

BOROUGH COUNCIL OF KING'S LYNN & WEST NORFOLK**CIL GOVERNANCE TASK GROUP**

Minutes from the Meeting of the CIL Governance Task Group held on Tuesday, 19th November, 2019 at 4.00 pm in the Meeting Room 2-4 - Second Floor, King's Court, Chapel Street, King's Lynn

PRESENT: Councillors T Parish, F Bone, M de Whalley, J Kirk and D Whitby

OFFICERS: Alan Gomm, LDF Manager and Amanda Driver CIL Officer

PRESENT UNDER STANDING ORDER 34: Councillor Kemp

1 **APPOINTMENT OF CHAIR AND VICE CHAIR OF THE TASK GROUP**

RESOLVED: Councillor Parish was appointed Chair of the Task Group and Councillor Whitby was appointed Vice Chair of the Task Group.

2 **APOLOGIES FOR ABSENCE**

Councillor Bubb.

3 **MEMBERS PRESENT UNDER STANDING ORDER 34**

Councillor Kemp – all items.

4 **TERMS OF REFERENCE OF THE TASK GROUP**

The Task Group considered its Terms of Reference and received a presentation on CIL (as attached). The Task Group thanked officers for their presentation and providing a clear and informative presentation. Officers responded to questions from Members of the Task Group.

The Task Group also considered the information which had been provided by officers to assist in the preparation of a CIL Governance and spending mechanism (attached).

5 **WORK PLAN**

The Task Group considered the scope of work required as set out below:

- How will CIL be distributed and spent?)
- Who can apply for CIL?
- How will projects be selected?

- Should there be match funding?
- How will CIL spending be managed?
- What will happen if CIL is not spent correctly?

It was agreed that further meetings be arranged, with each meeting looking at one of the below topics:

- CIL Distribution/Spending Option (2 meetings)
- Detailed Processes for Distribution
- Selection Criteria
- Administration and Accounting Processes

AGREED: 1. The Democratic Services Officer to bring draft future meeting dates to the next meeting for consideration.
2. The LDF Manager to provide Members of the Task Group with forms which were used for vetting projects.
3. Members of the Task Group to email their thoughts and ideas on CIL Distribution and Spending Options to rebecca.parker@west-norfolk.gov.uk so that these could be co-ordinated and presented to the next meeting for discussion.

6 **ANY OTHER BUSINESS**

There was none.

7 **SCHEDULE OF MEETINGS**

It was anticipated that the Task Group would be required to meet five times before presenting their report to the Regeneration and Development Panel for consideration. The Democratic Services Officer to bring the a draft schedule meetings to the next Task Group meeting for consideration.

8 **DATE OF THE NEXT MEETING**

Wednesday 4th December 2019 at 2.00pm in the Kempe Room, Town Hall.

The meeting closed at 5.05 pm

Community Infrastructure Levy (CIL) Governance Task Group

Amanda Driver – CIL Officer

Borough Council of
King's Lynn &
West Norfolk



Introduction

What is CIL

- Viability Study
- Fund the impact of development on Local Communities
- Source of Income for Parish Councils
- Collected on commencement of development

CIL was adopted, following a viability study, to assess the sites brought forward in the Local Plan. The CIL inspector established that CIL could be adopted, and would support new infrastructure and development within the Borough.

CIL is to be used to help support the impact of new development on Local Communities, and as a source of income for Town and Parish Councils.

CIL came into effect on 15 February 2017. CIL is charged per metre square, and applies to all planning applications for new houses, annexes and retail units approved after this date.

Parish Councils will receive payments of 15% capped without a Neighbourhood Plan & 25% uncapped with Neighbourhood Plan. Parish payments made twice a year 28 April and 28 October for development which has started in their Parish.

5% of CIL is allocated for Administration costs – staff wages, publicity, software/IT requirements, training and CIL Inspector expenses

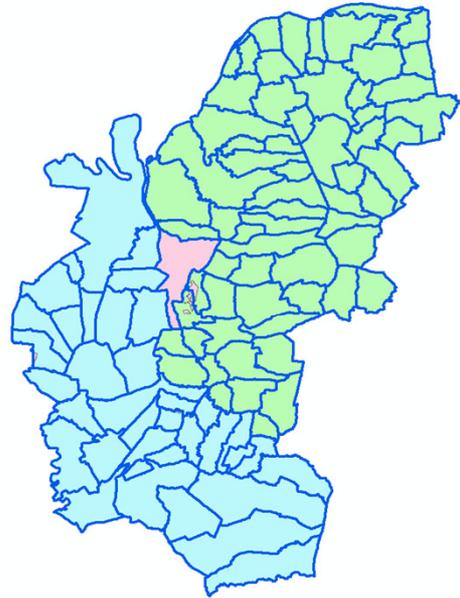
The remaining monies are allocated to the CIL Infrastructure Fund, to be spent as proposed by this Task Group.

CIL Charges (Indexed)

Pink = £0m²

Green = £66.71m²

Blue = £44.48m²



Current Fund: £793,543.47

There is just under £800,000 in the CIL Infrastructure Fund to date.

The forecasted annual receipt will be approximately £1m pa.

CIL Regulation Requirements

CIL Reg 59 (1) states:

‘A charging authority must apply CIL to **funding the provision, improvement, replacement, operation or maintenance of infrastructure** to support the development of its area’

The considerations relating to how you wish to allocate and spend CIL, at this stage is:

- CIL Reg 59 (1) states ‘**A charging authority must apply CIL to funding the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area**’
- Be minded of why CIL was originally adopted to support the local plan

What is Infrastructure

Planning Act 2008 Section 216 “infrastructure” includes—

- (a) roads and other transport facilities
- (b) flood defences
- (c) schools and other educational facilities
- (d) medical facilities
- (e) sporting and recreational facilities
- (f) open spaces

CIL is linked to the Planning Act, which provides a list of what may be deemed as infrastructure.

- Road: pedestrian crossings, roundabouts, bus facilities, car parks
- Schools: New classrooms, IT equipment, libraries
- QE Hospital facilities
- Play equipment, sporting venues and equipment
- Nature reserves, woodland areas

Scope

- How will CIL be distributed and spent?
- Who can apply for CIL?
- How will projects be selected?
- Should there be match funding?
- How will CIL spending be managed?
- What will happen if CIL is not spent correctly?



To agree Terms of Reference for the Task Group, it is worth considering what the role of the group is and what decisions are required to enable the CIL to be spent.

Cllr Blunt would like the task group to make a decision on how CIL will be distributed and provide guidance on how this will be achieved.

CIL Options – Distribution

- **County Councils**
- **Expressions of Interest**
- **Pre-allocated to major/strategic projects**
- **Split Fund: Corporate 80% - Local 20%**

The CIL Regulations, do not stipulate specifically how the CIL Infrastructure Fund should be allocated or spent.

To assist your decision making process, I have undertaken research and the main approaches to spending are:

Some authorities allocate a set amount to their County Council – the general average is 20% as a standard before any of the following 3 options.

Expressions of Interest – This option is used by Chelmsford City Council.

The process usually involves: submission form/request form (with advertised closing date), Applications scored and filtered, Filtered requests approved by panel, annual financial reports for each project submitted and checked.

This is the least used option, as it is a complex and time consuming process, involving the most amount of members and officers time.

Pre-allocation of all funds All funds allocated to meet Infrastructure Shortfalls for Major/Strategic Projects set from Corporate Objectives.

This option is used by Greater Norwich Growth Board which includes: Broadland, Norwich City and County Council, South Norfolk and the New Anglia Local Enterprise Partnership (LEP) who produced a 5 Year Joint Plan.

Fund splits – This is the most widely used option throughout the country, however the

percentages differ between authorities.

East Cambs District split their fund: 50% to a Major Project over £2m 25% to a Strategic Project between £50k and £2m & 25% to adhoc Requests

This option is supported by the Planning Officer Society. They suggest an 80-20% split, as it meets the CIL legislation requirements, and also allows for some funding to local projects.

Criteria for Future Meetings

To be discussed and agreed:

1. CIL Distribution/Spending Option
2. Detailed Processes for Distribution
3. Selection Criteria
4. Administration and Accounting Processes

It is proposed that key milestones are agreed, for each meeting held.

1. It would be beneficial if at the next meeting, it is agreed how you want the CIL to be apportioned.
2. Once this has been agreed, the finite details of the selected option can be discussed at a future meeting.
3. Whichever option is selected, how will projects be chosen? Will it be in line with the Corporate Plan, Local Plan or Major Planning Applications?
4. The final stage will be to agree who will be involved in the process. How will money be issued and monitored and who will have the final decision about selected projects – full council, members group, mixed officer/members decision, corporate management.

Background for the Regeneration and Development Panel Task Group in the preparation of a CIL Governance and spending mechanism

Requirements of a CIL Governance scheme

Background to CIL

In terms of our legal responsibilities:

CIL Regulation 59 – A Charging Authority must apply CIL to funding the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of the area.

CIL Annual Infrastructure Funding Statement Requirements

Regulation 121A Schedule 2. (1) The matters to be included in the CIL report:
(d) the total amount of CIL receipts, collected by the authority, before the reported year and which have been allocated in the reported year;
(e) the total amount of CIL expenditure for the reported year;
(f) the total amount of CIL receipts, whenever collected, which were allocated but not spent during the reported year;
(g) in relation to CIL expenditure for the reported year, summary details of— (i) the items of infrastructure on which CIL (including land payments) has been spent, and the amount of CIL spent on each item; (ii) the amount of CIL spent on repaying money borrowed, including any interest, with details of the items of infrastructure which that money was used to provide (wholly or in part); (iii) the amount of CIL spent on administrative expenses pursuant to regulation 61, and that amount expressed as a percentage of CIL collected in that year in accordance with that regulation;
(h) in relation to CIL receipts, which were allocated but not spent during the reported year, summary details of the items of infrastructure on which CIL (including land payments) has been allocated, and the amount of CIL allocated to each item;

A broad list of suitable / necessary infrastructure projects (the 'Regulation 123' list) is included with the CIL documents on our website. However this is neither detailed or project specific. For Government monitoring the list below is used to categorise spending, and serves as a 'checklist' of potential types of projects.

Government Data – CIL Spending (Digital Land Report Criteria)

- CIL Admin (5%)
- Parish CIL Payments (15%/25%)
- Affordable Housing
- Community Facilities
- Digital Infrastructure
- Economic Development
- Education
- Flood & Water Management
- Green Infrastructure
- Health
- Highways
- Land
- Open Space & Leisure
- Transport
- Transport & Travel
- Other

Potential projects are outlined in various documents such as the Borough Infrastructure Study, the Local Plan and our capital programme. These are clearly other candidate projects, such as proposals from the County Council to invest in new schools, or other public bodies such as health, but potentially many others from parish and town councils.

Individual tasks that should be addressed in designing a scheme for spending / governance

Task - a transparent process where bids are made by all potential stakeholders and projects analysed and prioritised should be devised

There are clearly sensitivities around the choosing of particular projects and making sure that what the community needs in terms of infrastructure to deal with new growth pressures. This is an issue that affects all Members and it is important to ensure there is agreement as to an appropriate process.

Task - There are a number of key questions or issues that need to be addressed. The Panel is asked to consider and recommend about the following with regard to a particular scheme / process.

Who can bid, and for what?

- Who can apply, what for, and in what format? What are the principles of a scheme?
- How is the County Council treated?
- How do we establish potential projects
- How to consider the projects bids submitted?
- A transparent agreed way of doing things

Prioritising projects and spending

- How will CIL be spent?
- Should there be a focus on strategic level spending or more smaller projects?
- If larger projects are chosen:
 - How will projects be selected?
 - How will CIL spending be managed?
 - What will happen when a project is complete?
 - How often will CIL projects be reviewed?
 - How long will each project receive CIL?
- If smaller/individual projects are accepted:
 - Who can apply?
 - What will be the application period e.g. annually/adhoc?
 - What will the application process involve?
 - What needs to be included in the application form?
 - Should there be match funding?
 - How will applications be filtered?
- What are the priorities for spending?
- Money is already distributed to parish / town councils – can they bid for more?
- What are the scoring criteria / weighting?
- When and who will undertake the scoring of each application?
- When applications are scored, how and when should this information be produced?
- Should there be a time period for repayment?

- Should match funding be a necessary element?
- What emphasis should there be on deliverability?

Involvement of Borough Council bodies

- How and who will make the decisions to choose projects?
- What is the role of Management Team?
- How do we establish Cabinet agreement to a set of projects
- What is the detailed role for Members?
- What should be the fit to corporate priorities?

Monitoring

- How do we monitor the implementation of projects?
- What monitoring should be in place?
- How will these decisions be produced/published?
- How will the CIL Officer be made aware of the decisions?
- How will money be issued – on receipt of invoices/ instalments/once decisions are made?
- How will project spending be monitored, to ensure it is in line with the CIL Regs?
- Would a financial report annually be acceptable?
- Who will make the decision that CIL is not spent correctly?
- What will happen if CIL is not spent correctly – what will be the process to recover the CIL?

Background issues and implications

Financial Implications

Money to operate a scheme would be an expense on the CIL itself, and is therefore covered.

Personnel Implications

Staff resource will be used in administering the system but this is not quantifiable at the present until the detail design is established.

Task – Consider an appropriate staffing regime