

## 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**