



Cabinet

Tuesday, 14 January 2020

**Special Expenses and Community Infrastructure Levy
Advisory Group**

Report of the Executive Manager – Finance and Corporate Services

Portfolio Holder for Finance and Contracts, Councillor Gordon Moore

1. Purpose of report

- 1.1. Given the requirements to potentially allocate Community Infrastructure Levy (CIL) to West Bridgford and that there is no forum to do this; and also to provide further transparency in relation to West Bridgford Special Expenses this report focuses on the setting up of a Special Expenses and CIL Group for West Bridgford.

2. Recommendations

It is RECOMMENDED that Cabinet endorses and recommends to Full Council:

- a) The creation of the Special Expenses and Community Infrastructure Levy Advisory Group (in the meantime the group operates informally and develops draft Terms of Reference); and
- b) The allocation of Members for the Special Expenses and Community Infrastructure Levy Advisory Group (for West Bridgford) to accord with the methodology stated at paragraph 4.6.

3. Reason for Recommendation

- 3.1 To provide governance arrangements so that West Bridgford related future CIL can be appropriately allocated; and that there is further transparency in relation to special expenses and the setting of the West Bridgford Special Expense budget.

4. Supporting Information

- 4.1. Rushcliffe Borough Council has three areas where there are Special Expenses charged. These normally relate to expenditure that either parish councils no longer are responsible for eg Ruddington and Keyworth cemetery expenditure or expenditure that typically a parish/town council would pay for but there is no parish/town council (this applies to West Bridgford). Appendix A gives more background with regards to both the legislation and the typical revenue items attributed to special expenses.
- 4.2. Currently Special Expenses are reported as part of the budget setting process to Cabinet and Full Council and also in budget monitoring reports. The Council has also introduced a policy on the Community Infrastructure Levy (CIL).

Parish and Town Councils can allocate CIL but for West Bridgford there is no such body, therefore Governance arrangements need to be in place so that decisions can be determined in relation to any CIL that accumulates. Any commitment of such sums should be undertaken in consultation with the local community. Commitment of sums held could be subject to a bidding process for infrastructure work. The money has to be spent in the area from which the CIL has been derived.

- 4.3. It is therefore proposed that a Special Expenses and Community Infrastructure Levy Advisory Group is set-up in relation to West Bridgford, albeit to be ratified by Full Council.
- 4.4 It is suggested the split of the Group should be based upon proportionality. This is the basis upon which Groups are formed and accords with the Constitution and legislation.
- 4.5 Furthermore, given that in setting a Special Expense Budget there is a consequence for the Council regarding its referendum limit for Council Tax overall, it is proposed the Chair of the Group should be independent and should be the Finance Portfolio Holder.
- 4.6 Ideally the Group should also consist of ward members for West Bridgford (except the Chair as mentioned above). Based on the current Member split this would mean the Group would be as follows:

Chair of the Group to be the Finance Portfolio Holder (Conservative)
Additional five Conservatives, one Labour, no Green, one Liberal Democrat, one Independent. As there are no Independents who are West Bridgford ward members it is proposed that this position is taken by the Green Party. If proportionality changes going forward this would be reported as part of the Full Council report on Group Membership after local elections.

- 4.7 The Group will need to be formally approved by Full Council and included as part of the Constitution. In the meantime, it is proposed the Group will meet to determine draft Terms of Reference to be included in the Council's Constitution.
- 4.8 Formal Terms of Reference will need to be drawn-up which will include:
 - Recommending a draft budget for approval by Full Council (to work within the parameters of the existing MTFs, for example council tax referendum limits);
 - Reviewing the progress of the budget – every six months (ie two meetings a year, subject to the need of any extraordinary meetings in relation to CIL); and
 - Approving the strategy for the allocation of CIL – which will be subject to public consultation.

It is suggested the Group meets informally to agree the Terms of Reference until formally ratified by Full Council and the Constitution is appropriately amended.

4.9 It is proposed the scope of the Group will only cover West Bridgford given Parish Councils exist for both Ruddington and Keyworth and the nature of their Special Expense is limited to cemetery improvements.

5. Risks and Uncertainties

5.1. The upside risk of the recommendations are that governance arrangements will be in place to ensure CIL can be expended appropriately in the West Bridgford area.

6. Implications

6.1. Financial Implications

There are no direct financial implications.

6.2. Legal Implications

The Council accounts for Special expenses in accordance with the Local Government Finance Act 1992. CIL is a discretionary charge. Authorities intending to take up the CIL regime are required to prepare a charging schedule setting out the CIL rates applicable in their area (s.211 Planning Act 2008). The charging schedule must have regard to matters including the total cost of the infrastructure requiring funding from CIL, other sources of funding available and the potential effect of CIL on the viability of development in the area.

Further, the Community Infrastructure Levy Regulations (2010) require the council to provide an annual monitoring statement on funds received and spent. Parish Councils are regulated in terms of the spending of CIL monies and are also required to publish this information.

6.3. Equalities Implications

No known equalities implications.

6.4. Section 17 of the Crime and Disorder Act 1998 Implications

No known implications.

7. Link to Corporate Priorities

Quality of Life	Effective utilisation of CIL and the Special Expense budget effects all of the corporate priorities.
Efficient Services	
Sustainable Growth	
The Environment	

8. Recommendations

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For more information contact:	Peter Linfield Executive Manager – Finance and Corporate Services Tel: 01159148439 plinfield@rushcliffe.gov.uk
Background papers available for Inspection:	Community Infrastructure Levy Report to Full Council (September 2019) Medium Term Financial Strategy 2019/20 Report to Full Council (March 2019)
List of appendices:	Appendix A – Background to Special Expenses

Appendix A

Background to Special Expenses

1. The concept of 'special expenses' dates back to the Local Government Act (LGA) 1933. Further provision was made in the LGA 1972. Section 147 of that Act deemed all expenses to be general unless the district council, by resolution, declared any expenses to be special expenses only chargeable on part of their area. The current provisions are set out in S35 of the LGFA 1992 which lists limited categories of expense which may be treated by a billing authority as 'special expenses'. These restrictions first appeared in the LGFA 1988 (S33).
2. The categories of special expense provided for in S35 of the 1992 Act are:
 - a. The expenses of meeting a levy or special levy issued to the billing authority;
 - b. Relate to expenses arising in respect of property held in trust for part of the area;
 - c. Any expenses incurred by the billing authority in performing in part of its area a function performed elsewhere in its area by a parish council;
 - d. Any expenses incurred in performing in part of its area a function performed elsewhere in its area by a body with a power to issue a levy or special levy to it.
3. For Rushcliffe Borough Council the following have been deemed special expenses:
 - a. Parks and Playing fields:
 - i. Bridgford Park
 - ii. West Park (including Julien Cahn)
 - iii. Abbey Park
 - iv. Alford road
 - v. Bridge field
 - vi. The Hook
 - vii. Boundary Road
 - b. Children's Play Areas:
 - i. Adbolton Lane
 - ii. Oaktree Close
 - iii. Carnarvon Road
 - iv. Denton Drive
 - v. Greythorn Drive
 - vi. Boundary Road
 - c. Allotments
 - d. Community Halls – Lutterell and Gamston

- e. Christmas Illuminations in West Bridgford
 - f. West Bridgford market and other events (eg outdoor Cinema)
 - g. Musters Road Memorial Gardens
 - h. Provision of seats, litter bins, and notice boards in WB
 - i. Annuity Charges for capital projects for assets listed above. For these, the initial outlay is met by capital receipts and it is recharged to WB Tax Payers through an annuity.
 - j. Revenue contribution to capital outlay for capital works to play areas.
4. The costs incurred by RBC on behalf of Ruddington Cemetery are deemed special expenses for Ruddington tax payers.
5. The costs incurred by RBC on behalf of Keyworth Cemetery are deemed special expenses for Keyworth tax payers.