

CONTENTS

Introduction

Statutory Requirements

What can CIL be spent on

Governance Arrangements - Strategic Allocation

- Applying for Strategic CIL funds
- Eligible Projects
- The Decision-making Process
- Once the Funding Decision has been made

Governance Arrangements - Neighbourhood Allocations

- Monitoring and Review Arrangements
- Applying for Strategic CIL funds
- Eligible Projects
- Once the Funding Decision has been made

Parished Areas

Monitoring and Review Arrangements

Appendices

- CIL Governance Framework

- Application Form

1. Introduction

Huntingdonshire District Council (HDC) adopted the Community Infrastructure Levy (CIL) with effect from 1st May 2012.

CIL is paid to Huntingdonshire District Council by developers after their planning permissions are commenced. Since CIL was implemented, it has become a significant means by which Huntingdonshire District Council is able to collect and pool developer contributions to deliver infrastructure improvements.

CIL is governed by the CIL Regulations 2010 (amended). In Huntingdonshire, CIL is charged on all development types in accordance with the Charging Schedule; for some developments this may result in a zero charge, for example, B use classes are £0 rated.

CIL is just one funding stream that can be used, in conjunction with others, to fund infrastructure projects. Alongside CIL, S106 obligations still exist. S106 obligations are required in line with the Developer Contributions SPD to mitigate the impact of the development. These can result in financial contributions or in-kind provision of infrastructure needs to mitigate the impacts of developments and to secure on-site developer requirements, such as the provision of affordable housing. Examples of how infrastructure projects can be funded can be seen in Figure 1.

This document details the governance arrangements in place at Huntingdonshire District Council for the allocation and spending of CIL. These parameters for the governance arrangements of CIL were agreed by Cabinet in **2020

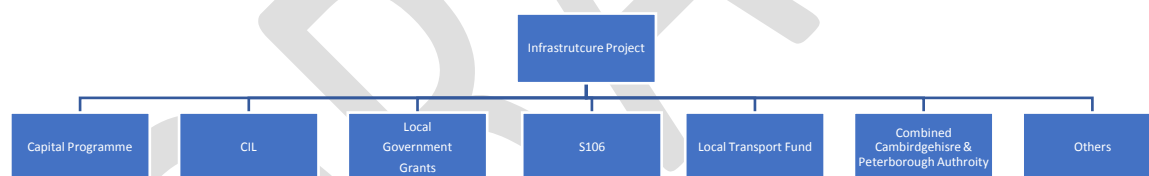


Figure 1: Funding Sources for Infrastructure

2. Statutory Requirements

Huntingdonshire District Council is the designated Charging and Collecting Authority. 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.

Huntingdonshire District Council is required in the CIL Regulations to identify the types of infrastructure or projects it wishes to fund in whole or in part by CIL monies and report this in the annual Infrastructure Funding Statement, with effect from December 2020. These will usually be based upon Local Plan and the Corporate priorities of Huntingdonshire District Council.

Huntingdonshire District Council's CIL Charging Schedule and annual report detailing CIL receipts, balances and expenditure for each financial year can be found on the Council's CIL webpage: <https://www.huntingdonshire.gov.uk/planning/community-infrastructure-levy-cil/>

3. What can CIL be spent on

CIL Regulations set the context for the spending of CIL funds on infrastructure. The regulations encourage the accumulation of CIL funds into a 'pot'. Unlike other obligations or charges, CIL spending does not need to be directly related to the donor development and can address infrastructure needs in general across the Council's administrative area.

The key points set out by the CIL Regulations (see Regulation 59 (1)) and Guidance (see Paragraph: 144 Reference ID: 25-144-20190901) relating to CIL funding are:

- CIL should be spent on infrastructure including roads and other transport, schools and other education, community facilities, health, sport / recreation, and open spaces.
- The infrastructure funded must support the development of the area.
- CIL can be used to increase the capacity of existing infrastructure or to repair failing infrastructure, if needed to support the needs arising from development.
- CIL and Section 106 can be used as different funding streams to deliver the same infrastructure project.

As per the CIL Regulations and Guidance, CIL is proportioned and allocated using the following approach:

- Up to 5% is retained by Huntingdonshire District Council to cover administrative costs (including but not limited to consultation on the levy charging schedule, collection of CIL, enforcing CIL, legal costs and reporting on CIL activity).
- 15%, known as the Neighbourhood Allocation, is established for spending within the neighbourhood of the contributing development (up to a maximum of £100 per existing Council Tax dwelling). This allocation can either be transferred to the relevant Parish Council or retained by Huntingdonshire District Council to be spent on neighbourhood projects where the development is not in a Parish. This allocation rises to 25% and is not capped when a Parish has a Neighbourhood Plan in place. At the present time, Godmanchester, Houghton and Wyton, Huntingdon, and St Neots have adopted Neighbourhood Plans; plans are being developed in eleven other areas. Figure 1, below, sets out the relationship between CIL and Neighbourhood Plans.
- Up to 80%, known as the Strategic Allocation, is retained by Huntingdonshire District Council to allocate to projects in accordance with the Council's Infrastructure Development Plan.

It is very unlikely that CIL will generate enough funds to completely cover the cost of new infrastructure needed to fully support planned development. As such, there will be competing demands for this funding. It is important, therefore, to ensure that there are robust, accountable, and democratic structures in place to ensure the spending of CIL funds are prioritised in the right way.

The sections that follow set out the governance arrangements and approach for how decisions are made on the prioritisation and spend of CIL.

Parish council	Neighbourhood plan	Levy
✓	✓	25% uncapped, paid to parish each year
✓	X	15% capped at £100/dwelling (indexed for inflation), paid to parish each year
X	✓	25% uncapped, local authority consults with community about how funds can be used, including to support priorities set out in neighbourhood plans
X	X	15% capped at £100/dwelling (indexed for inflation), local authority consults with community to agree how best to spend the neighbourhood funding

(Ministry of Housing, 2019) Paragraph: 145 Reference ID: 25-145-20190901

Revision date: 01 09 2019

Figure 2: Figure: relationship between the levy and neighbourhood plans in England

4. Governance Arrangements - HDC Allocation

The majority of CIL funds, the HDC Allocation, will be retained by Huntingdonshire District Council for spending on infrastructure in accordance with the Council's Infrastructure Delivery Statement (from December 2020).

The allocation of these funds will be made through a twice annual application process, which will ultimately be agreed either by the Corporate Director (Place), Service Manager – Growth in consultation with the Leader and Executive Councillor for Strategic Planning or will be considered by the Council's Cabinet, depending on the amount of funding sought. A diagrammatic summary of the governance framework for CIL is set out in Appendix 1, which shows the spending and reporting arrangements that are in place.

Annually, Huntingdonshire District Council will publicise the amount of CIL funding collected as per statutory requirements. On a twice annual basis, the Council will encourage and consider the submission of application forms, requesting CIL funding for the delivery of infrastructure projects. Proposals may be considered out of these time slots if there are exceptional circumstances to do so and if in agreement with Leader and Executive Councillor for Strategic Planning.

Key internal and external stakeholders responsible for delivering the infrastructure identified in the Infrastructure Delivery Statement will receive direct notification of the opportunity to request CIL funding. Information about the opportunity will also be available on the Council's website.

Applications will be made on a standard online template issued by Huntingdonshire District Council (see Appendix 2) and will request key information about the infrastructure project, including:

- What is the infrastructure project
- How the project relates to the Council's Infrastructure Delivery Statement
- Why the project is required (justification)
- Cost of the project
- Timing for project delivery
- Funding from other sources

Application Forms will then be reviewed by Council officers, who will ensure that all submitted forms include the key information required, meet the basic criteria and are therefore eligible for consideration for CIL funding.

The Council's Infrastructure Delivery Plan and, after 30 December 2020, the Infrastructure Funding Statement set out the infrastructure projects that are eligible for Strategic CIL funding. Only infrastructure that support the growth outlined in the Council's adopted Development Plans are included or other infrastructure projects that have come forward that support growth.

In order for a project to be considered for CIL funding, the following eligibility criteria need to be met:

- The application form has been completed satisfactorily
- The organisation has the legal right to carry out the proposed project
- The project is clearly defined as 'Infrastructure' as per the CIL Regulations
- The project is listed in the Council's Infrastructure Delivery Plan / Infrastructure Funding Statement or is for infrastructure that supports growth of the area.

Once the application forms requesting CIL funding have been validated by a Council Officer, initial assessment of the projects will then take place. The projects will be assessed based on the following headings:

- The need for the project
- The public benefit of the project
- The deliverability of the project
- The value for money that a scheme provides

Projects will be viewed favourably if they lever in other funds that would not otherwise be available, particularly where those funds may not be available in future years, or where it makes use of match funding.

The outcome of this review of applications for funding off less than £50,000 will then be reported to the Corporate Director (Place), Service Manager – Growth, Leader and Executive Councillor for Strategic Planning. Decisions on applications seeking funding of £50,000.00 or less will be made at this point and reported for information to Cabinet twice per year. All other applications (more than £50,000.00) will be reported to Cabinet to decide. Cabinet will also be informed of the decisions already made on smaller applications in order to ensure it has the full picture.

The Corporate Director (Place), Service Manager – Growth in consultation with the Leader and Executive Councillor for Strategic Planning, and Cabinet are required to reach a balanced judgement over which projects to fund. They are requested to provide an explanation as to how that decision was reached. Cabinet will be informed of any decisions made since the last reporting period as part of the next Strategic bid allocation report. Stakeholders will be informed of decisions reached, and funds will be allocated accordingly.

There may be occasions where the release of additional CIL funds are required for urgent or unforeseen infrastructure requirements. In these cases, a decision on an application will be made by either the Corporate Director (Place), Service Manager – Growth in consultation with the Leader and Executive Councillor for Strategic Planning (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.

Successful applicants of CIL funding will be expected to maintain communication with Huntingdonshire District Council on the progress of their project after a decision has been made to provide funding. Where funding has been agreed 'in principle' or where staged payments are agreed, the scheme applicant will be expected to provide information to justify funding being transferred.

Applicants should continue to provide information until the scheme has been completed and all CIL funding has been spent. As a minimum, an annual report, providing information on the progress of each scheme that funding has been allocated to, will be needed. A requirement to submit this information forms part of the agreement (Contract) that successful external applicants are required to sign between themselves and Huntingdonshire District Council.

5. Governance Arrangements - Neighbourhood Allocations

The CIL Regulations 2010 (as amended) require the 'meaningful proportion' to be used to support the development of the local area by funding:

- The provision, improvement, replacement, operation or maintenance of infrastructure; or
- Anything else that is concerned with addressing the demands that development places on an area.

This provides Town/Parish Councils with a much more flexible approach for spending their CIL receipts in comparison to the powers of the District Council.

Such wider spending powers for the Town/Parish Council allow the local community to decide what they need to help mitigate the impacts of development in their area.

This may be for a local project, or the Parish may decide to contribute their proportion of the funding to the more strategic projects which are being supported by the District Council, such as an education expansion project required that will support their locality – Town and Parish Councils will need to decide what their infrastructure priorities are. They will need to consider that if they do not put forward potential support to strategic projects, that could result in not enough funding being available. Therefore, there will be difficult decisions for them to make.

Any spend of CIL funding must fit within the usual powers of the Town/Parish Council and their Powers of Competence.

Where the infrastructure to be supported is not permissible due to the responsibilities of the Parish / Town Council then this may still happen by agreeing for the money to remain / be passed back to the District Council for them to have spent in accordance with the wishes of the local community.

Decisions on the expenditure of the 'meaningful proportion' funds are at the Parish Council's discretion, if it is in accordance with the CIL regulations.

If a Town/Parish Council has failed to spend CIL funds transferred to them within a period of 5 years from the date of initial receipt, or has not applied the funds in accordance with the Regulations then the District Council can serve a notice on the Town/Parish Council requiring it to repay some or all of the receipts that had been transferred to them.

The District Council is required to make payment in respect of CIL it receives from 1 April to 30 September to the Town/Parish Council by 28 October of that financial year, and pay the CIL received from 1 October to 31 March by 28 April of the following financial year.

To ensure transparency Town/Parish Councils must publish each year by December 31st, in line with regulatory requirements, the previous financial years information on:

- Total CIL receipts.
- Total expenditure.
- A summary of what the CIL was spent on.
- The total amount of receipts retained at the end of the reported year from that year and previous years.

Reports should be placed on Town/Parish Council's website and a copy of the report is required to be sent to the District Council. Where a Parish/Town does not have a website the District Council can, upon request, publish this information on its website on the Town/Parish Council's behalf – for transparency, the District Council will publish all annual reports on its website. The CIL report must be published and sent to the District Council no later than 31st December following the reported year (the financial year). Town and Parish Councils are encouraged to use the reporting template provided by Huntingdonshire District Council.

Non-parished areas

There are eight non-parished areas within Huntingdonshire District covered by Parish Meetings. The 15% Neighbourhood Allocation, or "Meaningful Proportion", in these areas will be held separately by Huntingdonshire District Council but still has to be spent in agreement with the locality in which the development generating the funds is based.

CIL Meaningful Proportion collected for non-parished areas must be spent in accordance with Regulation 59F as below:

- '(3) The Charging Authority may use the CIL to which this regulation applies, or cause it to be used, to support the development of the relevant area by funding-*
- a) the provision, improvement, replacement, operation or maintenance of infrastructure; or*
 - b) anything else that is concerned with addressing the demands that development places on an area'*

The process for spend of non-parished meaningful proportion will require officers in the Implementation Team to identify projects through the HDC Infrastructure Delivery Plan or Infrastructure Funding Statement, relevant Neighbourhood Development Plan (NDP), Parish Website, or with HDC's Community Development Team to establish if there is a Parish Plan.

Once the project is decided, the Parish Meeting will be asked to submit a plan for delivery of the agreed project including key milestones with a timetable, detailing any other funding to be provided, when this is to be available and also advising when the funding will be drawn down for each milestone, i.e. each instalment payment, when applicable. If no other funding is identified at this time the parish must provide a timetable for when this will become available.

The process for dealing with these is as per that set out in section 4 of this guidance. In accordance with Regulation 59E, funds must be spent within a 5-year period from receipt. The Council must report separately within the published Annual Report details of the amount of funds received and how they are spent.

6. Monitoring and Review Arrangements

Huntingdonshire District Council is committed to ensuring the use of CIL is open and transparent. To this end, Huntingdonshire District Council will, as required by the CIL Regulations, publish an Infrastructure Funding Statement (IFS), replacing the CIL Annual Monitoring Report. These will set out, as a minimum:

- A report relating to the previous financial year on the Community Infrastructure Levy.
- A report relating to the previous financial year on section 106 planning obligations.
- A report on the infrastructure projects or types of infrastructure that the authority intends to fund wholly or partly by the levy (excluding the neighbourhood portion).

The IFS will be published by Huntingdonshire District Council no later than 31 December each year starting in 2020.

Once the Funding Decision has been made Huntingdonshire District Council will continue to monitor the operation and implementation of CIL. The Council may periodically review of the Charging Schedule, which includes the CIL rates applicable at the time.

As noted, above, Parish Councils are also required to report on their CIL spending. The report must include—

- the total CIL receipts for the reported year.
- the total CIL expenditure for the reported year.
- summary details of CIL expenditure during the reported year including—
 - (i) (i)the items to which CIL has been applied.
 - (ii) (ii)the amount of CIL expenditure on each item.
- details of any notices received in accordance with regulation 59E, including—
 - (iii) (i)the total value of CIL receipts subject to notices served in accordance with regulation 59E during the reported year.
 - (iv) (ii)the total value of CIL receipts subject to a notice served in accordance with regulation 59E in any year that has not been paid to the relevant charging authority by the end of the reported year.
- the total amount of—
 - (v) CIL receipts for the reported year retained at the end of the reported year.
 - (vi) CIL receipts from previous years retained at the end of the reported year.

The Parish or Town Councils must publish online their CIL annual report, unless they request that the report is published on the District Council's website, and a copy of the report must be sent to the Huntingdonshire District Council, no later than 31st December following the reported year.

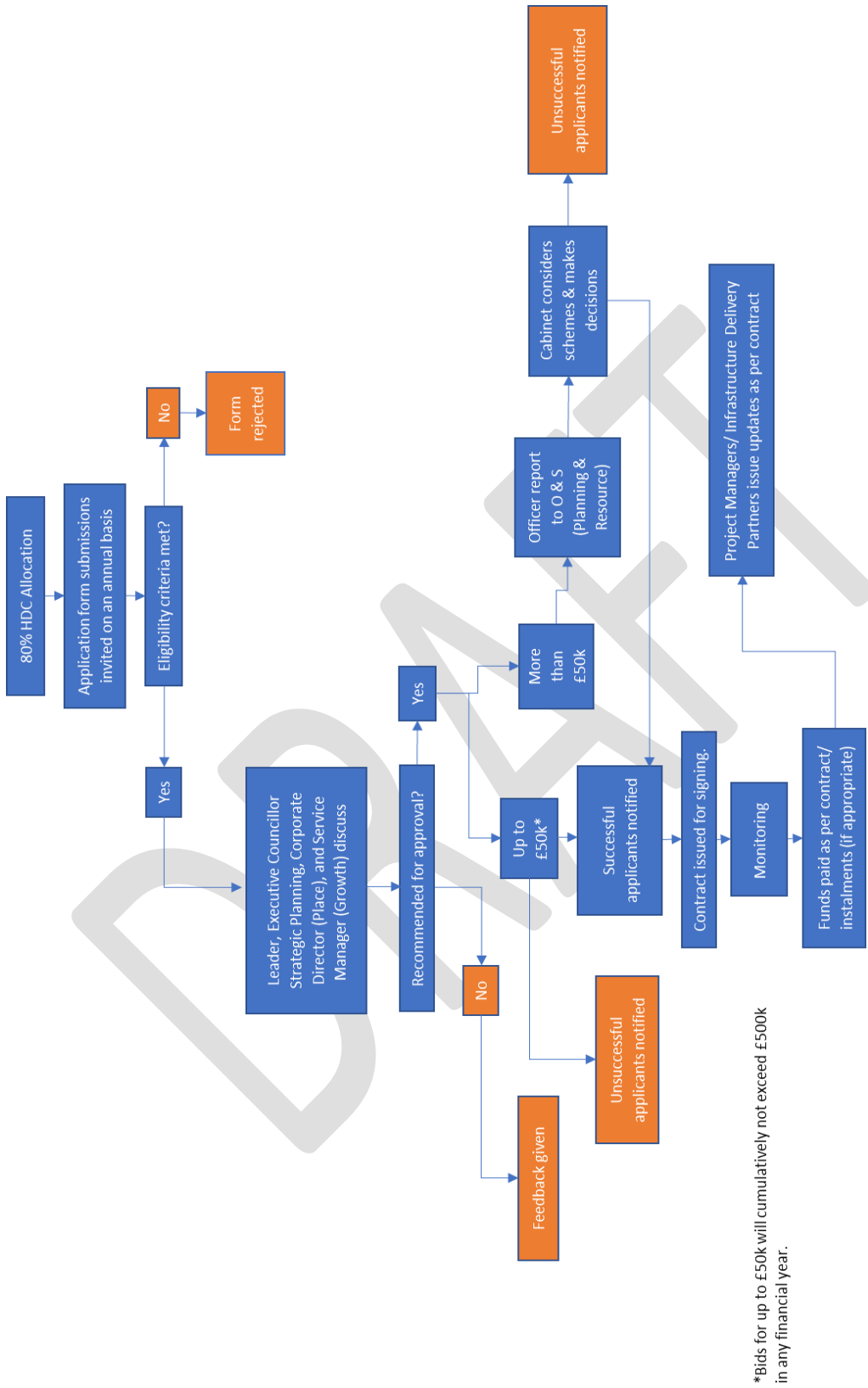
If you have any questions about this guidance, or CIL generally, please contact Huntingdonshire District Council's Implementation Team by email at implementation@huntingdonshire.gov.uk, by calling 01480 388424 ,or in writing to:

Implementation Team,
Planning Services,
Pathfinder House,
St Mary's Street,

Huntingdon,
PE29 3TN

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APPENDIX ONE - Governance Framework for CIL HDC Allocation



APPENDIX TWO – APPLICATION FORM FOR CIL FUNDING

CIL: Project Funding Application

General Nature of Project	1.	<p>Organisation:</p> <p>Lead contact's name, email and tel. no.:</p>
	2.	Project name:
	3.	Project Type:
	4.	Brief description:
	5.	Project Location / Coverage (Spatial Planning Area / Key Service Centre / Local Service Centre / Other):
Project Requirement	6.	How delivery of the project links to the Local Plan for Huntingdonshire and / or provides infrastructure to support development within Huntingdonshire. Is it critical, essential or desirable (refer to the Infrastructure Delivery Plan)?
	7.	How delivery of the project addresses the additional demands placed on infrastructure as a result of new development. Outline the number of units delivered / people / businesses affected by the project.

	8.	Confirmation on whether the delivery of the project includes maintenance of existing infrastructure or addresses deficiencies in existing infrastructure provision, and if so, what.
Linkages	9.	Links to other Projects:
	10.	Links to your organisation’s strategies/priorities:
	11.	Links to HDC Corporate Plan strategic priorities, objectives, key actions and performance indicators:
Milestones and Timing	12.	Status or stage the project has reached:
	13.	Proposed Delivery Milestones (including Years):
Costs and Funding	14.	Capital Cost identified (broken into components where possible):
	15.	Identified Funding Source (Committed and / or Potential). Please provide confirmation if funding has been secured:
	16.	Has any other request for funding been turned down, if so why?
	17.	Amount of CIL Funding Requested:
	18.	Will the project generate income for its ongoing running and maintenance costs, if not how will revenue be funded?

Project Risk	19.	Project Risks and Implications
	20.	Are you legally entitled to undertake the project?
	21.	If your project involves building, do you own the land?
	22.	If your project involves building, has planning permission been granted, if so, please provide the application reference number.

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