POLICY REVIEW AND DEVELOPMENT PANEL REPORT

REPORT TO:	Regeneration and Development Panel
DATE:	10th March 2020
TITLE:	Report of the CIL Governance Task Group
TYPE OF REPORT:	Task Group Report
PORTFOLIO(S):	Development
REPORT AUTHOR:	Councillor Terry Parish, Chair of the Task Group
OPEN		WILL BE SUBJECT TO A FUTURE CABINET REPORT:	Yes

REPORT SUMMARY/COVER PAGE

PURPOSE OF REPORT/SUMMARY:
This report presents the work of the CIL Governance Task Group to date. Members of the Task Group have produced a draft document which sets out the Governance and Spending arrangements for CIL which the Panel are requested to consider.
KEY ISSUES:
The CIL Governance Task Group was set up by the Regeneration and Development Panel on 10 September 2019. Their terms of reference were broadly to develop a system for spending CIL, the full Terms of Reference are attached to this report as Appendix 1. Members of the Task Group have produced the draft document CIL Governance and Spending (attached) and will present to the Panel at the meeting for consideration. The Panel are asked to note that the Task Group have not yet concluded their work and the documents that they have produced are still very much in draft format. The Task Group would like to present their findings at to the Panel at this stage before they start to look at Administration and Accounting processes as they are mindful that the recommendations of the Panel may have an impact on the processes required.
RECOMMENDATIONS:
1. That the draft CIL Governance and Spending document attached to this report be accepted by the Regeneration and Development Panel and a recommendation be made to Cabinet that this process for CIL Governance and Spending be adopted. 2. That the Panel note that the CIL Governance have not yet concluded their work and the Panel are to receive a further report from the Task Group on Administration and Accounting processes at a future meeting.
REASONS FOR RECOMMENDATIONS:
To ensure a fair and equitable system for spending CIL whilst meeting the relevant legal requirements.

REPORT DETAIL

1. Introduction

The Regeneration and Development Panel received a request from Cabinet asking the Panel to investigate developing a system for Governance and Spending of CIL. The Regeneration and Development Panel considered this request at their meeting on 10th September 2019 and established a Task Group with their Terms of Reference as set out in Appendix 1.

The Task Group have met on several occasions, supported by the CIL Monitoring and Compliance Officer and the Planning Policy Manager to discuss the following:

- CIL Distribution and Spending Options
- Detailed processes for distribution.
- Selection Criteria.

The Task Group still need to meet to discuss Administration and Accounting processes, but are mindful that these may be impacted by any comments from the Panel and therefore request that the Regeneration and Development Panel consider their work to date before this is considered by the Task Group.

2. Proposal

The Task Group request that the Panel consider the attached draft document which sets out the Governance and Spending Arrangements for CIL and make any appropriate recommendations to Cabinet.

The recommendation from the Task Group is that the document be endorsed by the Panel.

3. Background Papers

Agendas and Minutes from the CIL Governance Task Group - https://democracy.west-norfolk.gov.uk/ieListMeetings.aspx?CId=475&Year=0

Regeneration and Development Panel Report – 10th September 2019 - https://democracy.west-norfolk.gov.uk/documents/s34973/CIL%20Governance%20RD%2010th%20Sept.pdf

Appendix 1 – Terms of Reference

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:

    o How will projects be selected?

    o How will CIL spending be managed?

    o What will happen when a project is complete?

    o How often will CIL projects be reviewed?

    o How long will each project receive CIL?

- If smaller/individual projects are accepted:

    o Who can apply?

    o What will be the application period e.g. annually/adhoc?

    o What will the application process involve?

    o What needs to be included in the application form?

    o Should there be match funding?

    o 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.