



King's Court, Chapel Street, King's Lynn, Norfolk, PE30 1EX
Telephone: 01553 616200

8th November 2019

To: Councillors F Bone, A Bubb, M de Whalley, J Kirk, T Parish and D Whitby

Dear Member

CIL Governance Task Group

You are invited to attend a meeting of the above-mentioned Panel which will be held on **Tuesday, 19th November, 2019 at 4.00 pm** in **Meeting Room 2-4 - Second Floor, King's Court, Chapel Street, King's Lynn** to discuss the business shown below.

Yours sincerely

Chief Executive

AGENDA

1. **Appointment of Chair and Vice Chair of the Task Group**
2. **Apologies for absence**
3. **Members Present Under Standing Order 34**
4. **Terms of Reference of the Task Group** (Pages 3 - 13)
The Task Groups Terms of Reference would be to develop a system for spending CIL with the Terms of Reference included in the Report. Copy of the report presented to the Regeneration and Development Panel is attached.
5. **Work Plan**
6. **Any Other Business**
7. **Schedule of Meetings**

8. **Date of the Next Meeting**

POLICY REVIEW AND DEVELOPMENT PANEL REPORT

REPORT TO:	Regeneration and Development Panel		
DATE:	10 September 2019		
TITLE:	CIL Governance arrangements		
TYPE OF REPORT:	Policy Development		
PORTFOLIO(S):	Development		
REPORT AUTHOR:	Alan Gomm		
OPEN/EXEMPT	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	Yes

REPORT SUMMARY/COVER PAGE

PURPOSE OF REPORT/SUMMARY:
<ul style="list-style-type: none"> • Cabinet is minded to ask the Regeneration and Development Panel to establish the detail arrangements and to recommend these to Cabinet for implementation. • The Regeneration and Development Panel is asked to consider the Terms of Reference as attached at Appendix 1 to the report overleaf, and offer any comments before Cabinet endorses them.
KEY ISSUES:
<p>Devising a fair and equitable system for spending CIL, but meeting the relevant legal requirements.</p>
OPTIONS CONSIDERED:
<p>The Panel is asked initially to comment on the draft terms of reference. Other options are not appropriate at this stage.</p>
RECOMMENDATIONS:
<p>The Regeneration and Development Panel is asked to consider the Terms of Reference as attached and offer any comments before Cabinet endorses them.</p>
REASONS FOR RECOMMENDATIONS:
<p>In order to get a workable basis for the ultimate governance arrangements.</p>

REPORT TO CABINET

Open/Exempt		Would any decisions proposed :		
Any especially affected Wards	Mandatory/	Be entirely within Cabinet's powers to decide		YES/NO
	Discretionary /	Need to be recommendations to Council		YES/NO
	Operational	Is it a Key Decision		YES/NO
All				
Lead Member: Cllr R Blunt E-mail: cllr.richard.blunt@west-norfolk.gov.uk		Other Cabinet Members consulted: All		
		Other Members consulted: None		
Lead Officer: Alan Gomm E-mail: alan.gomm@west-norfolk.gov.uk Direct Dial:01553616237		Other Officers consulted: Management Team		
Financial Implications YES/NO	Policy/Personnel Implications YES/NO	Statutory Implications YES/NO	Equal Impact Assessment YES/NO If YES: Pre-screening/ Full Assessment	Risk Management Implications YES/NO
If not for publication, the paragraph(s) of Schedule 12A of the 1972 Local Government Act considered to justify that is (are) paragraph(s)				

Date of meeting: 24 September 2019

Community Infrastructure Levy (CIL) – Suggested Governance arrangements

Summary

- Discussion is given about how the Borough Council might wish to consider projects to be supported out of CIL.
- Monitoring and accounting for CIL (income and expenditure) is a very important part of the process, and this includes the shares appropriate for parish and town councils.
- Cabinet agreed on 6 December 2016 that the Borough Council works towards a method of CIL governance, and this paper is a step in that process.
- Cabinet is minded to ask the Regeneration and Development Panel to establish the detail arrangements and to recommend these to Cabinet.
- The Regeneration and Development Panel is asked to consider the Terms of Reference as attached as Appendix 1, and offer any comments before Cabinet endorses them.

Recommendation

It is recommended that the Regeneration and Development Panel is asked to develop a system for spending CIL with the Terms of Reference as attached at Appendix 1.

Reason for Decision

To meet our obligations to spend CIL on infrastructure projects across the Borough and account for the spending.

1. Background

1.1 Cabinet agreed on 6 December 2016 that the Borough Council works towards a method of CIL governance which was discussed in the report.

1.2 We have now completed our first full round of collecting CIL payments and passing relevant amounts to town and parish councils as appropriate, and the annual statement is available on our website. Some £669 953 has been collected, and £119 183 passed on to town / parishes. Having collected this significant amount we need to formalise a process for spending it. Projections for coming years suggest that approximately £0.5M could be available each year once CIL is fully worked into the system.

1.3 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.

1.4 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. 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.

1.5 There should be a transparent process where bids are made by all potential stakeholders and projects analysed and prioritised.

2. Requirements of a CIL Governance scheme

2.1 There are a number of key questions or issues that should be addressed in deciding on a particular process.

- Who can apply, what for, and in what format? What are the principles of a scheme?
- How do we establish potential projects
- How to consider the projects bids submitted?
- A transparent agreed way of doing things
- What is the role of Management Team?
- How do we establish Cabinet agreement to a set of projects
- How do we monitor the implementation of projects?
- What monitoring should be in place?
- Should there be a focus on strategic level spending or more smaller projects?
- What are the priorities for spending?
- Money is already distributed to parish / town councils – can they bid for more?
- What is the detailed role for Members?
- What are the scoring criteria / weighting?

- Should match funding be a necessary element?
- What should be the fit to corporate priorities?
- What emphasis should there be on deliverability?

3. Conclusion

3.1 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 is equitably supplied. This is an issue that affects all Members and it is important to ensure there is agreement as to an appropriate process. It is therefore suggested that

- The Regeneration and Development Panel is asked to undertake this task with Terms of Reference (as attached as Appendix 1).
- This will develop ideas in detail / process guidance.
- Answer the questions above and others.
- This would be a time limited remit to develop the scheme.

4. Options Considered

4.1 Originally Cabinet envisaged Officers would develop a system, and delegated authority had been given to do this, but the potential political sensitivities around spending on community infrastructure has led to a re-evaluation of this position.

5. Policy Implications

5.1 None

6. Financial Implications

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

7. Personnel Implications

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

8. Statutory Considerations

8.1 CIL operates under a statutory basis and accounting processes are in place. Any spending scheme would have to reflect that.

9. Equality Impact Assessment (EIA)

Pre screening report template attached

10. Risk Management Implications

10.1 None.

Terms of Reference for the Regeneration and Development Panel 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 Regulations Reporting Criteria:

Reg 62 (4) (b)	Total CIL expenditure for the reported year.
Reg 62 (4) (c)(i)	The items of infrastructure to which CIL (including land payments) has been applied.
Reg 62 (4) (c)(ii)	The amount of CIL expenditure on each item.
Reg 62 (4) (c)(iii)	The amount of CIL applied to repay money borrowed, including any interest, with details of the infrastructure items which that money was used to provide including any interest, with details of the infrastructure items which that money was used to provide (wholly or in part)
Reg 62 (4) (e)(i)	The items of infrastructure to which the infrastructure payments relate
Reg 62 (4) (e)(ii)	The amount of CIL to which each item of infrastructure relates

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.

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

4 Financial Implications

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

5 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

6 Statutory Considerations

CIL operates under a statutory basis and accounting processes are in place. Any spending scheme would have to reflect that.

Pre-Screening Equality Impact Assessment

Borough Council of
**King's Lynn &
West Norfolk**



Name of policy/service/function	CIL – Administration of spending on infrastructure projects				
Is this a new or existing policy/service/function?	New / Existing (delete as appropriate)				
Brief summary/description of the main aims of the policy/service/function being screened. Please state if this policy/service is rigidly constrained by statutory obligations	Establishing a Task Group to design the process.				
Question	Answer				
<p>1. Is there any reason to believe that the policy/service/function could have a specific impact on people from one or more of the following groups according to their different protected characteristic, for example, because they have particular needs, experiences, issues or priorities or in terms of ability to access the service?</p> <p>Please tick the relevant box for each group.</p> <p>NB. Equality neutral means no negative impact on any group.</p>		Positive	Negative	Neutral	Unsure
	Age			x	
	Disability			x	
	Gender			x	
	Gender Re-assignment			x	
	Marriage/civil partnership			x	
	Pregnancy & maternity			x	
	Race			x	
	Religion or belief			x	
	Sexual orientation			x	
	Other (eg low income)			x	

Question	Answer	Comments
<p>2. Is the proposed policy/service likely to affect relations between certain equality communities or to damage relations between the equality communities and the Council, for example because it is seen as favouring a particular community or denying opportunities to another?</p>	Yes / No	
<p>3. Could this policy/service be perceived as impacting on communities differently?</p>	Yes / No	
<p>4. Is the policy/service specifically designed to tackle evidence of disadvantage or potential discrimination?</p>	Yes / No	
<p>5. Are any impacts identified above minor and if so, can these be eliminated or reduced by minor actions? If yes, please agree actions with a member of the Corporate Equalities Working Group and list agreed actions in the comments section</p>	Yes / No	<p>Actions: N/A</p>
		<p>Actions agreed by EWG member:</p>
<p>If 'yes' to questions 2 - 4 a full impact assessment will be required unless comments are provided to explain why this is not felt necessary:</p> <p>Decision agreed by EWG member:</p>		
<p>Assessment completed by: Name Alan Gomm</p>		
<p>Job title Planning Policy Manager</p>		
<p>Date 27 June 2019</p>		