

Public
Key Decision - Yes

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Community Infrastructure Levy Governance
Meeting/Date: Cabinet – 22nd October 2020
Executive Portfolio: Executive Councillor for Strategic Planning
Report by: Service Manager Growth
Wards affected: All

Executive Summary:

This report sets out the details of a proposed new process for the governance of Community Infrastructure Levy (CIL) monies received by the Council. It provides a summary of the background relating to funding through the Council's CIL budget and the reasons the system for allocating these funds is no longer considered best suited to meet the Council's strategic aims.

CIL funding is divided into three 'pots.' One is the 'Meaningful Proportion' that is allocated to Town and Parish Councils to spend; the second a 'Strategic' portion that is allocated by the Council; and a final small pot, defined in legislation, to cover the administration of running the Charging Authority. This report primarily focuses on the process for allocation of the 'Strategic' portion but also includes details of how monies for non-Parished areas will be allocated.

The proposed process enables the control of the allocation of CIL funds from the Strategic Proportion and to better align funding with the Council Corporate objectives, particularly supporting delivery of growth within the district. It provides a degree of flexibility that is not currently available. It proposes that proposals seeking £50,000 or less be agreed by Corporate Director (Place) and the Service Manager (Growth) in consultation with the Leader and Executive Councillor for Strategic Planning. Where more than £50,000 funding is being sought, Cabinet would be required to approve the allocation. On a twice annual basis, the Council will encourage and consider the submission of applications for CIL funding (except in 2020-21 when, due to the time elapsed, one round is proposed).

A proforma, to be completed by those seeking CIL funding, and guidance has been updated to reflect the proposed new processes. The guidance is updated to assist Town and Parish Councils in understanding their obligations in relation to CIL spend.

Recommendation(s):

The Cabinet is recommended to support the introduction of a new process for the allocation of CIL funding, including:

1. Introduction of a new application form and guidance (Appendices 2 & 3).
2. Delegating authority to the Corporate Director (Place) and the Service Manager (Growth) in consultation with the Leader and Executive Councillor for Strategic Planning for allocation of CIL funding for smaller funding applications in the Local Bids category (£50,000 or less) including those from non-parished areas. Those decisions will be notified to Cabinet twice yearly.
3. Approving the process requiring applications requesting more than £50,000 in the Strategic Bids category to be approved by Cabinet.

1. PURPOSE OF THE REPORT

- 1.1 To review and agree future governance arrangements for the spending of Community Infrastructure Levy (CIL) receipts.

2. BACKGROUND

2.1 Huntingdonshire District Council implemented CIL in May 2012. CIL governance was originally agreed by Cabinet in October 2012 and subsequently updated in December 2015 working with the Huntingdonshire Growth & Infrastructure (HG & I) group, which made recommendations to Cabinet. Over time, issues relating to governance arrangements have been identified, prompting a review of these.

2.2 Local authorities must spend the levy on infrastructure needed to support the development of their area. This helps to deliver across a number of the Council's Corporate Plan priorities for 2018 – 2022 but specifically:

- Support development of infrastructure to enable growth
- Improve the supply of new and affordable housing, jobs and community facilities to meet current and future need

2.3 CIL collected is broken down into funding 'pots' including administration costs (up to 5%), 'Meaningful Proportion' to Town/Parish (15 – 25%) and 'Strategic Proportion' (70-80%).

3. OPTIONS CONSIDERED/ANALYSIS

3.1 As there is no 'best practice for CIL governance, other Charging Authority arrangements have been analysed and a few options have been considered (see Appendix 1). It was considered that Option 4, where all governance would be undertaken by the Council, is most appropriate to safeguard delivery of its priorities. Most of the Strategic Portion would be allocated by Cabinet to projects linked to the Infrastructure Delivery Plan (IDP) or for projects within the HDC Corporate Plan related to growth. The remaining amount would be allocated through delegated authority to enable smaller scale bids, usually with quicker delivery times, to be considered.

3.2 The table, below, sets out the proposed process:

STAGE 1	PROJECT PROPOSALS	<ul style="list-style-type: none">• Invite submission of proposals (date to be confirmed).• Applicants complete form and submit with supporting evidence (6 weeks).
STAGE 2	CONSIDER PROJECT PROPOSALS	<ul style="list-style-type: none">• Officer's review proposals (1 month).• For non-parished areas, if no project is proposed for funding received, officers would suggest an appropriate infrastructure project for consideration.• Officer's report to Planning Service Manager (Growth) & Executive Councillor for Strategic Planning / Cabinet recommending successful

3.3

		proposals.
3 t h e r p o i n t s	STAGE 3 APPROVAL OF PROPOSALS	<ul style="list-style-type: none"> Local Bid proposals (£50,000 or less) including those proposed for non-parished areas to be considered by the Corporate Director (Place) and the Service Manager (Growth) in consultation with the Leader and Executive Councillor for Strategic Planning. The total amount of funding to be considered for allocation in a financial year will not exceed £500,000 and any decisions made since the last reporting period shall be reported to Cabinet as part of the next Strategic bid allocation report. Strategic Bid proposals to be considered by Overview & Scrutiny & Cabinet (more than £50,000 funding requested) (timescale to be confirmed).
4	STAGE 4 CONTRACTS	<ul style="list-style-type: none"> Contract written, signed and sealed (timescale to be confirmed).
5 t e :	STAGE 5 PAYMENT	<ul style="list-style-type: none"> Issue payment to success projects (timescale to be confirmed). Notify and advise, where possible, unsuccessful projects (timescale to be confirmed).

- a) The application form and guidance have also been updated (see Appendices 2 and 3). The guidance explains:
 - The Statutory Requirements and what can CIL be spent on.
 - Governance Arrangements for the Strategic fund, including for non-parished areas, and for Neighbourhood allocations.
 - The Decision-making Process (see 3.2, above).
 - It explains that a contract (if non-HDC projects) is required once a funding decision has been made.
 - It sets out the monitoring and review processes.
- b) The process would be overseen by the Implementation Team (Growth).
- c) Twice yearly opportunities to apply (one in the year 2020-21 due time lapsed and practicalities).
- d) Exceptionally, urgent requests could be considered outside of this twice-yearly cycle, following the prior agreement of the Executive Councillor for Planning. If the request is for less than £50,000 it would be considered at the earliest opportunity by the Leader, Executive Councillor for Strategic Planning, Corporate Director (Place), and Service Manager – Growth. If a request is for more than £50,000 and considered to be urgent it would be considered at the next monthly Cabinet meeting.

3.4 Applications would be assessed based on factors including:

- a) HDC's Corporate Objectives, Local Plan objectives, Infrastructure Delivery Plan and other projects that support demonstrable growth in the District.

- b) Levering in other monies or where CIL will result in match funding will be viewed favourably.

4. COMMENTS OF OVERVIEW & SCRUTINY

- 4.1 The comments of the relevant Overview and Scrutiny Panel will be included in this section prior to its consideration by the Cabinet.

5. KEY IMPACTS / RISKS

- 5.1 The key impact from not reviewing the governance process will be the potential for certain infrastructure projects not being delivered due to CIL funding not being allocated appropriately and in a timely manner.
- 5.2 Service areas will be required to make applications for funding which, in some cases, may be abortive work if unsuccessful; and partnership challenges due to non-allocation of funding to their priorities could follow. By being clear about the process and where the Council's priorities lie, such issues can be minimised or avoided. Officers will continue to liaise with colleagues and partners to assist them where needed.

6. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION

- 6.1 The following actions are proposed:
 - a) Update the CIL webpages (prior to the first round commencing in the Autumn).
 - b) Notify partners of the process (Autumn 2020).
 - c) Invite submission of projects for funding, including from those who have already contacted officers (Autumn 2020, thereafter, twice-yearly).
 - d) Recommendations for funding of projects considered by the Corporate Director (Place), Executive Councillor for Strategic Planning, and Service Manager - Growth (if for £50,000 or less) or Cabinet (if it is for over £50,000.00) for approval for the release of further funds at the earliest opportunity (late 2020 - early 2021, thereafter twice-yearly).
 - e) Partners informed of decisions (early 2021, thereafter twice-yearly) and contracts agreed for infrastructure delivery to commence.

7. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND/OR CORPORATE OBJECTIVES

- 7.1 The allocation of CIL links to the Council's priorities for 2018-2022 including those relating to growth, health and well-being, and infrastructure.

8. LEGAL IMPLICATIONS

- 8.1 Regulation 59 (1) of the Community Infrastructure Levy Regulations 2010 (as amended) require a charging authority to apply CIL to funding the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area. It may also, under

Regulation 59 (3) support infrastructure outside its area where to do so would support the development of its area.

- 8.2 Passing CIL to another person for that person to apply to funding the provision, improvement, replace, operation and maintenance of infrastructure is also permitted under Regulation 59 (4).
- 8.3 Section 216 (2) of the Planning Act 2008 as amended by Regulation 63 of the Community Infrastructure Regulations 2010 (as amended) stated that infrastructure” includes [*and is therefore not limited to*]:
- (a) roads and other transport facilities,
 - (b) flood defences,
 - (c) schools and other educational facilities,
 - (d) medical facilities,
 - (e) sporting and recreational facilities,
 - (f) open spaces
- 8.4 The levy may not be used to fund affordable housing.

9. RESOURCE IMPLICATIONS

- 9.1 Resources required are for officer time and include:
- a) Existing resources of the Implementation Team, which is part of the Growth Service for administration.
 - b) Other sections within the Council - preparation of funding applications.

10. REASONS FOR THE RECOMMENDED DECISIONS

- 10.1 The proposed process is considered the best option available to ensure that CIL funds are allocated according to the Council’s priorities and allows some flexibility to ensure that there is appropriate distribution of funding.

11. LIST OF APPENDICES INCLUDED

Appendix 1 - Options Explored
Appendix 2 - New Application Form
Appendix 3 - Updated Guidance

12. BACKGROUND PAPERS

National Planning Policy Framework

<https://www.gov.uk/government/publications/national-planning-policy-framework--2>

Section 216 of Planning Act 2008

<http://www.legislation.gov.uk/ukpga/2008/29/section/216>

The Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019, which amend the Community Infrastructure Levy Regulations 2010 (“the 2010 Regulations”) which were introduced through the Planning Act 2008.

<https://www.legislation.gov.uk/uksi/2010/948/contents/made>

Huntingdonshire Infrastructure Delivery Plan

<https://www.huntingdonshire.gov.uk/media/2694/infrastructure-delivery-plan.pdf>

Huntingdonshire Infrastructure Delivery Plan – Infrastructure Schedule
<https://www.huntingdonshire.gov.uk/media/2693/infrastructure-schedule.pdf>

Huntingdonshire Infrastructure Delivery Plan Addendum
<https://www.huntingdonshire.gov.uk/media/2861/infrastructure-delivery-plan-addendum.pdf>

Corporate Plan 2018 – 2022 (as refreshed September 2020 – see Agenda Item 3)

<http://applications.huntingdonshire.gov.uk/moderngov/ieListDocuments.aspx?CId=256&MId=7791&Ver=4>

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