

COMMUNITY INFRASTRUCTURE LEVY: EXPENDITURE GOVERNANCE ARRANGEMENTS

Committee: Full Council

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Author: Corporate Unit Manager

[P243]

1.0 **ISSUE**

1.1 To consider new arrangements for the allocation of Community Infrastructure Levy (CIL) contributions.

2.0 **RECOMMENDATION(S)**

2.1 Members are requested to:

- i) Approve the deletion of the Annual Delivery Plan; and
- ii) Approve the new governance arrangements set out in Appendix 1.

3.0 **BACKGROUND**

3.1 The Council is obligated, under the CIL Regulations 2010 (as amended), to produce a Regulation 123 list (R123 list). This list sets out the infrastructure projects that could benefit from CIL funding. The distribution of CIL funding is a matter for Full Council to decide; the Regulations only prohibit expenditure of CIL funds on infrastructure projects that aren't included on the R123 list.

3.2 The purpose of this report is to consider the proposed new governance arrangements for how CIL will be allocated to such projects, not which projects should be included on the R123 list.

3.3 When the Council first introduced CIL, in February 2013, the Annual Delivery Plan (ADP) was produced. The ADP set out how the Council would spend CIL receipts in the year ahead and provided three categories for CIL expenditure; local projects (£1.00-£100,000), major projects (£100,001-£4m) and strategic projects (greater than £4m).

3.4 The 2013/14 ADP did not seek to spend any CIL receipts, the reason being that in the early stages of CIL implementation income was expected to be low and time should be allowed to build up a meaningful amount of CIL.

3.5 The 2014/15 ADP did not initially seek to spend any CIL receipts as there had been limited income. However, once a meaningful amount of CIL had built up,

in January 2015, Full Council approved the allocation of £250,000 to be spent on the new District Leisure Centre.

4.0 OPTIONS

4.1 As highlighted above, the ADP provides three categories of projects that could benefit from CIL funding.

4.2 **Local Projects**

4.2.1 The local projects category was originally intended as a mechanism for all stakeholders to apply to have their infrastructure projects funded, in part or in whole, from CIL receipts where the project value was £1.00 to £100,000.

4.2.2 In November 2013 the CIL Regulations were amended. The amendment requires the Council to pass 15% of all CIL receipts to the City/Parish/Town Council where development generating CIL has occurred. The City/Parish/Town are required to spend their CIL receipts on mitigating the impact from growth at a local level. A breakdown of receipts passed and due to be passed to the City/Parish/Town Council is provided at Appendix 2.

4.2.3 As the City/Parish/Town Councils now receive CIL receipts directly to mitigate the impact from growth in their area, it is recommended that this category is removed.

4.3 **Major Projects**

4.3.1 The major projects category was originally intended as a mechanism for all stakeholders to apply to have their infrastructure projects funded, in part or in whole, from CIL receipts where the project value was £100,001 to £4,000,000.

4.3.2 In order to facilitate the removal of the local projects category and appreciating that some strategic projects can cost significantly less than £4m, it is recommended that the minimum project value is reduced to £50,000 and the maximum value is reduced to £2,000,000.

4.4 **Strategic Projects**

4.4.1 The strategic projects category was originally intended as a mechanism for all stakeholders to apply to have their infrastructure projects funded, in part, from CIL receipts where the project value was greater than £4,000,001.

4.4.2 For the reasons set out in 4.3.2 above, it is recommended that the minimum project value is reduced to £2,000,001, with no maximum value.

4.5 The ADP outlines the procedure for allocating CIL contributions. The procedure was developed prior to the implementation of CIL when it was not known, how and when CIL will be applied.

4.6 The ADP approach is no longer considered to be fit for purpose. It does not provide the degree of flexibility needed to fund infrastructure projects that are included on the R123 list. As such it is recommended that an ADP is no longer produced by the Council. Instead it is recommended that new governance arrangements (Appendix 1) are agreed to enable CIL receipts to be spent on infrastructure projects included on the R123 list.

4.7 The proposed governance arrangements are set out in Appendix 1.

5.0 FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT

5.1 There are no financial implications arising from this report.

5.2 An Equality Impact Assessment (INRA) is not required.

6.0 APPENDICES

6.1 Appendix 1- CIL Governance Arrangements.

Appendix 2- Meaningful Proportion for City/Parish/Town Council.

<u>Background Documents</u>	<u>Location</u>	<u>Contact Officer</u>
Annual Delivery Plan 2013/14	Room 007, The Grange,	Emma Grima Corporate Unit Manager (01353) 616960
Annual Delivery Plan 2014/15	Ely	E-mail:
Draft Regulation 123 List		emma.grima@eastcambs.gov.uk

Allocating CIL funds- Proposed governance arrangements where the CIL receipt from a single development does not exceed £1,000,000.

Meaningful Proportion

15% of all CIL receipts, under the Regulations, must be transferred to the City/Parish/Town Council (where development has occurred in their area). In a Regulation 62A report, the City/Parish/Town Council must publish, on an annual basis, the amount of CIL money it has received, spent, brought forward from previous years, intends to carry forward to the following year and where money has been spent. A pro forma report has been supplied to the City/Tow/Parish Council and this information will be published on the Councils website on an annual basis.

Administration

Under the Regulations, the Council is permitted to allocate up to 5% of all CIL receipts to assist in the costs of administering CIL. The Council will deduct the costs of monitoring CIL from the 5%. In the event that there is any surplus, the surplus will benefit the strategic projects category.

Major Projects

This category is for infrastructure projects that have a value of £50,000-£2,000,000.

25% of CIL receipts will be made available for expenditure on projects that fall within the major projects category.

Authority is to be delegated to the Corporate Governance and Finance Committee to allocate CIL receipts to major projects featured on the R123 list.

Strategic Projects

This category is for infrastructure projects that have a value greater than £2,000,001.

55% of CIL receipts will be made available for expenditure on projects that fall with the strategic projects category.

Authority is to be delegated to the Corporate Governance and Financial Committee to allocate CIL receipts to strategic projects featured on the R123 list.

Process for requesting CIL contributions to be allocated to a project

A stakeholder can apply, at any time, for a project, that is included on the R123, to be funded, in whole or in part, by CIL contributions. The stakeholder should write to the Council requesting allocation of CIL funds to their project.

A project being included on the R123 does not signify a guarantee of CIL funding. Whether a project successfully receives CIL funding will depend on the Council's priorities at the time of application and the amount of CIL funding available.

The request should include the following information:

- Details of the scheme
- Timetable for delivery (indicative will suffice)
- Why the scheme should benefit from CIL funding
- Where CIL is only intended to fund part of the project, provide details/evidence of other sources of secured funding

Once the request has been received, Officers will convene the Joint Member and Officer steering group. The group will discuss and assess the application and a recommendation will be made to the Corporate Governance and Finance Committee.

Proposed Governance Arrangements where the CIL receipt from a single development exceeds £1,000,000.

Meaningful Proportion

15% of all CIL receipts, under the Regulations, must be transferred to the City/Parish/Town Council (where development has occurred in their area). In a Regulation 62A report, the City/Parish/Town Council must publish, on an annual basis, the amount of CIL money it has received, spent, brought forward from previous years, intends to carry forward to the following year and where money has been spent. A pro forma report has been supplied to the City/Tow/Parish Council and this information will be published on the Councils website on an annual basis.

The remaining 85%

The remainder of the CIL contribution shall be applied in the same manner as North Ely contributions. This will be done as part of the planning process. The reason for doing so is to provide the Council, the developer and infrastructure providers with more certainty as to the delivery of key infrastructure needed to support development of the District.

Consultation will be carried out with the relevant stakeholder throughout the planning process.

A portion, reflective of the nature of the development site, will be sought for administration of CIL. In accordance with the Regulations, the amount 'carved off' for administration will be up to 5%. The amount allocated will depend on the monitoring requirements and the needs of infrastructure for the development.

As a result of this process there may be a need to add infrastructure items to the R123 list. An Officer will recommend to the Planning Committee that such projects should be recommended for inclusion on the R123 list. If endorsed by the Planning

Committee, the project will then be recommended for inclusion to Full Council at its next available meeting.

Authority is to be delegated to the Corporate Governance and Financial Committee to allocate CIL receipts for these specific purposes.

CIL contributions arising from developments where the CIL value exceeds £1,000,000 shall only be spent in accordance with the allocations made throughout the planning process, unless there is justified cause not to do so. Any deviation from the allocation will need to be approved by the Corporate Governance and Finance Committee.

Meaningful Proportion

CIL amount transferred to the relevant City/Parish/Town Council:

Council	Amount (£)
Burwell	3,154.36
Chippenham	1,552.13
Coveney	1,196.10
Ely	1,241.00
Fordham	5,330.12
Haddenham	2,778.08
Isleham	1,214.26
Littleport	44,739.90
Soham	4,854.44
Stetchworth	9,574.42
Stretham	2,318.02
Sutton	7,035.47
Swaffham Bulbeck	2,267.40
Wicken*	5,338.82
Wilburton	1,967.67

*At the request of the Parish Council, the Council has not yet transferred these funds.

CIL amount to be transferred to the relevant City/Parish/Town Council once raised invoices have been paid:

Council	Amount (£)
Isleham	3,837.79
Littleport	2,513.65
Soham	6,792.12
Swaffham Prior	32,037.46
Sutton	5,684.00