

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: CIL Task Group, Regeneration and Development Panel		
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

Date of meeting: 19 August 2020

Community Infrastructure Levy (CIL) – Proposed Governance and Spending arrangements

Summary The CIL Governance and Spending Task Group and the Regeneration and Development Panel, 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 Cabinet to agree.

Recommendation

1. That Cabinet agree to adopt the arrangements in the CIL Governance and Spending document attached as Appendix 1.
2. That Cabinet agrees the Terms of Reference for the operation of a CIL Spending Panel as at Appendix 3.

Reason for Decision

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.

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 and Regeneration and Development Panel (at its meeting on 17 June) for adoption by the Cabinet.

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 proposed list of Strategic Projects eligible for funding in the current year 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 as below 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 in the current period 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 suggested Community Project criteria 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 current year 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 from 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, with reference also to Portfolio Holders.
- 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. Draft Terms of Reference are attached as Appendix 3.
- The processes are intended to maximise involvement of elected Members, but allows for officers to co-ordinate applications and achieve a Corporate focus (This would include reference to spending from other sources considered regularly by Management Team)

2.8 Application processes – The detailed 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. Options

3.1 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 Regeneration and Development Panel previously. The options around the following items have been considered

- 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. Policy implications

4.1 CIL legislation gives significant scope for individual councils to direct CIL spending to reflect the local situation, so long as it conforms to general principles set out regarding 'infrastructure'. Proposals for assessing bids in the current period are aligned to the Borough Council Corporate objectives. In supporting extra growth across the Borough consideration should be given to those locations experiencing the most obvious pressures. The assessment criteria refer to this.

5. Financial implications

5.1 None specifically. CIL is collected and administered by Borough Council. The costs of administration are met from receipts. The available funds can be spent on the schemes / types of projects suggested.

6. Personnel implications

6.1 None specifically, but officers will review workloads once the scheme is up and running.

7. Statutory implications

7.1 Our spending and governance needs to conform to the relevant Regulations.

8. Equality impact assessment implications

8.1 None.

9. Risk Management implications

9.1 None specifically. Monitoring of spending and more particularly delivery is important to ensure money is directed to improved infrastructure in the Borough.

10. Corporate priorities

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

11. Conclusion

11.1 A scheme for the spending of CIL receipts according to the relevant Regulations is proposed. It seeks to blend spending on potential strategic level projects, but also directs funding to local communities affected by growth pressures. The CIL Task Group and Regeneration and Development Panel have considered the various aspects and recommends the attached proposal (Appendix 1).

12. Background papers

Borough Council CIL Governance and Spending Task Group and Regeneration and Development Panel notes and agendas outline the development of the particular proposals.

APPENDIX 1

CIL Spending and Governance 2020-21 processes document

APPENDIX 2

CIL Governance decision making outline diagram

CIL Spending Panel – Terms of Reference

Overview

The CIL Spending Panel provides an elected Member oversight of the Community Infrastructure Levy spending on infrastructure across the Borough having reference to the adopted 'CIL Spending and Governance Process' document. It also considers and agrees certain types of projects and recommends action on others.

Tasks

1. To keep under review the 'CIL Spending and Governance Process' document and make recommendations for change to Cabinet.
2. To receive recommendations from Officers and approve or reject these in respect of 'Local Projects' under the scheme.
3. To receive recommendations from Officers on 'Community Projects', review these and recommend approval or rejection to Management Team.
4. To receive recommendations from Officers on 'Strategic Projects', review these and make comments to Cabinet via Management Team.
5. To seek to ensure coordination of information on applications and comments on these across Portfolio Holders and other Borough Council bodies.
6. To receive monitoring reports from Officers on the operation of CIL, including necessary statutory reporting (Annual Infrastructure Funding Statement; Parish Annual Spending Reports).
7. To consider and make recommendations to Cabinet as appropriate on the implementation, spending and monitoring of CIL.