

Westminster’s Community Infrastructure Levy – Spending Policy Statement Status – Approved 2nd November 2017

Introduction

- A. As required by law, every spending decision from Westminster’s Community Infrastructure Levy (CIL) will be made by the council on its merits and in accordance with the legal requirements governing council decisions and the requirements of the legislation governing CIL, its administration, application and reporting requirements. All proposals must show that they have the necessary member and management approval to proceed.
- B. The CIL Regulations set requirements for spending CIL in particular ways. The Council has decided that the most effective and transparent way of addressing these requirements is to allocate CIL revenue to three “portions”:

Portion	Percentage of receipts	Process
City CIL Strategic Portion – see section 1	70 - 80%	Spend decided by Council according to its strategic infrastructure priorities. Spend can be anywhere within Westminster - or outside – providing the infrastructure funded is required to support development in Westminster.
Neighbourhood CIL Portion – see section 2	Currently 15% of CIL collected in respect of development in each neighbourhood capped at £100 per council tax dwelling. This increases to 25% (uncapped) in places <u>where a neighbourhood plan is in place.</u>	<u>Queen’s Park:</u> neighbourhood portion passed to the Community Council who spend it. <u>Elsewhere:</u> funding retained by the Council and spent by it in consultation with the neighbourhood communities in which development paying a CIL has taken place.
CIL Administrative Expenses Portion – see section 3	5% of CIL collected	Spend applied to costs of administrative expenses for collection and enforcement in line with legal restrictions on the use of this funding. (NB 4% of the Mayoral CIL collected by the council can also be retained for this purpose).

Section 1: Delivery of strategic infrastructure - The ‘City Portion’

- C. A minimum of 70% of the receipts from Westminster’s CIL will be applied in whole, or in part, to the provision, improvement, replacement, operation or maintenance of infrastructure that is required to support the development of the City of Westminster. This shall be known as the ‘City Portion’. It can be spent anywhere in Westminster (there is no necessary geographical link between developments making CIL payments and where revenue is spent). It can also be spent on infrastructure beyond Westminster’s boundaries on infrastructure that will support the City’s development.
- D. When deciding what infrastructure will be funded from the ‘City Portion’ the following matters will be taken in to account:
- (i) The indicative percentage allocation of funding between different infrastructure types, shown in
 - (ii) Table 1, shall be used as a guide when determining the broad allocation of receipts.

Table 1: Guide for the allocation of Westminster's CIL 'City Portion'

Infrastructure Type	Indicative percentage allocation of Westminster's CIL - the 'City Portion'
Public realm/transport	50%
Health and Community Services	10%
Education	5%
Parks/Sport and Leisure	5%
Utilities/Waste	10%
Other Priorities / Contingency	20%

The above guide was approved by Cabinet on 20th February 2017 but where material considerations indicate otherwise spend decisions may depart from the stated allocation and / or the guidance may be reviewed and updated from time to time to reflect the infrastructure demands and priorities.

- (iii) To be considered eligible for funding infrastructure proposals shall meet all of the following criteria. Proposals must demonstrate that they are required to support Westminster's development, have all necessary member and managerial approvals and be:
- a) Plan Led - in that they must address the principles and policies set out in the development plan for the area. This includes the London Plan (2016); Westminster's City Plan (2016) and the accompanying Strategic Infrastructure Plan; and the saved policies of Westminster's Unitary Development Plan (2007) as the guiding framework for investment in Westminster. Work is currently underway to produce a new City Plan that will provide a single comprehensive and up-to-date statement of planning policy for Westminster. The council's City for All programme and other relevant strategy documents should provide additional support for the proposal providing more detailed objectives to help determine spending decisions;
 - b) Priority driven – they must strike an appropriate balance between strategic and more locally-based place-making infrastructure to support the development of Westminster and its neighbourhoods and help address the demands that this will place on an area;
 - c) Time-focussed – they must ensure that the right infrastructure is provided at the right time, ensuring that the necessary design work is undertaken and other barriers to delivery are addressed;
 - d) Forward-looking – they must ensure that, where necessary, sufficient funding is accumulated over time to meet the necessary funding requirements, with appropriate arrangements in place for future management and maintenance without being dependant on further CIL funding other than in exceptional circumstances;
 - e) Cost effective – proposals must seek to maximise leverage, looking for opportunities to maximise the scope for using CIL to lever in other resources and minimise long-term demands on Council resources.
 - f) Ready for implementation – supported by a robust business and funding plan and either having, or demonstrating that they are likely to secure, any necessary legal powers and/or regulatory consents required for implementation.
 - g) Additional – funding will not be granted for proposals that are seeking to remedy pre-existing deficiencies, unless these will be made more severe by new development.

Section 2: The 'Neighbourhood Portion'

- E. 15% of the Westminster CIL paid by development in each neighbourhood area, capped at £100 per Council Tax dwelling, will be ring-fenced by the council. In areas where there is a designated neighbourhood forum in place the council will engage with them and other members of the community to agree with them how best to spend this 'Neighbourhood Portion' of funding. In the Queen's Park neighbourhood area the funding will be passed directly to the Queen's Park Community Council.
- F. In areas outside of the Queen's Park neighbourhood area, the funding is retained by the Council which will engage with the communities where development has taken place and agree with them how best to spend the neighbourhood portion. No specific process for this is set in legislation or Government guidance, but the Government does recommend that authorities set out clearly and transparently their approach to engagement. That is one of the purposes of this policy.
- G. Existing community consultation and engagement processes will be used to inform the allocation of the neighbourhood portion of CIL. This will include including working with designated neighbourhood forums preparing neighbourhood plans that exist in the area, theme-specific neighbourhood groups, local businesses and using networks that ward councillors use. Engagement will be proportionate to the level of levy receipts and the scale of the proposed development to which the neighbourhood funding relates.
- H. The 'neighbourhood portion' will be used to support the development of the neighbourhood area, or any part of that area, by funding:
 - (i) the provision, improvement, replacement, operation or maintenance of infrastructure; or
 - (ii) anything else that is concerned with addressing the demands that development places on an area.
- I. In areas where there is no designated neighbourhood area in place the council will engage with local communities and businesses in the areas where development has taken place and agree with them how best to spend the 'neighbourhood portion' of funding relevant to their local area.
- J. Where a Neighbourhood Plan is in place the amount of CIL ring-fenced for spend on proposals to support the development of that neighbourhood area will rise to 25% uncapped. This will only affect the CIL receipts from developments that have been granted planning permission on or after the day on which the Neighbourhood Plan is made by the council.
- K. Neighbourhood spending decisions shall be taken within a strategic context. To be considered eligible for funding proposals shall meet the following defined criteria. They must:
 - (i) Address the principles and policies set out in the development plan for Westminster, the council's City for All programme and other relevant strategy documents for the area. In all cases there must be a link between the council's priorities and policies and those of the proposal.
 - (ii) Support the growth plans for Westminster as a whole and for the neighbourhood.

- (iii) Have been subject to appropriate levels of engagement and consultation and be shown to have the support of the local community including residents and businesses. Local ward councillors should be given the opportunity to comment on all proposals that are located within their wards. Their views will be reported, and taken account of, when final decisions on allocations are made. The support of at least two of the relevant ward councillors will be required for a proposal to proceed to the next stage of consideration.
 - (iv) Be able to show that they are required to support the development of Westminster. Funding will not be granted for proposals that are seeking to remedy pre-existing deficiencies, unless these will be made more severe by new development.
 - (v) Be able to demonstrate that they match priorities set out in adopted neighbourhood plans, where these exist. While neighbourhood plans should not themselves include lists of types of infrastructure or particular projects on which CIL should be spent it might be appropriate to develop proposals alongside neighbourhood plans and clearly linked to the proposals in them. The council will work with neighbourhoods preparing plans to provide help with this.
 - (vi) Be able to show that that they are value for money and that with the award of funding there would be sufficient funds to enable the delivery of the proposal in a timely manner. Proposals should show whether with the allocation of funding additional resources could be leveraged and that the proposal can be sustained in to the future.
 - (vii) Where appropriate feasibility studies should be prepared in advance to provide sufficient evidence to demonstrate that the proposal could be started within twelve months of the decision to grant funding and be completed within a reasonable period.
 - (viii) Be able to show that they have the support of relevant infrastructure providers.
- L. To ensure that the 'Neighbourhood Portion' is allocated to proposals of a kind and scale that will have appreciable benefits in terms of supporting growth and meeting the demands of development a minimum financial threshold for the value of a proposal will be set at £5,000.
- M. The council encourages neighbourhoods to work together to develop proposals for use of 'neighbourhood portion' funding for projects that will benefit them jointly. This may be of particular value for neighbourhoods where this funding is insufficient to fund things with a value below the threshold in paragraph L.

Section 3: The 'Administrative Portion'

- N. A maximum of 5% of Westminster's CIL will be applied to the administrative expenses incurred by the council in connection with Westminster's CIL.

Section 4: Reporting and monitoring

- O. The CIL Regulations require the Council to publish an annual report setting out for each year:
- The total CIL collected

- The total CIL spent
- Summary details of what CIL has been spent on, how much was spent in each case and the amount used for administration
- The total amount of CIL retained unspent at the end of the year.