulation 123 list there are a number of issues to be considered;

- Authorities cannot pool more than 5, Section 106 contributions to deliver strategic infrastructure, so infrastructure projects on the Regulation 123 list are those which are likely to need a significant contribution, beyond this pooling limit.
- CIL funding and Section 106 contributions cannot be secured for the same project if it is on the list, once adopted.
- Once a project is on the Regulation 123 list, it should only be removed once it has been funded/completed (to remove an item and seek section 106 could certainly result in bad public relations and possibly legal challenge)
- It is essential that an explicit project definition is used on the Regulation 123 list , rather than a generic description,( for example the exact location and project name of any highways improvements should be specified ) so it is clear exactly what is being funded by

CIL and Section 106 funding can still be charged for other highways projects

- Authorities need to show an infrastructure funding gap which is the basis of charging CIL, so the list must cover projects of sufficient costs to show this gap
- The projects on the list do not need to be prioritised and those items on the draft list are not prioritised within the Central Lincolnshire strategic / local infrastructure or any other categories (although the IDP considers this on a high-level basis)
- There will be some consideration of whether a project is Central Lincolnshire strategic or local infrastructure, but a project is more likely to receive CIL funding at a local level, as the Lincoln Eastern Bypass and Secondary Education are forecast to use up all the strategic infrastructure funding
- There is a balance to be struck between certainty for the developer in the projects that will be funded and flexibility for the authority in terms of securing funding to deliver infrastructure. In recognition of this it is proposed to seek legal advice about the potential to consult on an A and B list of projects. This would differentiate between
  - Projects that will definitely be funded by CIL , the A list and
  - Projects that would be funded by CIL only if CIL income exceeds expectation, projects that need more definition, or projects where anticipated other non CIL funding sources , are not forthcoming. These projects are identified as 'emerging projects for future funding consideration' in the appended Regulation 123 list, (the B list).

### **3.0 Process for Approval of the Regulation 123 List**

There are currently CIL regulation amendments under consultation which are considered likely to require the Regulation 123 list to be consulted upon alongside the CIL Charging Schedule consultation process. It is therefore proposed to seek approval to consult on the Regulation 123 list,

alongside the approved Draft Charging Schedule consultation process in October

### **3.1 Regulation 123 Consultation and Approval**

CIL charging and the Regulation 123 list are the responsibility of each local Council as the charging authority. Therefore the Regulation 123 list is being presented to each Council for approval. As an aligned CIL process has been approved, it will also be presented to the Central Lincolnshire Joint Strategic Planning Committee. An initial draft of the list is attached at Appendix One for consideration.

### **3.2 Next Steps**

The initial draft was presented to the Central Lincolnshire Strategic Group on 22 July 2013 for approval for further development. Future work includes:

- Regulation 123 list of projects to be fully developed
- Legal opinion on Regulation 123 list format and relationship/transition with Section 106 projects to be secured
- It is proposed that the report will be presented to the CLJSPC on 14 October 2013 for approval/noting ( subject to this meeting becoming a Committee rather than briefing)
- Regulation 123 list to be published for consultation alongside the Draft Charging Schedule in October /November 2013
- An updated regulation 123 list will be reported back to committee alongside the pre submission CIL charging schedule in late 2013/early 2014.

The CIL regime is subject to inspection but is targeted to come into force from Autumn 2014 when the regulation 123 list will also become 'live'.

**Draft Central Lincolnshire “Regulation 123 list”**

*Please note: this list is not prioritised in any way. It should be read in the context of the list of emerging projects overleaf and the Central Lincolnshire Infrastructure Delivery Plan (which does provide a narrative on priorities and assigns priorities – for IDP purposes – to relevant infrastructure items).*

<b>Central Lincolnshire ‘strategic infrastructure’:</b> Lincolns Eastern Bypass New secondary school in Lincoln Extensions to secondary schools in Lincoln Extensions to secondary schools in the Central Lincolnshire rural area New secondary school in Gainsborough New secondary school in Sleaford		
<b>City of Lincoln ‘local infrastructure’</b> Further assessment on-going	<b>Rural area ‘local infrastructure’:</b> Further assessment on-going	
	<b>North Kesteven ‘local infrastructure’:</b> Pedestrian bridge over Sleaford railway Further assessment on-going	<b>West Lindsey ‘local infrastructure’:</b> Further assessment on-going

**Draft list of emerging projects for future consideration in Central Lincolnshire “Regulation 123 list”**

**Central Lincolnshire ‘strategic infrastructure’:**

Investment in Gainsborough John Coopland Hospital  
 Lea Road Station Improvements  
 Sleaford Fire Station  
 Lincoln Fire Station  
 Lincoln Relief Road Improvements  
 Beevor St to Swanpool Link  
 Gainsborough Bus Expressway  
 Lincoln Quality Bus Corridors  
 Lincoln Park & Ride - North East  
 Lincoln Park & Ride - South East  
 Lincoln Park & Ride - West  
 Lincoln Small-scale Walking/ Cycling/ Public Transport Schemes  
 A46 to Swanpool Link  
 New Lincoln Ambulatory Care Centre  
 Sleaford Ambulatory Care Centre  
 East-West Link (EWL): Pelham Bridge to South Park Avenue  
 East-West Link (EWL): Rope Walk to High Street  
 Gainsborough Belt Road Upgrade  
 Lincoln Eastern Bypass Dual carriageway  
 Lincoln Southern Bypass  
 Lincoln Public Transport Interchange  
 Lincoln Parking Strategy  
 Lincoln Rail Service Improvements  
 Rural Public Transport Programme

**City of Lincoln ‘local infrastructure’**

North Hykeham Highways Improvements  
 Beevor Street Link  
 Lincoln - up to 2 synthetic MUGAs

**Rural area ‘local infrastructure’:**

GPs in rural area  
 Rural area - up to 1 synthetic pitch or rugby  
 or cricket  
 Dentists in rural area

<p>Strategic Green Infrastructure in Lincoln  Carbon reduction schemes in Lincoln  Lincoln-area Passenger Information  Lincoln swimming pool  Lincoln Rugby pitches, up to 2  Lincoln Cricket Pitches, up to 3</p>	<p>Rural Rugby, up to 1  Rural Cricket Pitch, up to 2  Pharmacy in rural area</p>	
	<p><b>North Kesteven 'local infrastructure':</b>  North Hykeham transport improvements  Strategic Green Infrastructure Sleaford  Carbon reduction schemes in Sleaford  Sleaford cricket, up to 1  Rural area, up to 1 synthetic MUGA (total)</p>	<p><b>West Lindsey 'local infrastructure':</b>  Gainsborough - up to 1 synthetic MUGA  Strategic Green Infrastructure Gainsborough  Carbon reduction schemes in Gainsborough  Gainsborough Rugby, up to 1  Gainsborough Cycle Improvements  Gainsborough Cricket, up to 2  Gainsborough Pedestrian Improvements  Gainsborough Bus Station</p>