

A new vision for developing Wakefield District



Wakefield Council Community Infrastructure Levy (CIL) Regulation 62 Annual Report 2018/19



www.wakefield.gov.uk

wakefieldcouncil
working for you



Contents

1. Introduction	1
2. How the Levy is Spent	1
3. Reason for the Report	1
4. Community Infrastructure Levy Statement 2018/19	1
Table 1: Community Infrastructure Levy Statement 2018/19	2
Table 2: Summary of Community Infrastructure Levy Statement 2018/19	3
5 Agreed Strategic Spending Priorities	3
6 Future Strategic Spending Priorities	4
7 Future Annual Reports	4

1. Introduction

- 1.1. The Community Infrastructure Levy is a charge per square metre on new development, to help pay for essential infrastructure needed across Wakefield district as a result of growth.
- 1.2. The charge is paid by developers and landowners when new development commences. Without the charge there would be a greater gap in the funding required to deliver this essential infrastructure. A percentage of the charge resulting from new development must be spent on community infrastructure in the neighbourhoods affected by development, in consultation with those communities.
- 1.3. The charges for Wakefield are set out in the [Community Infrastructure Levy Charging Schedule, April 2016](#). These charges are subject to annual indexation. As such the [up to date rates](#) are published on the Council's website in April each year. The charges apply to new residential development, retail warehouses and large supermarkets. The residential rate depends on the location of development in the district. Supermarket charges relate to the size of development. The charges are based on viability evidence and are set at a rate that is affordable, without impacting on the delivery of development. This was tested at a public examination in October 2015.
- 2.4. The Council must apply the strategic funds to the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of the district. The Planning Act (2008, as amended by the Regulations) states that infrastructure includes: roads and other transport facilities; flood defences; schools and other educational facilities; medical facilities; sporting and recreational facilities; and open spaces.
- 2.5. Where there is a local council, such as a town or parish council, the neighbourhood proportion of the Levy must be transferred directly to the local council, to spend on local community infrastructure priorities. The Regulations require these to be determined in consultation with the local community.
- 2.6. Where there is no town or parish council, the money will be retained by Wakefield Council, who will engage with local communities to establish their priorities for spending the neighbourhood fund.

2. How the Levy is Spent

- 2.1. Regulations 59A and 59F require a minimum of 15% of the Levy collected within a local area to be allocated for spending on community infrastructure within that local area. This rises to 25% where there is a Neighbourhood Plan in place. Walton Parish is currently the only neighbourhood area in Wakefield district with a Neighbourhood Plan in place. On 13 July 2016 the Council agreed to allocate 25% of the Levy to all neighbourhoods, where it is raised, in the interest of equity (subject to the legal requirement of an annual cap of £100 per council tax dwelling per year, in areas without an adopted Neighbourhood Plan).
- 2.2. The neighbourhood fund can be spent on infrastructure to support the development of the area; or anything else that is concerned with addressing the demands that development places on the area. However, the additional 10% allocated to areas with no Neighbourhood Plan is restricted to being spent on infrastructure to support the development of the area.
- 2.3. The Council has agreed to retain 5% of Levy receipts to put towards the costs of implementing the Charging Schedule and administering the

- collection process. Council agreed the remaining 70% of the Levy will be prioritised towards strategic infrastructure to support growth, prosperity, new jobs, education, skills and housing.

3. Reason for the Report

- 3.1. The Council began charging the Levy on 1 April 2016. To ensure the Levy is open and transparent, the Council must prepare a short report on the Levy. The report must be published on the Council's website by 31 December each year, for the previous financial year, covering the period 1 April to 31 March. This report covers the period 1 April 2018 to 31 March 2019.
- 3.2. Regulation 62(4) (as amended) sets out what charging authorities must include in their reports. Where a charging authority holds and spends the neighbourhood proportion on behalf of the local community, this should be reported as a separate item. Town and parish councils must also report on their income and spending, and provide a copy of this to the charging authority, Wakefield Council.

4. Community Infrastructure Levy Financial Statement 2018/19

- 4.1 Table 1 sets out the monitoring statement for the Community Infrastructure Levy, for the 2018/19 financial year, as required by Regulation 62 of the Community Infrastructure Levy Regulations 2010 (as amended).

Table 1: Community Infrastructure Levy Statement 2018/19

Reporting on Community Infrastructure Levy (CIL) Income and Expenditure 2018/19		
	Description	Amount
Regulation 62 (4) Reference	(a) Total CIL Receipts for 2018/19	£705,446.75
	(b) Total CIL Expenditure for 2018/19	£35,272.34
	(c) Summary of CIL Expenditure for the reported year	
	(i) The items of infrastructure to which CIL (including land payments) has been applied.	n/a
	(ii) The amount of CIL expenditure on each item.	n/a
	(iii) The amount of CIL applied to repay money borrowed, including any interest, with details of the infrastructure items which that money was used to provide including any interest, with details of the infrastructure items which that money was used to provide (wholly or in part).	n/a
	(iv) The amount of CIL applied to administrative expenses pursuant to regulation 61, and that amount expressed as a percentage of CIL collected in that year in accordance with that regulation.	£35,272.34 5%
	(ca) The amount of CIL passed to:	
	(i) Any local council under regulation 59A or 59B at 31 March.	£18,750.96
	(ii) Any person under regulation 59(4).	£0
	(cb) Summary details of the receipts and expenditure of CIL to which regulation 59E (funds recovered from town or parish councils) or 59F (non-town or parish council neighbourhood funds) applied during the reported year:	
	(i) The total CIL receipts that regulations 59E and 59F applied to.	£137,688.96
	(ii) The items to which the CIL receipts to which regulation 59E and 59F applied have been applied.	n/a
	(iii) The amount of expenditure on each item.	n/a
	(cc) Summary details of any notices served in accordance with regulation 59E (recovery of funds passed to town or parish councils) including:	
	(i) The total value of CIL receipts requested from each local council.	n/a
	(ii) Any funds not yet recovered from each local council at the end of the reported year.	n/a
	(d) The total amount of:	
	(i) CIL receipts for the reported year retained at the end of the reported year other than those to which regulation 59E or 59F applied.	£513,754.50 (inc. £493,812.73 for strategic infrastructure and £19,941.77 to be paid to local councils by 28 April 2019)
	(ii) CIL receipts from previous years retained at the end of the reported year other than those to which regulation 59E or 59F applied.	£893,907.41
	(iii) CIL receipts for the reported year to which regulation 59E or 59F applied retained at the end of the reported year.	£137,668.96
	(iv) CIL receipts from previous years to which 59E or 59F applied retained at the end of the reported year.	£391,539.29
	(e) In relation to any infrastructure payments accepted by the charging authority:	
(i) The items of infrastructure to which the infrastructure payments relate.	n/a	
(ii) The amount of CIL to which each item of infrastructure relates.	n/a	

4.2 Table 2 provides a summary of the income and expenditure for the reported year and the previous financial year. The table shows what is retained by the Council for strategic and neighbourhood spending, what has been transferred to town and parish councils, and what has been applied to administrative expenses. The table also includes a cumulative total of income and expenditure to 31 March 2019

Table 2: Summary of Community Infrastructure Levy Statement

Summary of Income and Expenditure for 1 April 2017 to 31 March 2019				
	1 April 2016 to 31 March 2017	1 April 2017 to 31 March 2018	1 April 2018 to 31 March 2019	Totals to 31 March 2019
Total Receipts.	£493,255.49	£1,277,009.58	£705,446.75	£2,475,712.80
Amount applied to administrative expenses.	£24,662.79	£63,850.53	£35,272.34	£123,785.64
Amount raised in town and parish council areas.	£17,115.77	£30,485.33	£38,692.73	£86,293.83
Amount retained for neighbourhoods with no town or parish council at 31 March.	£102,771.98	£288,767.32	£137,668.96	£529,208.24
Amount retained for strategic infrastructure at 31 March.	£348,704.95	£893,907.41 (£300,000 committed to Castleford Housing Zone)	£493,812.73	£1,736,425.09 (of which £300,000 committed to Castleford Housing from Zone in 2017/18 collecting period)
Expenditure on Strategic Infrastructure.	£0	£0	£0	£0
Expenditure in neighbourhoods with no town or parish council.	£0	£0	£0	£0

5. Agreed Strategic Spending Priorities

- 5.1 Council has agreed to prioritise the strategic proportion of the Levy for strategic infrastructure to support growth, prosperity, new jobs, education, skills and housing. The infrastructure funding gap identified by the Infrastructure Delivery Plan Evidence, 2015 was £178.62 million. As set out above there is £1,736,425.09 in the strategic fund to 31 March 2019. Therefore, the amount of funding available is minimal in comparison to the identified funding gap.
- 5.2. In 2018 the Council agreed to allocate £300,000 from the strategic fund to support the bid to the Government's Housing Infrastructure Fund for £17.5 million towards for the delivery of the Castleford Housing Zone. This would be spent on infrastructure to support the delivery the Castleford Riverside Special Policy Area (SPA4) allocation and the regeneration aspirations of the town centre, set out in the Local Development Framework, along with the priorities in the Economic Strategy. The Council is still awaiting the outcome of this bid and, as such the money is currently held in reserve.

6. Future Strategic Spending Priorities

- 6.1 The Council is in the process of preparing a new Local Plan, which is likely to require significant infrastructure investment to support key regeneration priority areas. The information surrounding funding of a number of potential projects is incomplete at this time. Therefore, further consideration will be given to these projects in future reports when more information becomes available.

7. Future Annual Reports

- 7.1. Government published revised National Planning Policy Framework in 2019, accompanied by revised National Planning Practice Guidance. In addition, amended CIL Regulations will come into force on 1 September 2019.
- 7.2. These amendments will: remove the restriction that prevent local authorities from using more than five section 106 agreements to fund a single infrastructure project (the pooling restriction); remove the Regulation 123 restrictions which prevent s106 funds and CIL from being spent on the same infrastructure project; and introduce Infrastructure Funding Statements.
- 7.3. From 2020 the annual Infrastructure Funding Statement will replace this Regulation 62 Annual Report. The Statement should set out infrastructure requirements, and for both CIL and section 106 planning obligations, anticipated funding from developer contributions, and the choices local authorities have made about how these contributions will be used.
- 7.4. The Infrastructure Funding Statement should include information on, but not limited to, contributions made towards and delivery of affordable housing, education, health, transport, green infrastructure, flood and water management, and digital infrastructure. This will enable communities and other interested parties to understand how the infrastructure to support growth is being funded in part through developer contributions.