

**STROUD DISTRICT COUNCIL**  
**STRATEGY AND RESOURCES COMMITTEE**

**AGENDA  
ITEM NO**

**17 JANUARY 2019**

**9a**

Environment Committee – 13 December 2018 – Agenda Item 8

<b>Report Title</b>	<b>COMMUNITY INFRASTRUCTURE LEVY (CIL) - GOVERNANCE AND SPENDING ARRANGEMENTS</b>
<b>Purpose of Report</b>	To recommend CIL governance and spending arrangements to Strategy and Resources Committee.
<b>Decision(s)</b>	<b>The Committee RECOMMENDS to Strategy &amp; Resources that:</b> <b>(1) Bids from strategic infrastructure providers are invited subject to completion of the form attached at Appendix A; and</b> <b>(2) Funding commitments are agreed according to performance against the criteria set out in the matrix attached at Appendix B.</b>
<b>Consultation and Feedback</b>	Members of Planning Review Panel have considered these proposals and they have been amended to take account of points raised.
<b>Financial Implications</b>	<p>The reports sets out the process for allocating CIL funds held by the Council. This process will be incorporated with the Capital Strategy to be considered by Strategy &amp; Resources in January 2019, and consideration on the use of CIL funds will be in accordance with the wider principles of that strategy.</p> <p>The Council can itself bid for funds for infrastructure projects for inclusion in its own capital programme and these bids will go through this same assessment process.</p> <p>The report sets out an overall level of CIL receipts that have been received to date, along with an indication of the total amount that will be due based on planning permissions already granted. CIL is likely to form an increasingly important part of the Council's capital programme to ensure the delivery of strategic infrastructure against that set out in the Local Plan.</p> <p>Andrew Cummings  Head of Finance &amp; Section 151 Officer  Email: <a href="mailto:andrew.cummings@stroud.gov.uk">andrew.cummings@stroud.gov.uk</a></p>

<b>Risk Assessment</b>	Risk Assessment: The decision-making procedures as set out in this report should help alleviate the risk of CIL payments being apportioned inappropriately.
<b>Legal Implications</b>	As is set out in the report, CIL contributions may only be spent on infrastructure projects in accordance with the CIL Regulations 2010. Subject to that requirement, the Council has discretion as to how the contributions are allocated. The decision matrix is designed to assist decision makers in prioritising competing claims for CIL funding by highlighting the relative merits of each proposed scheme. R.2711D.2811C.2711  Mike Wallbank Solicitor and Deputy Monitoring Officer Tel: 01453 754362 Email: <a href="mailto:Mike.Wallbank@stroud.gov.uk">Mike.Wallbank@stroud.gov.uk</a>
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<b>Options</b>	Options are: 1. approve the proposed arrangements for spending CIL income; or 2. amend the proposed arrangements for spending CIL income, or 3. delay the proposed arrangements for spending CIL income for further internal discussion.
<b>Performance Management Follow Up</b>	Annual and quarterly update reports will be considered by Environment Committee as part of the budgetary process to manage the spending of CIL income.
<b>Background Papers/ Appendices</b>	Appendix A: Bid proforma Appendix B: Assessment matrix

## 1. INTRODUCTION / BACKGROUND

**1.1** Community Infrastructure Levy (CIL) was introduced by government in 2010 as a mechanism to fund the infrastructure required to deliver Local Plan growth strategies. The District Council adopted CIL in February 2017 and implemented the charge from April 2017. CIL partially replaces the s.106 arrangements which secure payments through the planning system for the infrastructure necessary for new development.

**1.2** CIL liability is calculated per m<sup>2</sup> of new dwellings (£84.34/m<sup>2</sup>) and retail warehouses (£79.06/m<sup>2</sup>), of which either 15% or 25% goes to neighbourhoods according to their NDP status and 5% is retained by the

local authority to cover the costs of administering the scheme. The remainder of the funding collected is held by the local authority to be spent on capital infrastructure projects.

- 1.3 CIL payments are triggered by the commencement of development and can be paid in instalments. Original forecasts estimated that after a slow build up total CIL income could reach an annual rate of £600k.
- 1.4 At time of writing, 16 months after CIL launch, profiles show that a total of £793,576 funds *could* be collected by CIL, dependent on a number of factors, with an actual figure of just over £300,000 currently due for collection and funds of £126,185 collected. However, CIL revenue would significantly increase if a large windfall housing or retail scheme were to be approved.
- 1.5 Council resolved in January 2017 that a report should be prepared in due course to consider an appropriate mechanism to prioritise spending on qualifying infrastructure projects.

## **2. ISSUES FOR CONSIDERATION**

- 2.1 The strategic infrastructure projects that CIL can be spent on are outlined in the adopted Regulation 123 list and related Infrastructure Delivery Plan, and are broadly grouped into capital infrastructure items such as education, social infrastructure, transport and strategic flood risk.
- 2.2 However, CIL income will not be sufficient to meet all the district's infrastructure needs and as a result, spending governance needs to be put in place alongside a robust methodology for prioritising CIL infrastructure investment decisions in the context of constrained income.
- 2.3 There are a number of strategic infrastructure providers including the County Council, the Environment Agency and the Highways Agency who are likely to seek CIL funding to support capital infrastructure projects. We will work with relevant providers to agree standard formulae and mechanisms to underpin funding requests.
- 2.4 Social infrastructure projects such as community halls or local open space or sports provision are not 'strategic' as such and should be funded via the parish proportion of CIL, should the relevant town or parish council wish to do so.

## **3. CONCLUSION / RECOMMENDATION**

- 3.1 It is proposed that infrastructure providers should have the opportunity to submit bids to the Council at any time during the calendar year, utilising the proforma attached at Appendix A. These bids, unless urgent, will then be assessed annually and a report brought to autumn Environment and then Strategy and Resources Committees in order for investment recommendations to be considered as part of the Council's wider capital

programme. Any funding commitments made will have to be contingent on the CIL funds being received as projected.

- 3.2 Infrastructure providers will generally submit bids on a proactive basis. However, should an infrastructure requirement become evident, officers will invite providers to bid for funding for specific identified projects.
- 3.3 Should the need arise for urgent consideration of an infrastructure funding request, a standalone report can be brought to earlier committees for consideration.
- 3.4 It is proposed that submitted bids will then be assessed according to the matrix attached at Appendix B. This matrix ensures that only bids which fall under the statutory Regulation 123 list will be considered, and will be prioritised according to their alignment with Local Plan priorities.