

Background Paper 1 - Preparation of the Arun Infrastructure Investment Plan – Overview and Methodology

1. The prioritisation of CIL spending will take place via the preparation of the Arun Infrastructure Investment Plan (IIP) to ensure that CIL money is spent on projects that support the development of the area.
2. The IIP will be formally reviewed every three years. But a light touch ‘fact check’ will be undertaken each year to ensure that the delivery of the IIP is on track.
3. Firstly, it is important to set out how CIL income will be split. The following shows that 70% of the total CIL income received by the district will need to be spent on prioritised projects:

CIL Pot 100% CIL received from developer. This is broken down into:

- i. The ‘CIL Administration pot’ – 5% to fund the CIL Officer post, system administration for IT and CIL software etc.
 - ii. ‘Parish Proportion’ 15-25% of CIL received
 - iii. The ‘District Pot’ is therefore 70% of total CIL income. This is broken down into:
 - iv. 70% - WSCC projects
 - v. 20% - ADC
 - vi. 10% - other
4. To ensure transparency of CIL spending, the IIP will be prepared using a specific methodology and will be based on the most up to date available evidence on CIL income forecasting and infrastructure project prioritisation and delivery timescales.

When will CIL income be received

5. As a starting point, the IIP will set out the forecasted CIL income for a period of 3 years. This will draw on monitoring information for housing supply including commitments (since 1 April 2020) and that linked with the housing land availability assessment (the HELAA). However, it should be remembered that the HELAA can only provide an estimate as it is not used for decision making.
6. There are also a number of assumptions to be made when forecasting the CIL income for the next 3 years:
 - % relief that may be granted e.g. sites over 11 units may apply for social housing relief from CIL, if they are providing affordable housing.
 - Estimating the floorspace for a typical housing unit on an outline consent or a HELAA site.
 - The CIL zone that the development is taking place in
 - That the development delivers the number of units in the years quoted in the planning permission or HELAA site; and
 - That the HELAA, 2019 is the most up to date available evidence. Trajectories will be updated each year as the HELAA is reviewed. Therefore

the table provided below must be taken as a rough estimate of CIL income. Income trajectories will become increasingly accurate as the council charges CIL for longer and an average annual figure becomes available.

7. Subject to considering all points set out in paragraph 6 above, the first draft of the CIL income trajectory (using 2019 HELAA data) (and not including the 5% CIL set aside for administration, and the parish proportion) shows the following forecast trajectory for the District CIL spending pot 2022 - 2025:

Table 1 – Indicative CIL Income Trajectory (source: Deliverable and Developable sites - HELAA, 2019)			
Date	2022/23 (including total for 2020-2022)	2023/24	2024/25
Total District CIL (not including parish proportion or 5% admin.)	£4,166,932	£4,858,568	£6,628,809
70% WSCC	£2,916,852	£3,400,997	£4,640,166
20% ADC	£833,386	£971,713	£1,325,761
10% Other	£416,693	£485,856	£662,880

8. Alongside the preparation of the CIL trajectory, it is important to establish a methodology for the prioritisation of CIL spending.
9. The method is set out below and will be used to prepare the first Arun Infrastructure Investment Plan 2022-2025.

Methodology for Preparing the Infrastructure Investment Plan:

A. Identifying Infrastructure Schemes for the Investment Plan -The baseline:

In order to prepare the list of infrastructure items, it is first important to consult the infrastructure evidence that supports the Arun Local Plan. This includes:

- The Arun Infrastructure Delivery Plan (IDP)
- Arun Local Plan Evidence Base
- The CIL Charging Schedule Infrastructure List and funding gap update evidence paper; and
- Town and Parish infrastructure lists, where available.

These documents support the preparation of the baseline list of infrastructure projects.

An indicative list is provided in Table 2 below.

Table 2 – Baseline CIL Infrastructure List							
Type	Project	Rating given through IDP.	Cost (£)	Funding Secured (£)	Propose Funding Arrangement	Phasing Period	Delivery Partners
Green Infrastructure	Arundel to Littlehampton Corridor Leisure Route	E	£4.5 million £130,000 per annum maintenance	£0	CIL and other contributions tbc	tbc	Economic Development; Greenspace; Town and Parish Councils; Environment Agency
	Felpham Rife Countyside Park – links to BEW rife parkland and old canal	E	£3.5 million £115,000 per annum maintenance	£0	CIL and other contributions tbc	Tbc -in line with BEW Rife parkland	Greenspace; BEW site promoters; landowners; Environment Agency
	Urban Greening Project North Bersted	E	£1-1.5 million £45,000 per annum	£0	CIL and parish CIL tbc	Tbc	Greenspace, National Trust?
	Urban Greening Project Wick, Littlehampton	E	£1-1.5 million £45,000 per annum	£0	CIL and parish CIL tbc	Tbc	Greenspace, National Trust?
Waste Management	Reconfiguration of Westhampnett transfer station/household waste recycling site to increase capacity to meet future demand. 100% of Arun's residual waste is bulked up for onward treatment/disposal.	HP	£5 million in total to be split 50:50 with Chichester District = £2.5m	£0	CIL	Medium Term	WSCC and Chichester District Council

Table 2 – Baseline CIL Infrastructure List							
Type	Project	Rating given through IDP.	Cost (£)	Funding Secured (£)	Propose Funding Arrangement	Phasing Period	Delivery Partners
Leisure	New District Leisure Centre including 50m Pool	HP	£20million to £30 million		CIL to cover impact from non-strategic sites. S.106 to cover impact from strategic sites, where related to impact of development	TBC	ADC Leisure
Emergency Services	Expansion and Improvements to Bognor Police Station	E	Tbc	£0	CIL	Tbc	Sussex Police
	Expansion and Improvements to Bognor Police Station	E	Tbc	£0	CIL	Tbc	Sussex Police
	Relocation or redevelopment of Littlehampton Fire Station	E	Tbc	£0	WSCC Capital/CIL	Tbc	WSCC
	Ambulance Community Response Post and Community First Responder Facilities	E	Tbc	£0	CIL	Tbc	Ambulance Service/NHS

B. Consulting on the Baseline List and Inviting IIP submissions:

Following the preparation of the base line list, in liaison with West Sussex County Council officers, a consultation event will commence early in the year (the CIL Governance Flowchart illustrates the process).

Infrastructure providers will be consulted on the baseline CIL infrastructure list (example shown above) and will be invited to respond by providing further information regarding those projects, if available. They will also be asked to include submissions for infrastructure projects to be included in the IIP, which were not identified through the Infrastructure Delivery Plan.

The list below sets out who will be contacted.

IIP Key Stakeholder List
<ul style="list-style-type: none">• Arun District Council Departments – Greenspace, Leisure, Wellbeing, Economic Development• Neighbouring authorities – Chichester District Council, Adur and Worthing councils, South Downs National Park Authority• Town and Parish Councils• WSCC Liaison – to cover Highways, Rights of Way, Education, Libraries, Waste Management, Fire and Rescue Service, Local Lead Flood Authority, Adults Services, Public Health• Highways England• NHS Clinical Commissioning Group (CCG)• Sussex Police• Environment Agency• Natural England• Train and Bus Companies• Community Transport companies

The following questionnaire will be included in the infrastructure provider consultation. The information set out below will need to be provided for a project to be retained or added to the baseline infrastructure list for consideration for inclusion in the IIP.

Submission of Infrastructure Projects – Survey for Stakeholders
<ul style="list-style-type: none">i. How does the scheme relate to the development of the district and the delivery of the Arun Local Plan?ii. What evidence do you have to show that the infrastructure will address impacts from development? E.g. infrastructure capacity data?iii. How much will the scheme cost in total, and would you require CIL to pay for the scheme in whole or part? If in part, what other funding sources are available?iv. Is the scheme identified on a forward planning document for the service provider?

- v. Timescales for delivery – will the project require funding within this IIP period? If yes, will funding be required in one year or phased across the IIP period (or will it overlap into the next IIP period?).**
- vi. Thinking about the overall Local Plan period, are you proposing money is set aside until the next three year IIP or beyond, for a project? If this is the case, please give evidence to support this approach, and consider the impact on the delivery of other projects within the relevant budget area eg. WSCC, ADC, Other. For example, consider funding a medium sized greenspace project in one year, or saving the money towards a Leisure Centre.**
- vii. If submitted by a town/parish council (as a project to be joint funded) – will this assist with the project being delivered within the statutory five-year period¹?**

Upon receipt of consultation responses, the final baseline infrastructure list will be prepared, and the infrastructure projects scored. The scoring system is used to sort the long list into higher priority/deliverable projects and lower priority/undeliverable projects.

Scoring will be carried out by officers, in discussion with service providers, where necessary (for example, there may be areas of clarification that require additional meetings/discussions), and accordance with the following scoring methodology.

C. Scoring/Prioritisation Methodology

It is important to undertake a quantitative assessment of the baseline infrastructure list to ensure there is a clear evidence base to support the preparation of the three -year spending plan within the IIP. The scoring process proposed will be an important screening process, sitting alongside the responses to the questionnaires that support the application for funding. In particular, scoring will be able to identify schemes that are not acceptable for the IIP and will also identify issues that need further consideration and consultation.

For example, the scoring questions ask whether a scheme requires funding in phases that will overlap into the next IIP phase. This will result in a lower score for the scheme (because it can't be delivered in the IIP phase). However, it will also trigger a conversation about the possibility of saving CIL money towards the larger, phased project.

There is a risk that through the scoring process, schemes come out with equal scores, and together, the cumulative cost of the schemes exceeds the budget available. In this instance, further meetings and discussions would be required to consider the schemes in greater detail.

¹ Regulation 59E requires that Town and Parish councils spend their proportion of CIL within 5 years of receipt.

It is unlikely that in the first iteration of the IIP that many projects will be ready to be delivered within timeframe covered by the plan. This may lead to the decision that CIL will not be spent during the first three year IIP period, but saved towards future projects on the long list of CIL projects. This requires officers and members to take a 'long term' view of CIL spending, and to ultimately decide whether CIL money should fund small, non-strategic projects, or larger, more costly projects.

The scoring process will incorporate the following factors:

Scoring System for Infrastructure Projects Submitted for Consideration/Inclusion in the IIP

1. Does the scheme meet the requirements for spending CIL in the CIL Regulations? (will the funding apply to the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of the area)

- Yes – 5 points
- No (the scheme does not align with the definition of 'infrastructure' or does not support the development of the area) – 0 points

2. Is the scheme fully deliverable within the IIP timeframe (2022-2025)

- Yes – 5 points
- Partly - funding phases would be required in year three of the IIP and crossover into the next IIP period – 4 points.
- No – but the project is critical to the Local Plan, therefore, request to save money towards project to be delivered in next IIP round, and flag this project, as high priority – 3 points and query.
- No – 0 points (add to long list for future funding)

3. Is the project High Priority/Essential/Critical to support the delivery of the Arun Local Plan (provide capacity and scheduling evidence)?

- Yes – 5 points
- It is not high priority but would support the delivery of the ALP and aligns with the vision and objectives of the ALP – 3 points
- No – 0 points – add to long list and request further information

4. Firstly, taking the project on it's own and taking into account the year that the CIL money would be needed (and the projected CIL available for that year), would the project cost fit within the relevant CIL spending share for WSCC, ADC and Other?

- Yes – 5 points
- No – (but only once looking at all projects within the spending share category eg. WSCC for that year) cumulative costs of projects mean that additional funding would be required to deliver all projects. Subject to this being investigated and evidence provided – 3 points (and also further discussion required regarding joint funding)
- No – the project on its own is more than the allocated amount for WSCC/ADC/Other and no evidence to say additional funding available at this time – 0 points

5. Is there crossover with town and parish council spending which will have the added benefit of jointly delivering an ADC or WSCC project, AND allows the town/parish council to spend CIL within statutory timeframes?

- Yes – 5 points
- No – it is not on the parish infrastructure list – 2 points
- No – it is not identified as a priority by ADC or WSCC or other infrastructure providers – 2 points

D. Finalising the Infrastructure Investment Plan

The shortlist of prioritised projects, resulting from consultation responses and the scoring process will form the council's draft IIP. This will be taken to an informal officer/member meeting to discuss. This meeting will be called the Arun Member and Officer CIL Liaison Meeting, and will be attended by the following:

- Director of Place,
- Group Head of Planning,
- Group Head of Economy
- Planning Policy Team Leader
- Group Head of Corporate Support
- Group Head of Neighbourhood Services
- Group Head of Community Wellbeing
- Chair of Planning Policy Committee
- Team Leader of Planning Policy and Infrastructure (WSCC)
- WSCC member – as nominated by the Leader of WSCC.

These meetings are crucial for a number of reasons:

- It is important to discuss the proposed shortlist of CIL projects, in particular to confirm timings and schedule for the delivery of both ADC and WSCC projects;
- To achieve joint agreement that those projects will be prioritised for spending within that three year period;
- To discuss 'query' schemes where there is a potential to save CIL money towards the next IIP period, or to fund a scheme over a number of phases which overlap into the next IIP period. Open discussion through these meetings will avoid a situation where money is requested for numerous projects at the same time – there must be a joint agreement that the IIP, once agreed will be largely inflexible to schemes being brought forward early, or costs increasing.
- To ensure there is a shared understanding and acknowledgement that CIL can only be spent in line with the agreed timeframes set out in the final IIP, and that where predicted CIL income is less than expected, the group must be aware that adjustments may be required; and
- Finally, to discuss and agree certain principles, such as the potential for CIL money to be saved, rather than spent immediately, for a larger project.

The outcomes of this work will be summarised and presented as an information item to Planning Policy Committee. The intention of this is to invite additional meetings with members to discuss the emerging IIP.

Following Planning Policy Sub-Committee, and any meetings that are arranged subsequently, the IIP will be updated and circulated to stakeholders and infrastructure providers for final comment/feedback prior to the document being presented to Planning Policy Committee with the recommendation that it is approved by Full Council.

It is expected that the first IIP of spending priorities will be a short list. This is due to the significant costs of infrastructure projects and due to the time it takes for projects to commence. However, the IIP 2022-2025 will be supported by a longer baseline infrastructure list as an appendix. This will allow the plan to be reviewed (on a 'light touch' basis) each year. So, any schemes receiving additional income, thereby requiring less CIL to contribute, may be considered within the 3-year plan timeframe.

The IIP will be prepared in accordance with the timetable shown in the flowcharts in Background Paper 2.