



Growth and Development Scrutiny Group

Wednesday, October 13 2021

Community Infrastructure Levy

Report of the Service Manager – Communities, Planning and Growth

1. Purpose of report

- 1.1. On 7 October 2019, the Borough Council brought its Community Infrastructure Levy (CIL) into force. The levy is a charge applied to certain types of development to help fund infrastructure across the Borough, as set out in the Borough Council's published Infrastructure List (see background papers).
- 1.2. Whilst calculation and collection of the levy is dictated by processes outlined in legislation, its application to infrastructure is less prescriptive. Whilst there are still some restrictions on how funds are used, much of the governance is left to be decided by the charging authority. The purpose of this report is to outline an identified process for managing the allocation and spend of CIL against infrastructure projects.
- 1.3. Potential options for the management of CIL funds were previously considered by Growth and Development Scrutiny Group on 15 October 2019. A copy of the report is contained within **Appendix A**.

2. Recommendation

It is RECOMMENDED that the Growth and Development Scrutiny Group:

- a) support the referral of the CIL allocation and spend process to Cabinet;
- b) support a recommendation to Cabinet to make an additional amount of Strategic CIL available to areas without a Neighbourhood Plan, and;
- c) make comments and recommendations on the process to help inform the production of the framework document.

3. Reasons for Recommendation

- 3.1. Now that the levy has been in place for two years, a reasonable level of levy receipts have been collected from developments within the Borough. A

process for allocating and spending CIL receipts needs to be agreed before the funds can be applied towards delivering infrastructure.

4. Supporting Information

- 4.1. CIL has, in part, replaced part of the role that S106 Planning Obligations play in securing developer contributions for infrastructure. The benefit of CIL is that it can be captured from a broader range of developments, and can be applied more flexibly to fund projects across the whole Borough rather than being restricted to addressing the impact of a specific development. This flexibility comes with a requirement to adopt a procedure for how to most effectively apply CIL funds.
- 4.2. A presentation will be delivered at the meeting of the Scrutiny Group to provide a general overview of CIL, how it differs from S106 Planning Obligations, and what infrastructure it can be used to fund – including the distinction between the Strategic and Neighbourhood proportions of CIL. The main part of the presentation will focus upon the proposed method of allocating and spending CIL, as well as providing information on what priorities have been identified through consultation with various infrastructure providers. A list of the identified infrastructure priorities is included in **Appendix B**.
- 4.3. Establishing an early list of priorities is the first step in the intended process for the allocation and spend of CIL. The process is outlined below, we would expect the process to cover the allocation and spend of any CIL collected at the time the spending programme is agreed by Cabinet, and be repeated/reviewed once a further substantial level of CIL has been collected.
- a) Identify list of projects from key infrastructure providers
 - b) Officers assess potential projects against a framework document
 - c) Report taken to Cabinet to agree a spending programme
 - d) Funding provisionally allocated to projects and beneficiaries notified
 - e) Individual project funding formally committed and spent in line with existing process for S106 Planning Contributions
 - f) Review project list to address changes in priorities
- 4.4. The framework appraisal will be developed with consideration to comments from the group, and will be based around four main areas of assessment for specific projects, as set out below:

Justification	Why the project is required, including robust evidence demonstrating need
Strategic Benefits	Links to existing and emerging Plans/Strategies and Corporate Objectives
Funding	Amount of CIL required, estimated cost of project (including costs of maintenance/operation), other available funding sources (including unlocked match funding and time-limited funding)

Deliverability	Other approvals/consents required to bring project forward, timescales for delivery
----------------	---

- 4.5. There will also need to be a broader consideration of the CIL pot as a whole. The amount of CIL funding that has and will be collected is limited, and it is not anticipated that the levy will completely cover the cost of new infrastructure. Whilst some broad assumptions can be made about the amount of CIL that may be collected over certain periods, agreement of the spending programme should not constitute a commitment of specific amounts of CIL. Rather, it is to establish an anticipated level of funding and order of priority for the delivery of projects.
- 4.6. The firm allocation of funds should be subject to further information about individual projects, similar to the current process used for S106 Planning Contributions. This is to provide certainty that the Borough Council can provide funding from levy receipts it currently holds, as well as provide an audit trail for the commitment and spend of funds.
- 4.7. In the long term, CIL should be allocated broadly in accordance with the funding gaps identified as part of viability exercise for adoption, to ensure all infrastructure types are catered for.
- 4.8. The review step is to ensure there is some flexibility in how CIL funds are used. It will allow for reallocation of funding should certain projects stall or priorities change during the delivery period, as well as account for changes in funding availability should CIL receipts be higher/lower than anticipated.
- 4.9. There is a desire for an additional proportion of CIL receipts to be made available to Town/Parish Councils without a Neighbourhood Plan, in accordance with legislative requirements this would currently amount to 15% of the CIL received from development in that area. This is to bring the amount of CIL receipts they can benefit from in their area up to the same level as the 25% that is automatically passed to areas with a Neighbourhood Plan. Any additional CIL would be subject to a narrower use of funds specifically towards infrastructure.

5. Alternative options considered and reasons for rejection

- 5.1. There is the option to not support referral of the process to Cabinet. If the process is not supported, or significant changes to the process are required before referral to Cabinet, this will delay the Borough Council's ability to apply CIL funding towards relevant infrastructure, and may push back or even prevent delivery of certain projects.
- 5.2. There is also the option to not support making the additional proportion of Strategic CIL available to areas without a Neighbourhood Plan. This would allow more of the Strategic CIL collected to be applied towards infrastructure but leave CIL funds less accessible to areas with no Neighbourhood Plan.

6. Risks and Uncertainties

- 6.1. The allocation and spend of CIL will form part of the Annual Infrastructure Funding Statement. This is a public document containing details of planning contributions collected through S106 and CIL, which the Borough Council is required to publish each year. There is therefore a reputational risk around how the Borough Council is seen to be spending CIL.
- 6.2. By identifying priorities from infrastructure providers early in the process, and feeding this information through the Infrastructure Funding Statement, the Council will be able to demonstrate a clear roadmap for the application of CIL.

7. Implications

7.1. Financial Implications

- 7.1.1. There are expected costs associated with the implementation of the allocation and spend procedure. Any costs of administering the process should be covered through the proportion of CIL receipts that the Borough Council is allowed to retain for such purposes.

7.2. Legal Implications

- 7.2.1. The management and spending of CIL receipts sits within a legislative framework as defined by the Planning Act 2008 and the Community Infrastructure Regulations 2010. Any policies or procedures for the management and spending of CIL must comply with the legislative framework.
- 7.2.2. There is a key distinction between how Neighbourhood CIL and Strategic CIL may be allocated. Agreement to make the additional 10% of Strategic CIL available means local councils must adhere to the more restrictive use of such funds towards the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area only.

7.3. Equalities Implications

- 7.3.1. There are considered to be no particular equality implications that need addressing from matters arising from this report.

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

- 7.4.1. There are considered to be no direct community safety implications arising from matters covered in this report.

8. Link to Corporate Priorities

8.1 The Community Infrastructure Levy will help support the Corporate Strategy themes of delivering sustainable growth and maintaining and enhancing our residents' quality of life through the provision of funding for infrastructure projects across the Borough.

9. Recommendations

It is RECOMMENDED that the Growth and Development Scrutiny Group:

- a) support the referral of the CIL allocation and spend process to Cabinet;
- b) support a recommendation to Cabinet to make an additional amount of Strategic CIL available to areas without a Neighbourhood Plan, and;
- c) make comments and recommendations on the process to help inform the production of the framework document.

For more information contact:	Andrew Pegram Service Manager – Planning 0115 914 8598 apegram@rushcliffe.gov.uk
Background papers available for Inspection:	Rushcliffe Borough Council CIL Infrastructure List
List of appendices:	Appendix A: Report to Growth and Development Scrutiny Group – 15 October 2019 Appendix B: Schemes identified for potential CIL funding