

# Crawley Borough Council

## Report to Overview and Scrutiny Commission 5 February 2018

### Report to Cabinet 7 February 2018

## Allocating Monies Collected Through Community Infrastructure Levy – Infrastructure Business Plan and Governance

Report of the Head of Economic & Environmental Services – PES/264

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### 1. Purpose

- 1.1. The purpose of this report is to seek Cabinet approval for the Community Infrastructure Levy (CIL) Infrastructure Business Plan (IBP) (Appendix B) and the Governance of the Strategic Infrastructure Strand (Appendix C), both of which Cabinet previously considered and endorsed on 4 October 2017 ahead of a two month public consultation period which expired on 8 December 2017.
- 1.2. The Infrastructure Business Plan (IBP) has been reviewed with some proposed adjustments (section 5 below) to take account of the consultation responses (section 4.2). The IBP outlines the projects identified as a priority to be funded by monies collected through the CIL and it now goes on to outline the proposed funding programme for the first four years 2018/19 to 2021/22.
- 1.3. In the light of the public consultation responses, the Governance proposals remain unchanged.

### 2. Recommendations

- 2.1. To the Overview and Scrutiny Commission:

That the Commission consider the report and decide what comments, if any, it wishes to make to the Cabinet.

- 2.2. To the Cabinet:

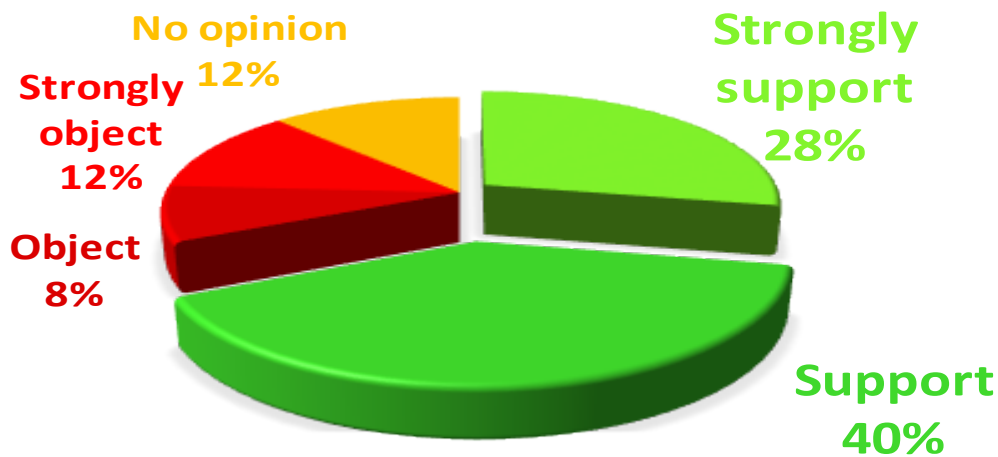
- 2.2.1. Approve the proposed CIL strategic infrastructure spend priorities presented in the Infrastructure Business Plan as a priority for delivery and the funding programme set out in section 5 below for the period 2018/19 to 2021/22.
- 2.2.2. Note that the Infrastructure Business Plan, including the funding programme, will be reviewed on an annual basis to take into account any changes in strategic infrastructure priorities and fluctuations in CIL receipts compared to the forecast. The first review is proposed to take place in January-March 2019.
- 2.2.3. Approve the Governance of the Strategic Infrastructure Strand (Appendix C).

### **3. Background**

- 3.1. The expected overall CIL income in Crawley is based upon residential growth trajectories produced alongside the Crawley Local Plan 2015-2030. An estimated total of £7,200,000 is forecasted to be collected 2017-2030. CIL regulations state that 15% of the total CIL contributions collected are to be allocated for spending in agreement with local neighbourhoods. Deducting the 15% means that £6,120,000 would remain to be spent upon strategic infrastructure. Councils are unable to borrow against anticipated levy income but CIL funds can be used to reimburse expenditure on infrastructure that has already been incurred.
  - 3.1.1. NB: CIL Liability Notices issued to date by the Council: £878,535, of which it has received £64,812, with a further £21,740 due by Mar-2018. Notices are issued when planning permission is granted, and payments are made on commencement of development. It should be noted that not all permissions granted are implemented.
- 3.2. In October 2017 Cabinet approved a crowdfunding model as the preferred option for the future governance of the CIL Neighbourhood Improvement Strand, and approved the implementation of a one year Crowdfunding pilot, update report to the Overview and Scrutiny Commission after 6 months, including an equality impact assessment.
- 3.3. In October 2017, Cabinet delegated authority to the Head of Economic and Environmental Services in consultation with the Cabinet Member for Planning and Economic Development to commence the procurement process for a provider to run the "Crowdfunder" platform, to finalise guidance, eligibility criteria, terms and conditions and to implement a one year pilot of the Neighbourhood Improvement Strand and its associated procedures. The intention is to launch the crowdfunding platform for the CIL neighbourhood Improvement Strand in spring 2018.

### **4. CIL – Strategic Infrastructure Strand and Consultation**

- 4.1. Officers based the priority projects outlined in the Infrastructure Business Plan on the Crawley Infrastructure Delivery Schedule, presented to Cabinet in October 2017, which is already in place through the Local Plan process and which identified all strategic infrastructure requirements as a result of the growth forecasts in the Local Plan. The projects outlined in the Infrastructure Business Plan have all been classified as Critical or as high scoring essential projects, when assessed against the criteria.
- 4.2. The projects outlined in the IBP have been subjected to a 2 month public consultation. There were 25 respondents with more than 2 out of 3 in support:



4.3. Participants were again asked to record any comments or suggestions. Not everyone responded to this section but for the comments and suggestions recorded in response to this question, please see Appendix A.

4.4. WSCC also responded to the consultation and made the following comments

4.4.1. The Infrastructure Delivery Schedule should be updated to reflect the latest information from the County in the Crawley Strategic Infrastructure Package.

4.4.2. The A23 London Road/ Manor Royal junction improvement scheme is included in the WSCC capital programme as part of the Crawley Growth Programme - allocating CIL to this project will help support its delivery.

4.4.3. The A2011 Crawley Avenue/ A2004 Northgate Avenue and the A23 Crawley Avenue/ Ifield Avenue Roundabouts are not currently included in the WSCC capital programme. They are included in the Crawley Strategic Infrastructure Package, produced by County, since they have been identified as needing to be delivered in the next 5-10yrs. As part of the current feasibility study for the Crawley Area Sustainable Transport package, WSCC have stated they will consider the feasibility of these projects.

4.4.4. WSCC would like greater clarity over the scale and timing of the CIL contributions to help them to produce project delivery plans. This will be addressed through the annual review process.

4.4.5. WSCC have stated that Education infrastructure improvements are essential to mitigate the impact of development and should therefore be prioritised for funding through CIL. This is being addressed in our proposals.

4.4.6. WSCC welcome the relatively high priority that public transport is given.

4.4.7. WSCC recommend that the Council should consider opportunities through relatively small allocations.

4.4.8. WSCC have suggested that the Governance table should identify that the County Council and other infrastructure providers be included in the initiate section for the preparation of the IBP.

## 5. Proposals

5.1. Based upon the consultation responses received, officers propose that the Strategic Infrastructure strand be allocated in the following way (see IBP, appendix B):

5.1.1. An initial 4 year Funding Programme 2018/19– 2021/22 – CIL to be used as part-funding contributions and be allocated to the following projects identified for Short Term Delivery:

- 5.1.1.1. Three Bridges Railway Station project, £1.1m
- 5.1.1.2. A23/ Manor Royal junction project £0.432m
- 5.1.1.3. Bewbush Medical Centre £1.242m

5.1.2. The following projects have been identified as being for Mid Term delivery (2022/23 to 2026/27) -, CIL contributions will be carried forward and allocated once the details of these projects have been finalised:

- 5.1.2.1. A2011 Crawley Avenue/ A2004 Northgate Avenue
- 5.1.2.2. A23 Crawley Avenue/ Ifield Avenue Roundabout
- 5.1.2.3. A contribution to Education, Early Years Provision – Locations to be determined in conjunction with WSCC in addition to dependencies /site availability.

5.2. How the Strategic Infrastructure strand is allocated will be reviewed annually. During this process all projects in the Infrastructure Delivery Schedule will be reviewed. Amended proposals would be presented to Members to take account of additional projects from the West Sussex County Council Crawley Strategic Infrastructure Package.

5.3. Following the first annual review, officers intend to present an updated Infrastructure Business Plan to the Crawley Growth Board followed by Cabinet in February 2019.

## **6. CIL – Strategic Infrastructure Strand, Governance (Appendix C).**

6.1. It is proposed that the allocation and spend of the Strategic Infrastructure Strand CIL funding will be governed jointly by both the Council and West Sussex County Council through the Crawley Growth Board, with proposals for key decisions then put to the Council's Cabinet for approval.

6.2. It is proposed that the CIL Member Advisory Group, comprising Member representatives from the Council and WSCC, will operate through the existing Council Economic Regeneration Working Group (ERWG), chaired by the Cabinet Portfolio Holder for Planning and Economic Development. The ERWG will review proposals for CIL spend and make recommendations to the Cabinet Portfolio Holder for Planning and Economic Development (ERWG Chair) and Head of Economic and Environmental Services, to be fed back to the Crawley Growth Board. Officers will work with WSCC officers to consult with WSCC members as appropriate.

## **7. Financial Implications**

7.1. Currently, the Council has received £64,812 CIL contributions, with a further £21,740 due by Mar-18. Officers project that a further £1,436,670 will be received by the Council in 2018-19 and £1,092,420 in 2019-20, subject to the anticipated new residential developments being taken forward.

7.2. There is a risk that the spend profiles of projects identified as a priority in the Infrastructure Business Plan will be mismatched against the receipts of CIL contributions. Councils are unable to borrow against anticipated levy income but CIL receipts can be used to repay expenditure on infrastructure that has already been incurred, provided that expenditure is in line with recognised priority infrastructure schemes as identified within the CIL Infrastructure Business Plan.

## **8. Staffing Implications**

- 8.1. The Council will continue to manage CIL funding and programmes using existing resources with the exception of the Neighbourhood Improvement Strand and Crowdfunding platform, which will be paid for by CIL funds. CIL's impact on staff will be reviewed during the annual review of the IBP

## **9. Background Papers**

Report to Cabinet 4 October 2017 – Community Infrastructure Levy – Governance, Prioritisation and Spend Proposals.

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## Appendix A

### Additional comments to Question 1 (see section 4.3):

- I think the three junction improvements schemes would not achieve their stated goal e.g. to improve traffic flow and air quality. They would simply lead to greater traffic which would again result in the same traffic congestion and increased air quality issues. Beside this, increased traffic would lead increased vehicle parking issues which is already prevalent across the town.
- Confused why CBC are funding road junction improvements that are under WSCC remit?
- The improvements to Three Bridges fail to deal with the current problem of vehicle traffic and passenger drop off at the station. The plans cut off users from pound hill accessing the station by car and instead this funding is being side-lined in favour of cycle users who's numbers do not warrant the investment. A poor use of public funds.
- Three bridges station is too congested outside. Drop off and taxi system needs to be reworked
- What about Tushmore Roundabout, this is a major cause of congestion, the improvements to A23 Ifield Ave are likely to just move the congestion to Tushmore.
- All the proposed schemes need to meaningfully improve safety, access and usability for public and self-powered transport (buses, cycles, mobility scooters, pedestrians etc) rather than just focusing on improving car journey times (which, in turn, will increase traffic volumes, therefore increasing journey times and leading us back to square one).
- All bar one of these are traffic schemes. The Medical Centre is commendable, but what about public transport infrastructure (GET RID OF THE FASTWAY LANES) or large energy projects - there's a new solar farm being built at Westhampnett. I'm not saying Crawley is suitable for one like this, but with blackouts more and more likely what's the harm in generating our own energy from time to time?
- Every 'improvement' you have made over the last 20 years has made things worse. Any junction with traffic lights added actually flows better when the power is cut off and the lights don't work. I have no confidence in your plans.
- All the major use roundabout needs revision - especially at peak travel times.
- First two are all about motor traffic. This is the wrong solution to the problem of congestion. The proper solution is to encourage active travel. The vast majority of motor traffic to Manor Royal is traffic from distances that would be easily cycled and yet cycling provision is abysmal and not being addressed at all. The Three Bridges improvements were mooted 2-3 years ago now and already consulted on. Nothing has happened until recently (and I'm not entirely sure what \*is\* happening right now). The new entrance to the station on Station Hill does not seem to be happening yet would provide a very convenient entrance to those of us that do choose active travel over motorised travel.

## **APPENDIX B - Infrastructure Business Plan Outline.**

### **Introduction**

- Summary
- Projects identified as critical and proposal for the first 4 year funding programme
- Additional information for the schemes identified for potential funding
- Date for next annual review

### **1. Summary**

- 1.1. This Infrastructure Business Plan (IBP) has been prepared by officers from Crawley Borough Council with input from West Sussex County Council and other Infrastructure Providers. It sets out the proposed priority infrastructure schemes required to support the delivery of the Crawley Local Plan to 2030.
- 1.2. This document sets out anticipated Community Infrastructure Levy receipts, which have been based upon housing development trajectories, identifies the projects that Crawley Borough Council intend to fund / enable using Community Infrastructure Levy (CIL) and presents an initial four year funding programme. This IBP project list represents the current understanding of projects appropriate to fund via the CIL and therefore confirms that no double counting will take place.
- 1.3. It should be noted that in time the information within this document may be revised in the future, subject to process, to allow for additional unforeseen infrastructure requirements that might be identified. As the anticipated CIL funds are only an estimation, this document will also be reviewed each year to reflect how much money has been received.
- 1.4. This document is only concerned with the Strategic Infrastructure Strand of CIL. All figures exclude the 15% of the total CIL contributions collected, that CIL regulations state are to be allocated for spending in agreement with local neighbourhoods where development is taking place. The process for allocating CIL funds within the Neighbourhood Improvement Strand was approved by Cabinet in October 2017.
- 1.5. A charging authority may apply CIL to administrative expenses incurred by it in connection with CIL. This is providing that it does not exceed 5% of total CIL contributions collected. Administrative costs can only be paid using the Strategic Infrastructure Strand of CIL.
- 1.6. Where an authority spends less than its permitted allowance on administrative expenses, it must transfer the remaining allowance for use on capital infrastructure projects. If Crawley BC does not apply the discretionary administrative expenses then a maximum of 85% of CIL collected in Crawley will be spent on strategic infrastructure.
- 1.7. The levy should not be used to remedy pre-existing deficiencies in infrastructure provision unless the deficiencies are exacerbated by new development.

## 2. Anticipated CIL Income

- 2.1. The expected overall CIL income into Crawley is based upon residential growth trajectories produced alongside the Crawley Local Plan 2015-30. An estimated total of £7,200,000 is forecasted to be collected between 2017 and 2030 from charges on new residential developments. It should be noted that the exact figure collected from CIL will be unknown until potential developments are under construction, therefore the Council can only provide a forecast which predicts the levels to be collected each year.
- 2.2. CIL regulations state that 15% of the total CIL contributions collected are to be allocated for spending in agreement with local neighbourhoods where development is taking place. This means that the “Neighbourhood Improvement Strand” for Crawley would amount to £1,080,000 of CIL funds – the process for allocating these funds was agreed by Cabinet in October 2017.
- 2.3. Therefore, when deducting the above amount, £6,120,000 would remain to be spent on strategic infrastructure. In accordance with CIL regulations this should fund a wide range of infrastructure to enable the Borough and County to address the cumulative impact on Crawley from growth and new development sites, provided that it accords with Crawley’s regulation 123 list.
- 2.4. The following tables illustrate anticipated CIL receipts in the 5 yr. period 2017/18 to 2021/22. It also illustrated the year that the funds will be able to be released.

	1st 5 Year Period					
	2017/18	2018/19	2019/20	2020/21	2021/22	Total
<b>Amount of CIL Due</b>	£ 74,004.40	£ 1,436,670.00	£ 1,092,420.00	£ 1,037,340.00	£ 284,580.00	<b>£3,925,014.40</b>
<b>CIL Available to Spend</b>	£ -	£ 74,004.40	£ 1,436,670.00	£ 1,092,420.00	£ 1,037,340.00	<b>£3,640,434.40</b>

## 3. Projects identified as critical and proposal for the first 4 year funding programme 2018-19 to 2021-22

- 3.1. This section identifies how much CIL is likely to be generated in each financial year, and sets out the proposed CIL spending priorities.
- 3.2. Projects identified as a priority to receive a contribution from CIL are proposed / presented in the table below. Officers have based the priority projects outlined in the Infrastructure Business Plan on the Crawley Infrastructure Delivery Schedule, which is already in place through the Local Plan process and identified all strategic infrastructure requirements as a result of the growth forecast indicated in the Local Plan. The projects outlined below for this Infrastructure Business Plan have all been assessed as Critical or as high scoring essential projects.





- 3.3.2. There is a risk that the spend profiles of projects for delivery within the Short Term will be mismatched against the receipts of CIL contributions. Councils are unable to borrow against anticipated levy income but they can be used to repay expenditure on infrastructure that has already been incurred.
- 3.3.3. It will also be necessary to pay administrative costs associated with using a crowdfunding platform to distribute the CIL Neighbourhood Improvement Strand.
- 3.3.4. In the 1<sup>st</sup> 4yr funding programme, CIL receipts will be used as part funding for the above projects identified. We anticipate receiving £3,925,014 in CIL receipts for Strategic Infrastructure Projects during that period. The priority projects identified for delivery in this period represent a total spend of £2,814,000 with the remaining £1,111,014 being carried forward into the next 5 year funding programme 2022/23-2027/28.
- 3.3.5. The priority projects identified for delivery in the Medium Term will be progressed in the next 5 year funding programme 2022/23 -2027/28 as funds become available and details are finalised.

#### **4. Governance**

- 4.1.1. In line with the Crawley Growth Deal between CBC and WSCC, it is proposed that the allocation and spend of CIL funding will be governed jointly by the two authorities through the Crawley Growth Board, chaired by the CBC Chief Executive, which meets every 2 months with agreed recommendations then put to CBC Cabinet when key decisions are required on CIL funding allocations to individual infrastructure schemes.
- 4.1.2. The existing Economic Regeneration Working Group will review proposals for CIL spend and make recommendations to the Chair and Head of Environment and Economic Development, WSCC Cabinet members will be consulted as appropriate.
- 4.1.3. For proposed Governance structure see Appendix C.

#### **5. CIL 4 Year Programme 2018 – 2022, Proposed Projects Background Information and Assessment Outcome.**

##### ***5.1. Transport Rail - Three Bridges Railway Station***

Location – Three Bridges.

Status – Essential

Score – 370/400 – 93%

CIL Contribution - £1,100,000

Lead Organisation – CBC

The Three Bridges Corridor Programme is part of the Crawley Growth Programme and comprises the following schemes:

Three Bridges Station Access.  
Station Forecourt Improvements  
Eastern Access

The scheme objectives are to transform the quality of the public realm outside the main entrance of Three Bridges Station and to improve access to the station for multiple modes of transport, particularly sustainable forms of transport (cycling and pedestrians). This scheme will be designed and delivered by CBC liaising with GTR, WSCC and Network Rail. Revised concept designs are being finalised.

### ***Supporting Evidence***

The requirements for improvements to Three Bridges Station to mitigate development impacts from Operations Centre and Maintenance Depot at Three Bridges Station & Forge Wood conditions, which led to the AECOM study. The AECOM study concluded that vehicular traffic currently dominates the front of the station, with uncontrolled drop-off and pick-up areas in an area which is too small to cater for all traffic. Pedestrian movements are uncontrolled in the forecourt area with little provision for safe crossing or routing through the forecourt. Taxis often dominate the formal 20 minute waiting area and exceed the provision of the dedicated taxi rank. In turn this encourages setting down of passengers in front of the station building which can result in queuing back on the public highway. Connectivity to buses is fragmented, with routing to bus stops affected by the severance caused by Haslett Avenue East.

### ***Project Funding***

It is proposed to allocate £1,100,000 of CIL contributions to this Three Bridges Station interchange and wider improvements schemes. The project has already secured the following sources of funding:

- £430,000 S106 - Transport and Interchange Improvements at Three Bridges Station
- £1,500,000 – Crawley Borough Councils Capital Programme
- £70,000 - Forge Wood developer contribution - Bus shelter and pedestrian crossings

## ***5.2. Transport Project – A23 London Road/ Manor Royal, Junction Improvement***

Location – Manor Royal, junction with London Road.

Status – Critical

Score – 375/400 94%

CIL Contribution - £432,000.00

Lead Organisation – West Sussex County Council

The Manor Royal, junction with London Road is part of the Crawley Growth Programme. It is intended to improve the capacity and carry out localised carriageway widening to reduce traffic delays and congestion and enable Strategic Development sites identified in the Crawley Local Plan 2030 to be delivered.

### ***Supporting Evidence***

The Crawley Local Plan Transport Study, concluded that a number of junctions will need improving to enable growth associated with the Local Plan 2030 to be delivered. A transport modelling appraisal has been undertaken to assess the predicted impact of Crawley Borough Council's proposed Local Plan land-use allocation, on the transport network for the morning rush hour in 2029, to determine if the proposed allocation of land-use developments around Crawley could be accommodated without unacceptable stress on the transport network. The study found that this junction merits mitigation, because its ratio of flow to capacity would be significantly greater than the current position.

### ***Project Funding***

It is proposed to allocate £432,000 of CIL contributions to Manor Royal, junction with London Road as part of the Crawley Growth Programme..

### ***5.3. Healthcare Project – Bewbush Medical Centre.***

Location - Bewbush.

Status – Critical

Score – 390/400 – 98%

CIL Contribution - £1,242,000.

Lead Organisation – Crawley Borough Council

### ***Details of Project***

To convert an existing building into a Health Centre, increasing the number of GPs within the Bewbush area from 2 to 5 thus increasing patient capacity. Plans have been drawn up in conjunction with the existing medical practice doctors for the conversion of the building into a new Medical Centre for Bewbush. In order to accommodate the services they need to provide, the ground floor will need to be extended by 84m<sup>2</sup>, giving a total area of 634m<sup>2</sup>. The current accommodation provides extremely restricted clinical space with only three consulting rooms available. The accommodation is CQC (Care Quality Commission) non-compliant and has been highlighted as a priority for development for several years.

### ***Supporting Evidence***

The NHS West Sussex PCT Strategic Service Delivery Plan 2009-10 highlighted this practice as a 'red' priority for development which was further confirmed by Crawley CCG in their 2014 Strategic Estates Development Plan. A need for expansion within the Bewbush area was identified in the Infrastructure delivery plan.

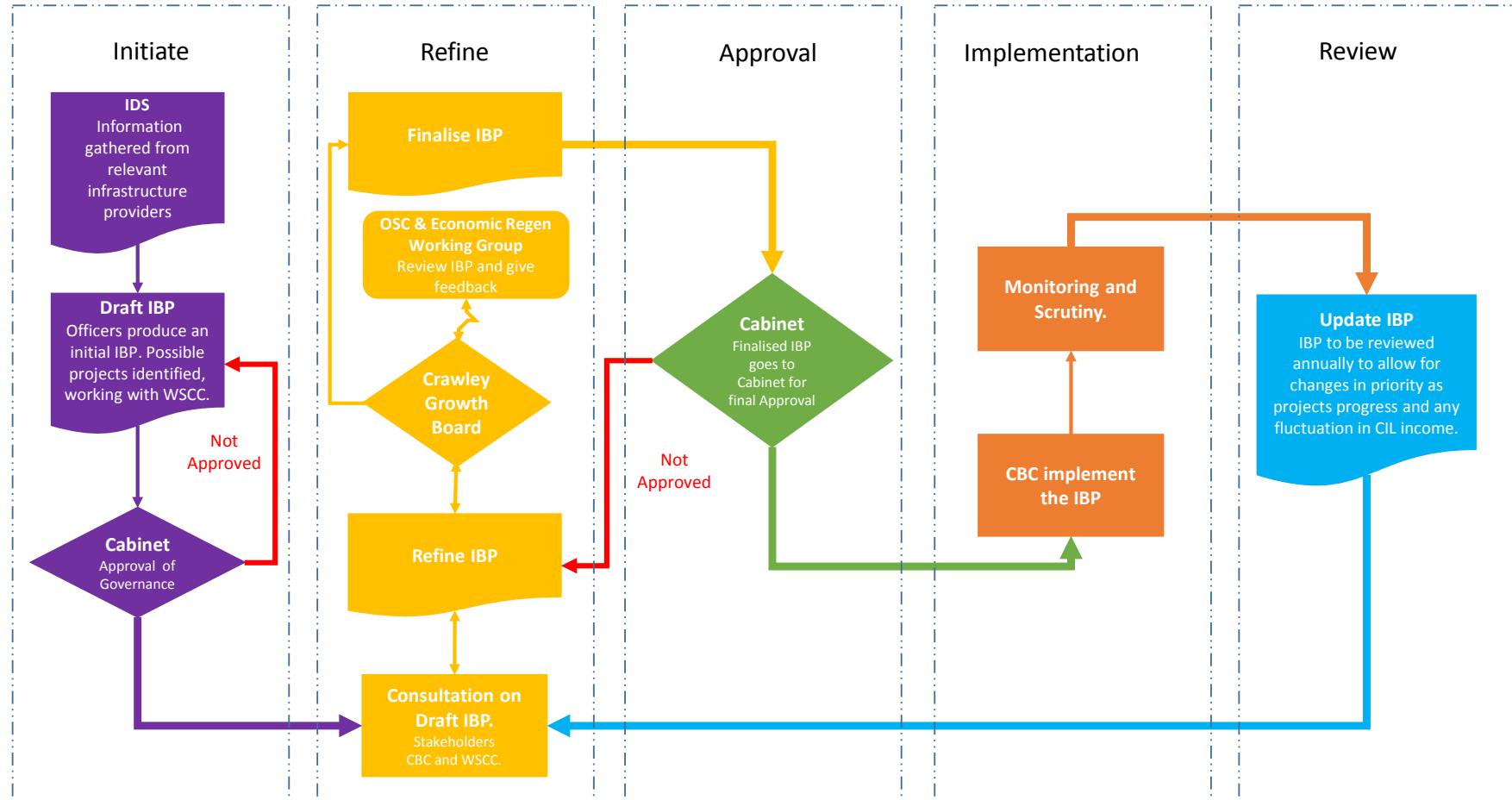
### ***Project Funding***

It is proposed to allocate £1,242,000 of CIL contributions to the Bewbush Medical Centre Project and there is potentially a further £480,000 from NHS England providing conditions are met.

## **6. Date of next annual review**

6.1. Proposals to revise the Infrastructure Business Plan will be presented to Cabinet for approval in February 2019.

## APPENDIX C –Governance



Strategic Infrastructure Strand Governance and Consultation