

POLICY REVIEW AND DEVELOPMENT PANEL REPORT

REPORT TO:	<i>Regeneration and Development Panel</i>		
DATE:	17 th June 2020		
TITLE:	Community Infrastructure Levy (CIL) Governance and Spending		
TYPE OF REPORT:	<i>Policy Development</i>		
PORTFOLIO(S):	Planning and 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:
The CIL Governance and Spending Task Group have proposed a scheme for allocating funds collected through the CIL and a final version of the proposed priorities and detail for the implementation of the scheme are presented for the Panel to consider.
KEY ISSUES:
<ul style="list-style-type: none"> • The split of spending between strategic and more local projects that could be supported • The types of projects that could be supported • The democratic accountability for spending agreed
OPTIONS CONSIDERED:
There is a legal duty to spend CIL in accordance with Regulations, but the priorities can be determined to suit local circumstances within the overall framework. The Task Group have debated and reported options to the R and D Panel previously.
RECOMMENDATIONS:
<ol style="list-style-type: none"> 1. That the Panel agree the final version of the CIL Governance and Spending document from the Task Group 2. The Panel recommends the adoption of the content / process to the Cabinet
REASONS FOR RECOMMENDATIONS:
<ol style="list-style-type: none"> 1. To ensure the Borough Council meets its legal requirement to administer CIL funds in an appropriate way. 2. To ensure that the benefits of CIL are shared across the Borough to meet the infrastructure demands of a growing Borough.

DETAILED REPORT

1 Background

- 1.1 The Borough Council of King's Lynn and West Norfolk approved the introduction of the Community Infrastructure Levy (CIL) in December 2016 and started charging on 15 February 2017. The Levy is paid to the Borough Council by developers after their planning permissions are implemented. It is governed by the CIL Regulations 2010 (amended). In the Borough of King's Lynn and West Norfolk, CIL is charged on all residential and retail developments, which add one or more new dwelling(s) or more than 100sqm of floor space. It is charged at a rate per square metre and varies

according to land use. CIL is just one funding stream that can be used, in conjunction with others, to fund infrastructure projects. Alongside CIL, S106 obligations will still exist, but generally as one-off agreements to mitigate the impacts of larger developments and to secure on-site developer requirements, such as the provision of affordable housing.

- 1.2 When the Borough Council Cabinet agreed to adopt CIL on 6 December 2016 it recommended to Council that a system of governance be developed based on some basic principles outlined in the report at the time. Now that CIL has been operating for some time, funds are accumulating, it is appropriate to finalise the governance and spending processes.
- 1.3 As a Charging Authority the Council has an obligation to:
 - Prepare and publish the CIL Charging Schedule
 - Determine CIL spend, ensuring it is used to fund the provision, improvement, replacement, operation or maintenance of infrastructure to support development of its area
 - Report publicly on the amount of CIL revenue collected, spent and retained each year.
- 1.4 The Borough Council is required, in the CIL Regulations, to identify the types of infrastructure it wishes to fund in whole or in part by CIL monies. These are outlined in the Council's Annual List of Infrastructure Projects. CIL money collected can only be allocated to and spent on these types of infrastructure.
- 1.5 As Members will recall a CIL Governance and Spending Task Group was set up last year to develop the details of how governance and spending should be operationalised. That Group has met several times, and progress reports were presented to this Panel. This work has now concluded, and a final draft of the proposed scheme is presented at Appendix 1. It is recommended by the Task Group for endorsement by the Panel. Following this and including any changes if made, it would go to Cabinet for final agreement and implementation. The Cabinet date would be the August meeting.

2 The proposed scheme

2.1 The scheme has three main elements to it:

- Strategic / Local split for the distribution of funds
- The definition of what could be eligible for funding
- The democratic process for dealing with applications and agreeing projects

Taking each in turn. (All the following elements are explained in greater detail in the document at Appendix 1).

2.2 **Split between Strategic and Local projects** - The CIL Infrastructure Fund has been proposed to be separated into 3 specific project types, to enable the funding to meet wider borough infrastructure requirements, also supporting local community needs, in the following way:

60% Strategic Infrastructure Projects

- These are projects which require the most amount of CIL funding
- The strategic projects will be in excess of £50,000 and be fully match funded
- Longer term projects

20% Community Projects

- These are projects which will meet the needs of Parishes and Wards, to fund community projects between £10,000 and £50,000
- It is expected that there will be an element of match funding for these projects.
- Mid term projects

20% Local Projects

- These allocations will be used to meet the local infrastructure requirements for smaller more local projects up to £10,000
 - It is expected that there will be an element of match funding for these projects
 - Short term projects which must be completed within 5 years
- If funding is not fully allocated to Local or Community Projects, on an annual basis, the remaining CIL will be allocated to the Strategic Projects.

2.3 Definition of what could be eligible for funding

2.4 The **Strategic Projects** will be selected by the Borough Council, with more weight given to areas with significant development taking place. The Borough Council will make the allocations for spending on infrastructure, in accordance with the Council's adopted CIL Infrastructure List. The Infrastructure list will be reviewed annually and updated to reflect the changing needs within the Borough. (This annual review mechanism applies to **all** the project categories as outlined below).

The current list of Strategic Projects eligible for funding are:

- Education - related to 18+ employment - college based education
- Transport - linked to the Lynn Transport Plan
- Environment - green areas linked to the Council's Climate Change Policy

The Strategic Projects are in line with the Borough Councils Corporate Business Plan. The Project Criteria are proposed so that they meet the Corporate priorities and objectives:

- **Education** - Improving social mobility and inclusion to work with partners to improve education attainment levels and the skills of local people.
- **Transport** - Delivering growth in the economy and with local housing to promote, lobby and support infrastructure improvements across the district.
- **Environment** - Protecting and enhancing the environment including tackling climate change to work with partners and the community to improve our natural environment and creating and maintaining good quality places that make a positive difference to people's lives to maintain accessible, clean, pleasant and safe public places and communities.

2.5 **Community Project Allocations** between £10k and £50k - 20% of the CIL Infrastructure Funds will be allocated to Community projects requiring funds of a value between £10,000 and £50,000. Project applications must be made in liaison with Parish/Town Councils, which includes the unparished area of King's Lynn, and Wards as appropriate. Adjacent Parish Councils may wish to submit a combined application to meet infrastructure requirements within the wider community. The Community Projects will be selected by the Borough Council, with more weight given to areas with significant development taking place.

The proposed list of Community Projects eligible for funding are:

- **Education** - Improving social mobility and inclusion to work with partners to improve education attainment levels and the skills of local people.
- **Health** - Improving social mobility and inclusion by continuing to assist our residents to maximise their opportunities by accessing the support and services they are entitled to.
- **Economic Development** - Delivering growth in the economy and with local housing to promote the borough as a vibrant place in which to live, to do business and as a leading visitor and cultural destination

The Community Projects are in line with the Borough Councils Corporate Business Plan.

2.6 20% of the CIL Infrastructure Funds will be allocated to local projects requiring funds up to £10,000, for **Local Projects**, these must:

- commence within 1 year of being allocated CIL
- be completed within 5 years.
- must be made in liaison with Parish/Town Councils, which includes the unparished area of King's Lynn, and Wards as appropriate.

The proposed list of Local Projects eligible for funding are:

- **Community Facilities** - Creating and maintaining good quality places that make a positive difference to people's lives to maintain accessible, clean, pleasant and safe public places and communities.
- **Green Infrastructure** - Helping to improve the health and well being of our communities by supporting our local communities to be healthy and more active
- **Open Space and Leisure** - Creating and maintaining good quality places that make a positive difference to people's lives to maintain accessible, clean, pleasant and safe public places and communities and help to improve the health and well being of our communities
- **Community Transport** - Creating and maintaining good quality places that make a positive difference to people's lives and helping to improve the health and well being of our communities by providing early help and support to communities and individuals who are vulnerable.

2.7 Agreeing the spending and accountability – the Governance framework

Appendix 2 gives a diagrammatic representation of the application and approval processes. The main points in summary are:

- Strategic projects are scrutinised and agreed by Cabinet with recommendations by officers
- Management Team reviews these recommendations
- Community projects are again recommended by officers, but with scrutiny by a CIL Spending Panel before approval by Management Team.
- Local Projects have consideration by the CIL Spending Panel and agreement by a Service Manager.
- Terms of reference and the composition of a CIL Spending Panel will need to be drawn up and agreed.
- The processes are intended to maximise involvement of elected Members, but allows for officers to co-ordinate applications and achieve a Corporate focus.

2.8 **Application processes** – The application forms, requirements, and administration are outlined in Appendices 3, 4, and 5 to the 'CIL Governance and Spending 2020-21' document at Appendix 1 to this Report.

3. Issues for the panel to consider

- The split of spending between strategic and more local projects that could be supported
- The types of projects that could be supported
- The democratic accountability for spending agreed

4. Corporate priorities

4.1 The proposals in the document are firmly referenced back to the Corporate priorities.

5. Financial implications

5.1 None specifically. CIL is collected and administered by Borough Council Officers. The costs of administration are met from receipts.

6. Any other implications/risks

6.1 None.

7. Equal opportunity considerations

7.1 None.

8. Consultation

8.1 Portfolio holders, Management Team.

9. Conclusion

9.1 A scheme for the spending of CIL receipts according to the relevant Regulations is proposed. The CIL Task Group has considered the various aspects and recommends the attached proposal (Appendix 1).

10. Background papers

CIL Governance and Spending Task Group notes and agendas outline the development of the particular proposals.

Pre-Screening Equality Impact Assessment

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



Name of policy/service/function	CIL Governance and Spending				
Is this a new or existing policy/service/function?	New / Existing (delete as appropriate)				
<p>Brief summary/description of the main aims of the policy/service/function being screened.</p> <p>Please state if this policy/service is rigidly constrained by statutory obligations</p>	Implementation of Regulations on processes to spend CIL				
Question	Answer				
<p>5. 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	

