



HUNTINGDONSHIRE
COUNCIL

DISTRICT

CIL GOVERNANCE REVIEW

DATE: May 2024



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1 GLOSSARY

Chargeable Development

A chargeable development is the development for which planning permission is granted in accordance with Regulation 9 of the Community Infrastructure Levy Regulations 2010 (as amended – hereafter to be referred to as the CIL Regulations). Most buildings that people normally use are liable to pay CIL. But buildings into which people do not normally go and buildings into which people go only intermittently for the purpose of inspecting or maintaining fixed plant or machinery, will not be liable to pay CIL. Structures which are not buildings, such as pylons and wind turbines, will not be liable to pay CIL. CIL is not charged on changes of use that do not involve an increase in floorspace, where the existing floorspace has been in lawful use for a continuous period of at least six months within 3 years ending on the day planning permission first permits the chargeable development.

Community Infrastructure Levy (CIL)

CIL is a set charge, based on the gross internal area floorspace (GIA) of buildings, on most new developments to help fund ‘the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of the area’.

Developer Contributions

Developer contributions is a collective term mainly used to refer to the Community Infrastructure Levy (CIL) and Planning Obligations (commonly referred to as ‘Section 106’ or ‘S106’ obligations after Section 106 of the Planning Act). These are planning tools that can be used to secure financial and non-financial contributions (including affordable housing), or other works, to provide infrastructure to support development and mitigate the impact of development¹.

Development

The legal definition of ‘development’ is provided in section 55(1) of the Town and Country Planning Act 1990 (as amended) (the Act) which states: “development” means the carrying out of building, engineering, mining or other operations in, on, or under land, or the making of any material change in the use of any buildings or other land.

Development Plan

The current [Huntingdonshire Development Plan](#) comprises the Huntingdonshire Local Plan to 2036, Neighbourhood Plans adopted by the Council and the Cambridgeshire and Peterborough Minerals and Waste Plans. It is supported by a series of other supplementary [Planning Policy Documents](#).

Growth

Within the context of this report, “growth” refers to the increase in the number of new homes and associated infrastructure within Huntingdonshire. This growth typically encompasses the construction of new homes. It may also involve population growth and economic expansion. In

¹ <https://www.local.gov.uk/pas/topics/developer-contributions>

essence, growth in this context denotes the expansion and evolution of a place's built environment to accommodate changing demographic, economic, and social needs.

Infrastructure

The Planning Act 2008 provides a wide definition of the infrastructure which can be funded by the levy, including, but not limited to, transport, flood defences, schools, hospitals, and other health and social care facilities. This definition allows the levy to be used to fund a very broad range of facilities giving local communities flexibility to choose what infrastructure they need to deliver their Development Plan.

Local Plan

A plan for the future development of a local area, drawn up by the local planning authority in consultation with the community. In law this is described as the development plan documents adopted under the [Planning and Compulsory Purchase Act 2004](#). The [National Planning Policy Framework \(NPPF\)](#) Glossary states that a local plan can consist of either strategic or non-strategic policies, or a combination of the two².

New development

New development refers to the new homes or employment land from site allocations, windfall development or planning applications in or supported by the adopted Local Plan, as well as development supported by planning but outside of adopted policies (such as through government guidance and / or other site-specific material considerations).

Plan-Led (growth or development)

Refers to the new homes or employment land from site allocations, windfall development or planning applications in or supported by the adopted Local Plan

Section 106

Planning obligations under S106 of the Town and Country Planning Act 1990 (as amended) are a legal agreement between local planning authorities, landowners, developers and potentially other affected third parties. This can impose financial and non-financial obligations on a person or persons with an interest in the land and become binding on that parcel of land. Planning obligations are used to make acceptable development which would otherwise be unacceptable in planning. S106 agreements are time limited and spend is defined in the agreement and must meet a number of legal 'tests', to ensure the contribution relates to the planning of the development.

Strategic

in the context of this report the term 'strategic' refers to actions, decisions or approaches (e.g. the spending of CIL) which are taken in an informed, proactive way against a strategy or plan to achieve long-term goals or objectives in accordance with the approved governance process.

² <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

Strategic CIL

The term(s) strategic CIL or strategic 'pot' refers to the portion of CIL for which bids are made with the approval route subject to financial thresholds (the other two 'pots' being the meaningful proportion (15-25%) passed to Town or Parish Councils, and the admin 'pot' (up to 5%), retained for administration purposes).

Supplementary Planning Document (SPD)

The [National Planning Policy Framework \(NPPF\)](#) states that SPDs are documents which add further detail to the policies in the development plan. They can be used to provide further guidance for development on specific sites, or on particular issues, such as design, landscape and water matters. Supplementary planning documents are capable of being a material consideration in planning decisions but are not part of the development plan³.

³ <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

2 EXECUTIVE SUMMARY

2.1 Executive Summary

Background

The Community Infrastructure Levy (CIL) is a levy-based, non-negotiable charge on (most) types of development and has been charged in Huntingdonshire since 1st May 2012. CIL allows the District Council to generate funding to deliver a range of District-wide and local infrastructure projects that support the cumulative impacts of growth, and provide certainty for future development, and benefit local communities.

There is an acknowledgement that the use of CIL needs to be more plan-led and strategic in approach to meet the growth aspirations of the district, as outlined in the current and emerging Local Plan, and other corporate documents such as the Corporate Plan and Place Strategy.

Any changes to the governance of CIL must be robust and transparent enough to withhold the various forms of scrutiny on spending decisions on developer contributions, for example in light of the requirement to publish an Infrastructure Funding Statement, any audit requirements, and from external bodies such as the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Office for Local Government (OfLOG).

The Council therefore sought external advice to undertake a scoping exercise of the current CIL governance arrangements and put forward options for a new approach to the administration of CIL for the Cabinet to consider. This report presents the findings and recommendations from that exercise.

Issues and Opportunities

A set of themes emerged from engagement with officers and members, particularly around the 'strategic intent' of CIL, including:

- That CIL should be linked to growth and supporting new development.
- That CIL should be linked to strategic priorities.
- A preference for maximising & leveraging other types of funding when allocating CIL.
- The importance of partnership working, with more strategic thinking about how we work with partners to prioritise and fund infrastructure.
- Over time HDC could move towards a more programme / business case-led approach to spending CIL.
- Move towards a different way of working with the parishes to encourage alignment between local and district priorities. Encourage parishes to think about match-funding.
- CIL could be targeted towards infrastructure that can unlock other benefits (e.g. increased Affordable housing)
- Recognising the role of the "meaningful proportion" which town and parish councils benefit from in any event.

Recommendations

The recommendations are based on engagement with officers and members, as well as to ensure any new approach aligns with the current national and local planning legislation and policy, and local corporate policy and strategy context. Key lessons from best practice examples from elsewhere have also been considered.

The key principles that are proposed to form a 'statement of intent' for the Council's new governance and approach to CIL, state that:

- The primary use of CIL is to fund infrastructure that is directly linked to supporting or mitigating the impact of growth and new development.
- CIL funded projects can also contribute towards achieving the outcomes identified in the Council's Corporate Plan and Place Strategy
- CIL should be used in a way which leverages other sources of funding for greater impact.
- The use of CIL should be considered alongside other developer contributions to maximise site-specific benefits (e.g. Affordable housing).
- A new approach to allocating CIL should follow a programme-led, evidence-based approach.
- A new approach to CIL should recognise the Importance of working with partners to deliver infrastructure.
- There should be greater alignment between local and district-wide priorities.

It is also recommended that over time the Council should move towards a more programme-led, evidence-based approach towards allocating CIL spend through producing a 'Strategic Priority Programme', which would set out the priority projects the Council wishes to fund through CIL, and then receives and assess applications against these and other criteria. This will also help develop a pipeline of strategic projects which have wider than immediate local benefit, and allow for longer term strategic planning.

It is also recommended that there should be greater alignment between local and district-wide priorities by working more closely with parishes. Through this the Council would work in a different way with parishes and neighbourhood forums to encourage them to think about how CIL is used in a more informed way, considering things like match-funding, combining the meaningful proportion with strategic CIL, and ensuring their spending decisions are based on evidence.

Delivery Plan

A number of activities can be undertaken immediately after securing the approvals sought in this report to ensure no momentum is lost from the progress made to this point. This would include amending the current Project Proposal form to reflect the 'Statement of Intent' which can be used in the next CIL bidding round. It is recommended that to ensure there is sufficient officer capacity to implement these interim arrangements, only one funding round is undertaken in 2024/25.

It is proposed that a Project Implementation Document is prepared in order to secure the additional resource required to implement the Work Programme. It is recommended that this work is funded through the CIL Admin 'pot', through which up to 5% of the CIL collected in that year can be spent on administrative expenses incurred during that year.

Once the principles for a new approach are agreed it is recommended that partner organisations and relevant internal service providers are informed of the new approach, the interim arrangements and any changes to the process that are relevant.

At a later stage the governance process, as amended for the interim stage, would require further review and amendment in order to reflect any further changes to the approach in relation to the updated evidence / Business Plan / Priority Programme and closer alignment with Parish councils.

A summary of the changes between the current and new approach is provided below.

Current approach	New approach	Reason for change
Offers a lot of flexibility in how CIL is allocated	The use of CIL will be more plan-led and strategic	To meet the growth aspirations of the District, as well as withhold various forms of scrutiny.
Spend has not been strongly linked to plan-led new development, and spread across a number of local projects	Establish a clear link between the use of CIL and new development	Ensure CIL meets its stated role to deliver infrastructure to support residential and economic growth
All governance undertaken by the Council	More proactive engagement with external stakeholders	Infrastructure essential for sustainable communities is delivered by other stakeholders and so the council may have a role to play in funding those.
CIL has been used in a reactive rather than proactive way	The spending of CIL should follow a programme-led, evidence-based approach	Will allow the Council to take more informed and considered decisions to support the Local Plan and other corporate strategies.
Assessment form & report relies on subjective information to support recommendations	A new project proposal form to reflect the 'statement of intent' and include more subjective assessment criteria	To ensure robust and transparent decision-making.
CIL is allocated during 2 bidding rounds per year, with	TBC.	Detailed process and governance issues will be

a threshold of £50k per project for member approval		resolved once the key principles of a new approach are agreed.
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2.2 Recommendations and Decisions Sought

Through consideration of the contents of this report, Cabinet are asked to:

1. Agree the key principles that form a 'statement of intent' for the Council's new approach to CIL, which states that:
 - The primary use of CIL is to fund infrastructure that is directly linked to supporting or mitigating the impact of new development.
 - CIL funded projects can also contribute towards achieving the outcomes identified in the Council's Corporate Plan and Place Strategy
 - CIL should be used in a way which leverages other sources of funding for greater impact.
 - The use of CIL should be considered alongside other developer contributions to maximise site-specific benefits (e.g. Affordable housing).
 - A new approach to allocating CIL should follow a programme-led, evidence-based approach.
 - A new approach to CIL should recognise the Importance of working with partners to deliver infrastructure.
 - There should be greater alignment between local and district-wide priorities.

2. Agree that over time the Council should move towards a more programme-led, evidence-based approach through producing a Strategic Priority Programme (as recommended in section 5.2.1).

3. Agree that there should be greater alignment between local and district-wide priorities by working more closely with towns and parishes (as recommended in Section 5.2.2).

4. Agree the approval process:
 - Approve the recommendations 1, 2 and 3 above; and approve that this report and recommendations are taken through Overview and Scrutiny Committee and Cabinet for approval on June 18th.

5. Agree, subject to the approvals above, the next steps in the programme, specifically:

- To amend the Project Proposal and Officer Assessment Forms to reflect the 'Statement of Intent'.
- To Undertake one Funding Round in 2024/25.
- Develop an engagement framework on the new approach.

3 INTRODUCTION

3.1 Background to this Commission

In October 2020, the current approach for the administration of CIL was agreed. This was done through a Cabinet decision, creating a system where CIL funds are allocated to three different "pots". Up to 5% is retained for administration purposes, and a "meaningful proportion" of 15-25% is passed to town and parish councils.

The remaining CIL forms a 'strategic' pot, for which bids are made with the approval route subject to financial thresholds. To this end a new set of delegations, an application form and associated guidance for Strategic CIL were introduced.

Alongside the current Corporate Plan 2023 – 2028 and the Huntingdon Futures Work, other new corporate policy and strategy documents are emerging, including a Place Strategy, Climate Strategy and Market Town Investment Strategies, and an update of the Huntingdonshire Local Plan 2036 is underway.

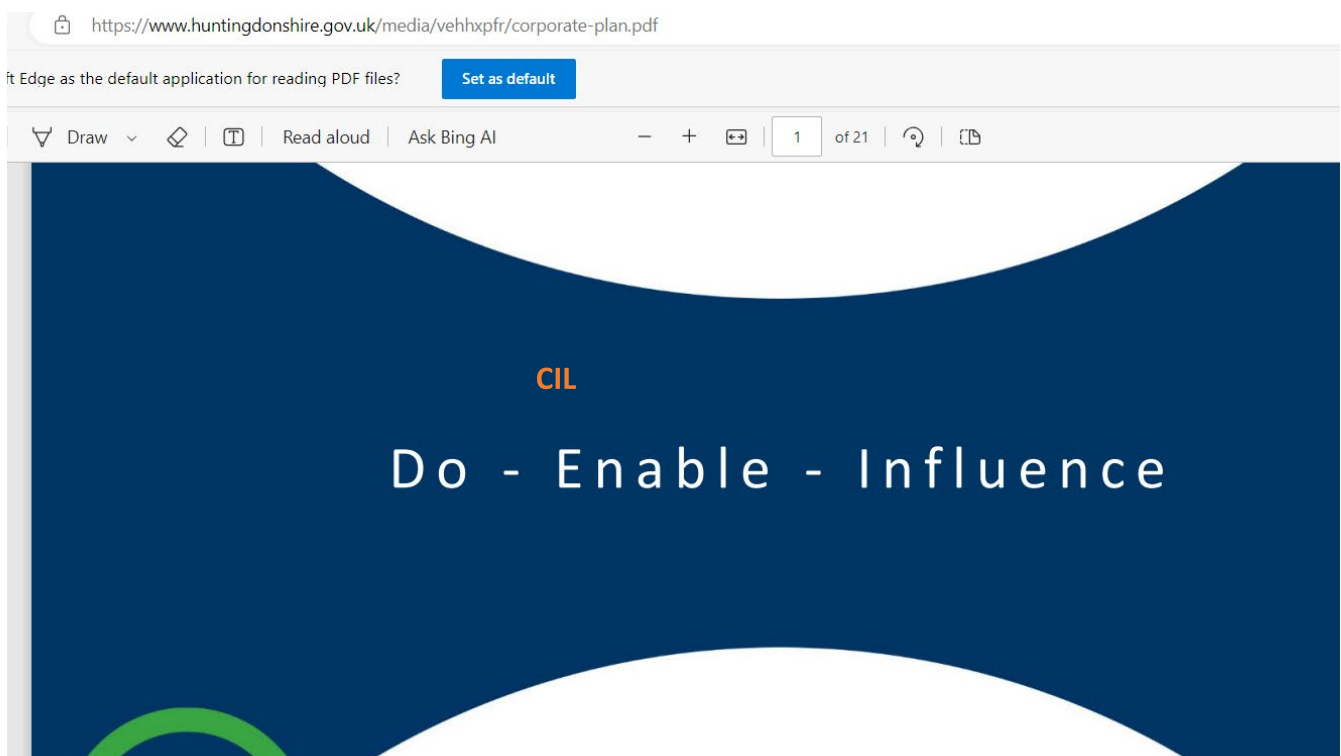


Figure 1: Huntingdonshire DC's key policy and strategy documents

There is now an acknowledgement that the use of CIL needs to be more plan-led and strategic to meet the growth aspirations of the district, by a framework which can enable informed decisions to be made that balances 'local' benefits (such as village hall improvements) with projects which support a wider area (such as Hinchingsbrooke Country Park). While there is a general understanding of infrastructure needs across various items, such as highways, there is a lack of a "pipeline" of projects to understand current needs or potential projects. The IDP needs to be

updated alongside the review of the Local Plan, making it challenging to allocate CIL strategically to projects outside the scheduled funding rounds.

Any changes to the governance of CIL must be robust and transparent enough to withhold the various forms of scrutiny on spending decisions on developer contributions, for example in light of the requirement to publish an Infrastructure Funding Statement, any audit requirements, and from external bodies such as the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Office for Local Government (OfLOG).

The Council therefore sought external advice to undertake a scoping exercise of the current CIL governance arrangements and put forward options for a new approach to the administration of CIL for the Cabinet to consider.

3.2 Contents of this Report

This report provides an overview of this commission and includes the following:

- An overview of the current national and local policy and regulatory context for developer contributions, as well as an overview of the current governance framework for CIL in Huntingdonshire (Section 4.1)
- A series of recommendations, including a proposed 'statement of intent' containing the key principles for a new approach to CIL, and an options analysis with recommendations for the preferred option for some areas of CIL (Section 5)
- And a Delivery Plan, including a summary of the tools, resources and processes required to implement a new approach. (Section 6).

4 THE CURRENT SITUATION

4.1 Summary of the National and Local Policy Context.

The **Community Infrastructure Levy (CIL)** is a levy-based, non-negotiable charge on (most) types of development and has been charged in Huntingdonshire since 1st May 2012. CIL is a set charge, based on the gross internal area floorspace (GIA) of buildings, on most new developments to help fund **‘the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of the area’**. CIL is intended to be a mechanism to capture contributions from all developments, including from smaller scales of development and their cumulative impact on infrastructure over time, which had previously been below the threshold to secure developer contributions.

The Levelling Up and Regeneration Act gained royal assent in October 2023. Whilst the Act provides the framework for significant changes to the planning system, its timetable for coming into force is unknown. Any changes to CIL will require additional consultation before they are adopted.

The Huntingdonshire Local Plan to 2036 guides decisions on future development proposals in the area to address the land use needs and opportunities of Huntingdonshire's communities from 2011 up to 2036. In January 2023 the Council agreed to the preparation of a full update to the Local Plan and undertook 'Issues and Options' consultation in Spring 2023. The forward timetable includes consultation on 'Further Issues and Options' from July 2024, Preferred Option in Summer / Autumn 2025 and submission for Examination in 2027.

The Developer Contributions SPD sets out the Council's approach for securing developer contributions from new developments that require planning permission. It states that in Huntingdonshire planning obligations will be used to secure **significant site related community infrastructure on strategic sites of 200 units or above**. CIL will also apply to these developments to enable contributions to District wide and local community infrastructure.

CIL allows the District Council to generate funding to deliver a range of District-wide and local infrastructure projects that support cumulative growth, and provide certainty for future development, and benefit local communities. **CIL is intended to be used for projects that align with infrastructure priorities linked to growth**, the Local Plan and other key corporate documents. It is not intended to be used for maintenance or revenue projects, or new small-scale projects that mainly have a local benefit that do not align with infrastructure priorities set by the Local Plan and other key council documents.

4.2 Current approach towards Infrastructure Funding

HDC CIL funding is currently divided into three 'pots', as illustrated on Figure 2 below.

- One is the 'Meaningful Proportion' that is passed in accordance with the legislation to Town and Parish Councils to spend.
- The second is the 'Strategic' proportion that is allocated by the Council.
- The final small third pot, defined in legislation, is to cover the administration of running the Charging Authority.

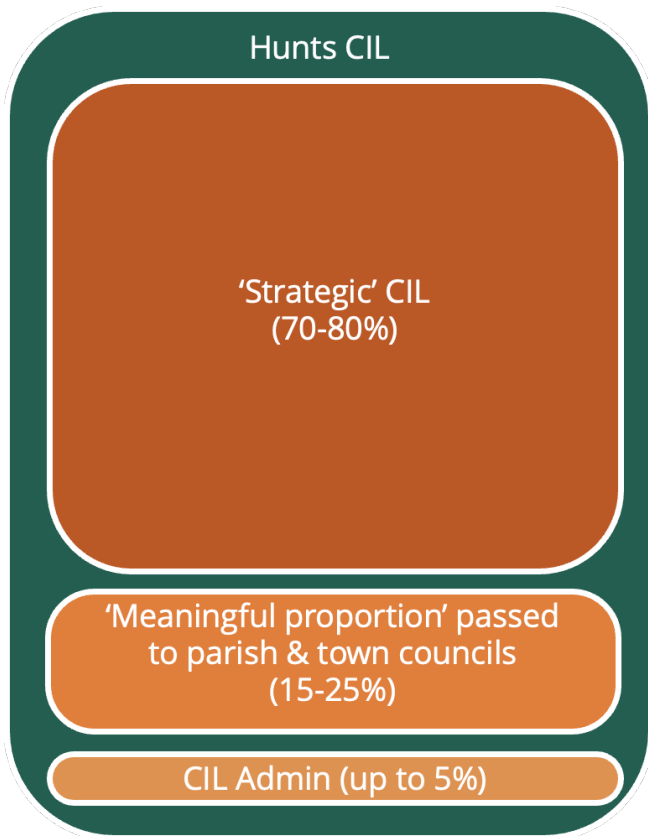


Figure 2: the CIL 'Pots'

The process for allocation of the 'strategic' proportion is intended to enable HDC to have control of the allocation of CIL funds from the strategic pot to **support the delivery of cumulative growth** within the district.

The process provides flexibility to ensure the appropriate distribution of funding is considered, linked to growth and corporate priorities. It states that proposals seeking £50,000 or less be agreed by Corporate Director (Place) and the Chief Planning Officer in consultation with the Leader and Executive Councillor for Strategic Planning.

Where more than £50,000 funding is being sought, Cabinet is required to approve the allocation.

Under current governance arrangements up to two funding rounds are held annually. The Council may allow for other allocations to be made outside of the rounds if it is considered that exceptional circumstances exist.

The 'meaningful proportion' is passed over to parish and town councils, and is able to fund infrastructure but can also fund 'anything else that is concerned with addressing the demands that development places on an area', CIL is an important, but not the only, source of funding to meet these local demands (such as community chests), but does come with regulatory requirements as defined in the Planning Act.

4.3 HDCs Strategic Framework

Policy context & the new strategic framework

Huntingdonshire Local Plan and other policy and strategy documents set out the Council’s commitment to supporting the development of infrastructure that enables district-wide and localised growth, as well as improving the supply of new and affordable housing, jobs, and vital community facilities.

Corporate approach to infrastructure

HDC’s corporate approach to infrastructure delivery is contained in the Council’s Corporate Plan which sets out the Council’s vision and priorities to 2028 (see Figure 3 below for current priorities).

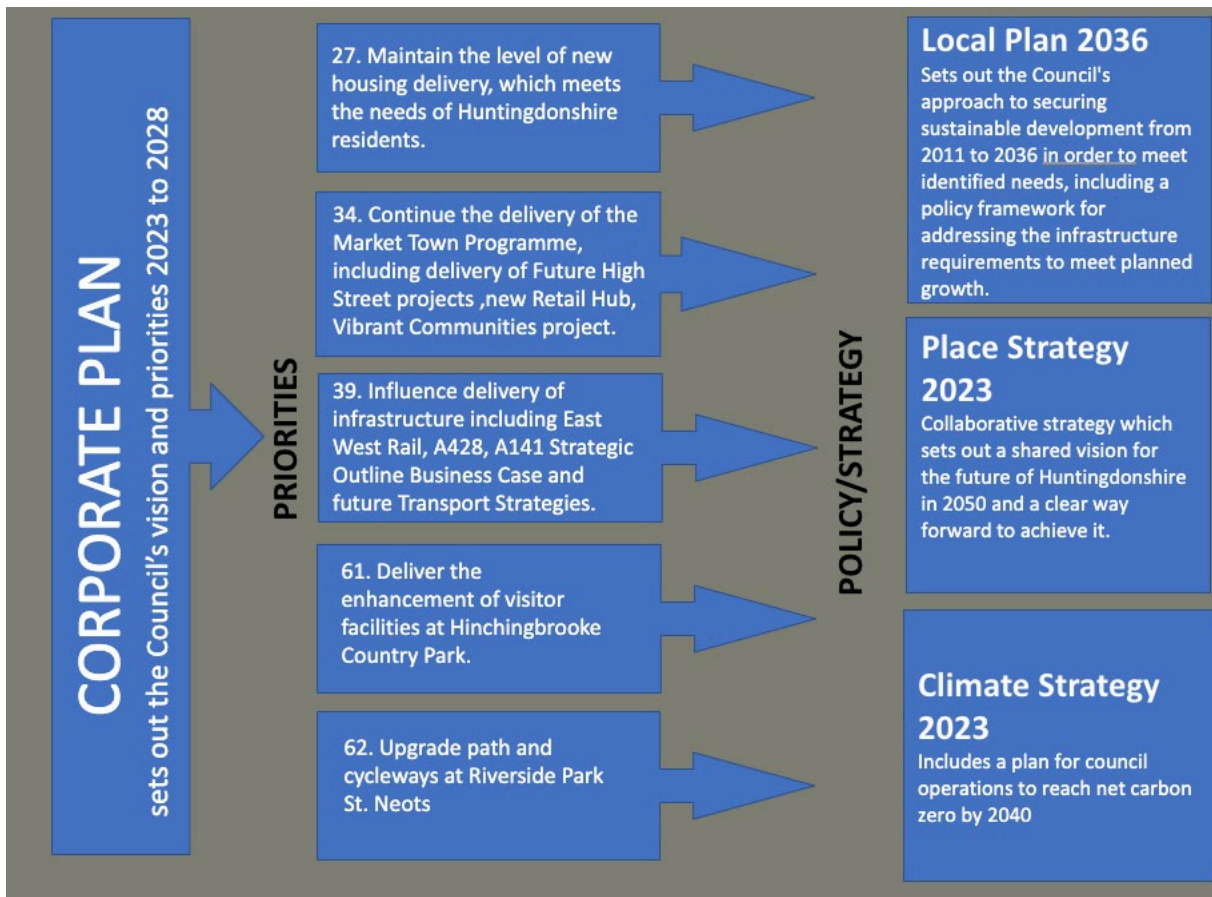


Figure 3: HDC Current strategic framework & its approach to infrastructure

4.4 Current infrastructure priorities

The Huntingdonshire Infrastructure Funding Statement (IFS) reports annually on how contributions have been spent up to the end of March of the previous financial year, and information on the monetary and non-monetary contributions sought and received from developers for the provision of infrastructure to support growth in the area.

The infrastructure list contained within the Infrastructure Funding Statement from 2022/23⁴ document provides a list of all the current and planned infrastructure that could be delivered to support growth. The IFS provides a list of project types of infrastructure which HDC intends will be or may be wholly funded by CIL.

⁴ <https://www.huntingdonshire.gov.uk/media/otmdnn1k/infrastructure-funding-statement-2022-23.pdf>

5 RECOMMENDATIONS

This section provides a series of key recommendations for HDCs strategy and governance of CIL.

These recommendations are based on feedback from the members and officers, as well as to ensure any new approach aligns with the current national and local planning legislation and policy, and local corporate policy and strategy context. Key lessons from best practice examples from elsewhere have also been considered.

In setting out these recommendations we have included:

- A number of key principles for a new approach. These can be considered as a ‘statement of intent’ from the Council where we understand there has been consensus on key issues, and on which more detailed process and governance should be based.
- Options as to how HDC could approach some areas. We provide below an overview of these options, the strengths, weaknesses, opportunities and threats for each, and an analysis of the risks associated with each. A recommended option for each has been made for consideration.

5.1 Key Principles for a new approach

The following statements provide a ‘statement of intent’ for the Council’s new approach towards CIL, along with the reasoning for each.

The primary use of CIL is to fund infrastructure that is directly linked to supporting or mitigating the impact of growth and new development.

The Planning Act (2008) and CIL Regulations (2010) both make a clear link between the use of CIL to support the development of its area, with the accompanying CIL guidance stating that CIL should be used to “fund the infrastructure needed to deliver the relevant plan”.

The current planning context is set by the Local Plan to 2036 (2019) and the Developer Contributions SPD (2011). The Developer Contributions SPD sets out how CIL and S106 will operate alongside each other, with it stating that CIL has a particular role in “delivering infrastructure projects that support residential and economic growth”⁵.

The current policy context (which responds to issues such as the viability of development as well as local and national policy and guidance) means that S106 contributions covering all potential infrastructure needs are only secured on a small number of applications, and apart from a small number of categories such as affordable housing, green spaces and wheeled bins, only on development of over 200 units. (for example, 17 S106 applications were signed in 22/23, including Deeds of Variation and Unilateral Undertakings). This means that CIL is the primary mechanism for securing funding for infrastructure from the majority of development sites.

⁵ HDC Developer Contributions SPD (2011)

Over recent years it appears that the link between the use of CIL and new development has been weakened (as evidenced by projects funded by CIL as detailed in Infrastructure Funding Statements). Given the policy context described above, and the need to ensure that the current (and any new) Local Plan is deliverable, there should be a clearer link made between the use of CIL and infrastructure to support new development.

It is important to also define what is meant by 'new development', as this can be interpreted in different ways. New development refers to the new homes or employment land from site allocations, windfall development or planning applications in or supported by the adopted Local Plan, as well as development supported by planning but outside of adopted policies (such as through such as government guidance and / or other site-specific material considerations).

In defining what is meant by infrastructure, there is an inherent flexibility within CIL and so it is considered there to be little value in providing an alternative or more restricted definition of infrastructure than is provided in the relevant regulations.

It also must be considered that CIL on its own will not be able to fund all the infrastructure required to support new development. Therefore, it should be used alongside other types of funding, and its use prioritised against a clear set of criteria, linking its use to new development to ensure it is being used effectively to support growth.

CIL funded projects can also contribute towards achieving the outcomes identified in the Council's Corporate Plan and Place Strategy

The Local Plan is one document alongside other key corporate plans and strategies which also includes the Corporate Plan, Place Strategy 2023 and Climate Strategy 2023. The current administration has clearly set out its key objectives for the current term, specifically by

- Enhancing employment opportunities and supporting businesses
- Supporting the needs of residents
- Improving the housing situation
- Strengthening our communities
- Tackling climate change and caring for the environment

Whilst the primary purpose of CIL is to support plan-led, new development, the use of CIL should also consider how the projects it is funding will contribute to and align with this wider policy context.

Infrastructure linked to growth can also support these objectives as well as the vision and priorities set out in the Corporate Plan, as along with other key Council strategies, for example in relation to the delivery of strategic transport projects such as the A428 and A141 which are part of both the Corporate Plan and for plan-led development.

As part of a new approach the framework to prioritise the use of CIL should consider both the link to supporting plan-led, new development, as noted above, as well as how it will achieve wider Council objectives.

CIL should be used in a way which leverages other sources of funding for greater impact.

CIL funding is rarely, if ever sufficient on its own to fund the projects which will support growth and contribute to HDC corporate objectives. Therefore, it must be used alongside other sources of funding. CIL can therefore lead to greater impact by leveraging CIL funding with other sources such as government funding streams (e.g. Shared Prosperity Fund, or mainstream grants), funds from other public bodies (e.g. funding for Integrated Care Systems or from National Highways), or even through combining with funding available to town and parish councils, providing additionality to existing sources of funding.

CIL can also be used to address funding gaps of existing projects to ensure that essential infrastructure needs are met or be prioritised for projects that have the potential to attract additional funding sources, enhancing the capacity of the funding available.

By combining with other funding sources, CIL could support plan-led development by contributing to the delivery of larger-scale or a greater number of projects, leading to greater impact on the community.

There may be other types of infrastructure (such as new electricity supply) which are critical to enable new development, (or essential or desirable, depending on the circumstances), that are funded entirely by other sources of funding (such as directly from central Government). The council may have a 'convenor' role rather than 'funder' in these circumstances.

The use of CIL should be considered alongside other developer contributions to maximise site-specific benefits (e.g. Affordable housing).

There may be site-specific circumstances where due to viability challenges, the Council is not able to secure all the infrastructure it requires through a S106 agreement. Under these circumstances the council should consider using CIL where it could unlock other site-specific benefits, such as the delivery of affordable housing.

In situations where there are demonstrable and evidenced viability challenges for new development, whilst CIL cannot be used to directly offset or reduce a developers S106 contributions towards infrastructure, by targeting the use of CIL towards funding infrastructure in particular locations, it may reduce the burden on the S106 'ask' for this infrastructure, and so potentially create the 'headroom' within overall project viability to secure more contributions towards affordable housing or other priorities whilst not reducing the overall ask of the development.

The current Developer Contributions SPD states that the Council will seek S106 agreements for specific infrastructure in addition to CIL on a number of large-scale developments. The new Local Plan provides an opportunity to proactively reconsider the interaction between S106 and CIL, for example by prioritising S106 for affordable housing on specific development sites, and where the infrastructure on such sites can be secured through alternative sources of funding, such as CIL and other means. This approach is compatible with a more programme-led approach to allocating funding, considering what infrastructure is required across the area, and how CIL and other sources of funding will support the delivery of this infrastructure.

A new approach to allocating CIL should follow a programme-led, evidence-based approach.

By taking an evidence-led, programme-based approach to CIL allocation, the Council can be proactive rather than reactive in its infrastructure spending decisions. It will allow the Council to engage in more informed and considered longer-term strategies around investing in infrastructure to support planned growth in line with the Local Plan, whilst aligning the allocation of CIL funding with its broader corporate objectives.

Taking an evidence-led approach will allow the council to identify and prioritise funding for infrastructure based on thorough analysis and evidence of current and future infrastructure requirements across the district, considering what infrastructure is needed to support the delivery of the Local Plan. Adopting an evidence-led approach to CIL allocation also promotes transparency and accountability in decision-making processes. By clearly agreeing the prioritisation framework within which decisions are made and ensuring that the rationale behind funding decisions is set out, local authorities can enhance trust and confidence in how CIL funds are managed and allocated.

To undertake a more programme-led approach towards infrastructure planning will require more up to date evidence on infrastructure needs than currently exists and establishing a 'pipeline' of infrastructure projects that are needed to meet these needs. Over the medium-term this evidence will be provided through a new Infrastructure Delivery Plan (IDP), to be developed as part of the evidence base for the new Local Plan (currently scheduled to be commissioned in 2025 with a draft in 2026). Some interim arrangements (as well as the resources to implement these), will therefore be required to move the process towards this new position.

In order to provide more informed spending decisions and aid better longer-term planning, a new evidence-led approach could undertake income projections for CIL, so you can plan in advance how you will allocate expected funds against projects in your infrastructure planning evidence or programme. This information could be shared with town and parish councils, so those organisations will also know expected income and can also improve their longer-term planning.

An approach of 'benefits realisation' in project planning can help identify project outcomes at the outset and monitor project delivery, accordingly, including through regular and reliable reporting into your governance structures on projects.

It is recommended that a new IDP is developed in the form of an 'Infrastructure Delivery Strategy', which was included in the Levelling Up and Regeneration Act. Whilst further guidance on Infrastructure Delivery Strategies is to follow, previous guidance suggests that they should be in two parts, one an assessment of infrastructure needs and requirements, and the second a prioritised CIL spending Plan.

A new approach to CIL should recognise the Importance of working with partners to deliver infrastructure.

In order to move towards a strategy for the use of CIL which delivers on the principles set out above will require a commitment to working in partnership with the stakeholders within and outside the Council who are responsible for planning, funding and delivering infrastructure.

This partnership engagement will need to happen at the evidence-gathering stage to understand infrastructure needs and requirements across various types of infrastructure, as well as at the planning and programming phase to ensure that the Council can maximise the use of CIL alongside other sources of funding available to other partners.

Key partners will include the County Council (where they are the statutory provider for infrastructure such as education and highways), the Integrated Care Board for the delivery of primary care, National Highways, neighbouring districts, utility providers and others.

The Council will need to be transparent in its new approach towards allocating CIL and engage other partners in the design of its detailed process and any new formal governance arrangements to manage the engagement with these stakeholders. Again, this will mean a material difference from current governance and ways of working, and so is likely to require additional resource to implement. Any changes to the governance of CIL must be robust and transparent enough to withhold the various forms of scrutiny on spending decisions on developer contributions, for example in light of the requirement to publish an Infrastructure Funding Statement, any audit requirements, and from external bodies such as the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Office for Local Government (OfLOG).

There should be greater alignment between local and district-wide priorities.

The projects funded through the meaningful proportion of CIL and the priorities raised through neighbourhood plans reflect the specific needs of the residents, community groups and businesses within a particular area. By aligning these with district-wide priorities, there is the opportunity to ensure infrastructure funding is meaningful and relevant to the community as well as the district as a whole.

Through closer working with the town and parish councils, it can also increase the level of engagement and ownership in the planning and funding process. Residents may be more likely to support and understand funding decisions if they are seen to address their concerns and feel engaged in the process more directly.

Working more closely with town and parish councils and neighbourhood planning forums in the allocation of CIL could also lead to more informed choices about which projects to prioritise and allocate resources to, by involving local stakeholders in the planning and funding process for district wide as well as the meaningful proportion of CIL passed to parish and town councils.

Aligning infrastructure priorities at district and local level also helps allocate resources more efficiently and can add value to existing sources of funding, whether strategic or the meaningful proportion of CIL, or other locally controlled funds such as grants or crowdfunding. This is also likely to require additional resource to implement, especially recognising the geographical scale of the district and the number of town and parish councils.

5.2 Options Analysis

Within some of the key principles above, there are options as to how the Council could implement them. During the engagement process it was agreed that this report should set out these options with a recommendation as to the preferred option, to allow an informed decision to be made.

Each of these options is set out below using a strengths, weaknesses, opportunities, and threats approach, along with a conclusion and recommendation. In defining these options and informing the SWOT analysis, we have drawn on lessons from elsewhere with case studies supporting each option, with more detail provided in Appendix B.

The two areas where options have been suggested are:

- How the Council can move towards a more programme-led, evidence-based approach, and
- The ways in which it could align local with district-wide priorities.

5.2.1 Over time move towards a more programme-led, evidence-based approach.

A key principle for a new approach to CIL is to move towards a more evidence-led, programme-based approach towards prioritising and allocating CIL. This is to ensure the funding available is used effectively by allocating it on an up to date and robust understanding of need, with decisions made within a framework against agreed priorities. A more programme-led approach would allow the Council to spend in a more proactive way, considering in a balanced way short-term as well as longer-term needs.

We identify a number of options as to how this can be achieved, based on the feedback from the engagement process and a consideration of the case studies discussed during this stage.

The options below relate to the 'strategic' CIL pot, and do not apply to the meaningful proportion nor the CIL administration pot.

The options are:

Do Nothing

Continue with the current system of local bid proposals and strategic bid proposals, assessed against criteria including the IDP, Local Plan and corporate objectives.

Option 1: Priority-led

A number of infrastructure 'priorities' are agreed on an annual basis, based on infrastructure need and the infrastructure requirements of sites coming forward from the Local Plan. Funding proposals are then assessed against these priorities. This is the approach followed by Sevenoaks District Council, as described in Section 8.1 of Appendix B below.

Option 2: Priority-programme

Strategic CIL funds are allocated through a Strategic Priority Programme, which sets out the priority projects the Council wishes to fund through CIL, and then receives and assess applications against

these and other criteria. This is the approach followed by Elmbridge District Council, as described in Section 8.3 of Appendix B below.

Option 3: Business Plan-led

The Council and other partners produce an annual Infrastructure Business Plan, identifying the infrastructure needs, priority projects, funding available from various sources, and an agreed programme of projects to be funded. This is the approach followed by Chichester District Council, as described in Section 8.2 of Appendix B below.

The SWOT analysis for each of these options is provided in Figure 4 below.

	Do-nothing	Option 1: Priority-led	Option 2: Priority-programme	Option 3: Business Plan-led
Strengths	Offers a lot of flexibility in how CIL funds are allocated.	Retains flexibility to allocate against agreed priorities. Provides more opportunity to proactively decide on priorities for the year.	Provides a balance between being strategic and flexible as to how CIL is allocated. Can provide a strong link to plan-led, new development. Provides more transparency and certainty on how CIL will be allocated.	Provides the ability to plan and prioritise CIL spend. Can provide a strong link to plan-led, new development. Allows proactive consideration of various funding sources, including income projections from various sources to inform future planning of spend.
Weaknesses	Not strongly linked to plan-led new development. Funds are spread across a lot of smaller projects. Allocations are more reactive rather than proactively managed. Recommendations are subjective rather than objective.	Still relies on a bidding process rather than being proactive and strategic.	Would require additional officer resource in order to establish and implement the process.	Would need additional officer-level governance to prepare and agree the Business Plan. Does not offer much flexibility once the Business Plan has been approved.
Opportunities	System could be improved by amending thresholds or reducing bidding rounds. Income projections of future CIL revenue could be calculated to inform future spending plans.	Current bidding process could be retained, with updates to the assessment criteria to ensure more objectivity.	Offers an opportunity to work with partners to identify priority projects. Offers an opportunity to ensure the assessment of bids is more objective than subjective. Income projections of future CIL revenue could be calculated to inform future spending plans.	Provides an opportunity for more formalised partnership working.
Threats	Is resource intensive to manage the bidding process. There has been underspend in the local pot. May lead to risks of delivery on plan-led new development.	Uncertainty as to the number and type of projects that come forward. Relies on the quality of the proposals coming forward.	Would rely on the existing IDP to inform the priority programme until a new IDP is available as part of the plan-making process. Would require a change to governance and process which may take some time to fully embed, with a need for continual improvement.	Will require significant officer resource and data to implement and maintain. Relies on good quality data for project costs, funding sources and income projections.
Recommendation	Discounted option. The current system does not provide a strong link between the infrastructure required to support plan-led, new development and how CIL has been used.	Considered option. Would allow for a more proactive approach as to how CIL is intended to be used. It retains flexibility as to how funds are allocated against a set of agreed priorities.	Recommended option. This option provides a good balance between being proactive as to which projects are a priority whilst retaining some flexibility to allocate funds against them.	Considered option. This option, whilst being comprehensive in its approach towards considering the amount and types of funding available, is also the most 'fixed' and does not allow for some flexibility that we understand the council wishes to retain.

	<p>It does not allow a proactive approach as to where the Council wishes to spend CIL and relies on proposals coming forward.</p>		<p>It provides the opportunity to link the use of CIL to plan-led, new development, through an understanding of the infrastructure required to support sites or new development and plan CIL allocations accordingly.</p>	<p>It is also considered to be the most resource intensive.</p>
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Figure 4: SWOT Analysis for a more evidence-led, programme-based approach

Recommendation and reasoning.

Over time the Council should move towards a more programme-led, evidence-based approach through producing a Strategic Priority Programme.

As described in Figure 4 above, Option 2 is the preferred option as it is considered that this option provides the optimum balance between being proactive as to which projects are a priority, whilst retaining some flexibility to allocate funds against them through a 'bidding' and assessment process.

It also provides the opportunity to make a strong link between the use of CIL and new development, through requiring an understanding of the infrastructure required to support allocated sites or growth locations, and plan CIL allocations accordingly.

It enables working more closely with other stakeholders to identify what infrastructure is required to support plan-led new development and proactively plan accordingly.

It also offers the opportunity to consider other available funds for each project and how CIL can address any funding gaps.

A suggested process for the formulation of a Strategic Priority Programme is provided in Appendix C below.

Risks and consequences of a new approach

Under this option there are a number of risks and consequences that must be considered:

- This approach relies on an up to date understanding of infrastructure need, and what projects are in the 'pipeline' to meet that need across the area. This evidence in the form of the existing IDP is from 2019, with an updated IDP not expected to be completed until 2026. Therefore, an interim position on this evidence may be required in developing a Strategic Priority Programme.
- Taking a more evidence-led approach will require engagement and input with a range of partners, including but not limited to the County Council. Allocating CIL based on evidence may also mean some CIL is allocated to other organisations, such as the County Council for education.
- This new approach will require additional technical work to establish and implement a Strategic Priority Programme and programme management capacity to operate a new process. Whilst the use of the CIL admin pot will be prioritised for some of this additional capacity, other resource may be required.
- It may also require additional governance and resources to manage and agree any programme or priorities, both with internal service providers and external stakeholders. This additional or amended governance would need an appropriate amount of due diligence – including from a legal perspective – to ensure a new approach is robust, transparent, and resistant to challenge.

An overview of the process and tools required to deliver this approach is provided in section 6 below.

5.2.2 There should be greater alignment between local and district-wide priorities.

Another element of a new approach, in addition to collaborating with our infrastructure partners, is to work towards aligning district-wide with local priorities, as this can ensure local as well as district-wide infrastructure needs are met, that resources and funding can go further, and can lead to better, more locally informed spending decisions.

Figure 5 below outlines the options as to how this can be achieved, based on the discussions from the workshop and case study examples. The options are:

Do Nothing

Continue with the current process and governance.

Option A: Introduce a new 'local' CIL pot.

Under this option a 'fourth' CIL pot would be created, taken from the strategic CIL pot, with a limit of £0.5m or no more than 5% of Strategic CIL per year, with a maximum of £100k per project for projects considered to be 'locally significant' (the definition of which will need to be defined as part of the design of this element, should it be adopted). This would be in addition to the strategic CIL pot and the meaningful proportion passed to town and parish councils, and it is proposed that it would incorporate delegation to the Corporate Director (Place) and the Chief Planning Officer in consultation with the Leader and Executive Councillor for Strategic Planning.

Option B: Work more closely with town and parish councils to align local and strategic priorities.

The Council would work in a different way with town and parish councils and neighbourhood forums to encourage them to think about how the meaningful proportion of CIL can be used in a more informed way, considering things like match-funding with other funding sources (such as community chest, lottery funding), combining the meaningful proportion with strategic CIL, and ensuring their spending decisions are based on evidence.

This would be achieved through providing additional guidance on CIL spend an infrastructure planning as part of neighbourhood planning, and through working with existing officers who assist town and parish councils, and neighbourhood plans to seek to align priorities and spend.

Under this option, there would be no change to the three current CIL 'pots'.

The SWOT analysis for each of these options is provided in Figure 5 below.

	Do-nothing	Option A: Introduce a new Local CIL pot	Option B: Work more closely with parishes to align local and strategic priorities.
Strengths	<p>Retains the current proportion of CIL in the strategic CIL pot.</p> <p>Retains the current level of flexibility in how strategic CIL funds are allocated.</p> <p>Allows town and parish councils to have full control over how the meaningful proportion is spent.</p>	<p>Will provide a 'ring-fenced' proportion or amount of Strategic CIL to meet local needs, in addition to the 'meaningful proportion'.</p> <p>It will provide a degree of flexibility in how local needs and priorities will be met in addition to the 'meaningful proportion'.</p>	<p>Retains the current proportion of CIL in the strategic CIL pot.</p> <p>Closer alignment between local and district-wide priorities means CIL can be directed at projects which will have local as well as district-wide benefits.</p> <p>The spend of the 'meaningful proportion' may be more evidence-led.</p>
Weaknesses	<p>Does not capitalise on the opportunity to make CIL go further by combining strategic and CIL from the meaningful proportion.</p> <p>Town and parish councils may not be spending CIL on projects which address infrastructure needs in their areas.</p>	<p>It will mean a smaller proportion of strategic CIL is available to fund infrastructure to support plan-led, new development.</p> <p>It will add a significant burden on officer resources as it is an additional funding pot to manage.</p> <p>A significant amount of resource will be required to establish this new approach in terms of process and governance, to ensure it is legally sound, and as robust and transparent as existing processes.</p>	<p>Will require additional resources and time to engage and work with town and parish councils and neighbourhood planning Forums.</p> <p>May restrict town and parish councils from spending all of their 'meaningful proportion' on their own priority projects.</p>
Opportunities	<p>Opportunity to increase engagement with internal and external infrastructure providers.</p>	<p>Provides members with an opportunity to fund projects which primarily have local benefit which may not be funded through strategic CIL.</p>	<p>Offers an opportunity to leverage more funding by combining strategic and the meaningful proportion of CIL passed to parish and town councils.</p> <p>Income projections of future CIL revenues could be shared with Parish and Town Councils to aid better spending plans.</p> <p>Offers an opportunity to encourage town and parish councils and forums to look at their local infrastructure needs and how they can be met through CIL and other means.</p> <p>As more neighbourhood plans are adopted, the scope to add value by aligning priorities increases.</p>
Threats	<p>Funding may continue to be used on projects which offer little impact on the wider district.</p> <p>The number of neighbourhood plans is likely to increase over time and so more CIL will go to town and parish councils, impacting on the level of CIL available for strategic projects.</p>	<p>The number of neighbourhood plans is likely to increase over time and so more CIL will go into the local pot as well as to town and parish councils, impacting on the level of CIL available for strategic projects.</p> <p>A new 'pot' would require governance and process to be as robust (including legally) as the existing Strategic CIL pot and meaningful proportion to ensure any funding awarded is resistant to challenge.</p>	<p>Maybe some 'push-back' from town and parish councils if seen as a threat to their autonomy over the funds allocated to them.</p> <p>Puts pressure on the capacity and capability of town and parish councils to produce evidence, agree priorities and administer spend.</p>
Recommendation	Discounted option.	Discounted option.	Recommended option.

	<p>This option has been discounted as continuing the current approach will not lead to a closer alignment between district and local priorities. Whilst some local needs are met through CIL, it may not maximise the funding available.</p>	<p>This option has been discounted as it will lead to a reduction in the amount of CIL available to allocate to projects needed to support new development.</p>	<p>This option provides the greatest opportunity to align local and district-wide infrastructure priorities.</p> <p>It offers the potential to make CIL funding go further through identifying opportunities to fund projects through strategic and the meaningful proportion of CIL.</p> <p>It has the potential to add value to neighbourhood planning by ensuring priorities are evidence-led.</p>
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Figure 5: SWOT Analysis for greater alignment between local and district-wide priorities

Recommendation and reasoning.

There should be greater alignment between local and district-wide priorities by working more closely with town and parish councils.

This option provides the greatest opportunity to align local and district-wide infrastructure priorities, by proactively working with town and parish councils and neighbourhood planning forums on infrastructure planning matters.

It offers the potential to make CIL funding go further by working more proactively with town and parish councils to identify specific projects to fund projects through strategic CIL and the 'meaningful proportion' and has the potential to add value to neighbourhood planning by ensuring priorities are evidence-led. Income projections This potentially further increases as more neighbourhood plans are adopted.

Risks and consequences of a new approach

Under this option there are a number of risks and consequences that must be considered:

- Changing the way of working with town and parish councils will take time and resource to implement and maintain. Tools and guidance will need preparing and support provided to these organisations.
- Town and parish councils currently have the 'agency' to spend the 'meaningful proportion' of CIL on what they see as their own priorities. Suggesting they fund projects (either fully or in part) with what they may see as the Council's or other infrastructure providers responsibility may take time and effort and comes with its own risks. However, as seen by East Suffolk District Council this can be achieved, as described in Section 8.4 of Appendix B.

5.3 Risks and consequences of alternative approaches

It is accepted that whilst the options above are recommendations, the Council may wish to select the other options. Figure 6 below provides a summary of the risks and consequences associated with these other options, to ensure that the Council makes its decision in an informed way.

Options	Key risks
Options for a more evidence-led, programme-based approach	
Do-nothing	<ul style="list-style-type: none">• CIL funds may not be allocated in a way which responds to the evidence nor done so in a strategic way (that is to say, spent in an informed, proactive way against a strategy or plan).• This would put the delivery of homes and jobs as planned through the Local Plan at risk, by restricting the ability of CIL to fund the infrastructure required to support new development.

Option 1: Priority-led	<ul style="list-style-type: none"> • The priorities by which projects would be assessed would be fixed for a given period and so the flexibility in awarding projects would be restricted outside of these criteria. • The importance of agreeing these criteria would be paramount.
Option 3: Infrastructure Business Plan	<ul style="list-style-type: none"> • This option would require significant resource to establish and new governance to implement and manage. • It is intended to offer little flexibility to allocate funds outside of the Business Plan. • As it would respond to evidence, and require working in partnership with other organisations, then some CIL may be passed over to outside service providers.
Options for aligning district with local priorities	
Do-nothing	<ul style="list-style-type: none"> • This option would restrict the opportunity to make CIL go further by not proactively working with town and parish councils to align their priorities with that of the Council. • This would in turn restrict the ability to maximise the funding available to provide infrastructure to support plan-led new development.
Option A: A new local CIL pot	<ul style="list-style-type: none"> • This option would reduce the size of the strategic CIL 'pot' available to fund the infrastructure required to support new development. This would put the delivery of new homes and jobs as planned through the Local Plan at risk. • This option would put pressure on existing officer resources as it would be another funding 'pot' to manage. • A new 'pot' would require processes and governance to be as robust and transparent as for the existing strategic CIL 'pot' and the meaningful proportion, and so an equivalent amount of due diligence (including from a legal perspective), to ensure it is robust and

	resistant to any challenge for what is likely to be a significant amount of time.
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Figure 6: Risks and Consequences of a new approach

5.4 Summary of changes between the current and new approach

In Figure 8 below we outline the key features of the current process and how they will be different under a new approach.

Current approach	New approach	Reason for change
Offers a lot of flexibility in how CIL is allocated	The use of CIL will be more plan-led and strategic	To meet the growth aspirations of the District, as well as withhold various forms of scrutiny.
Spend has not been strongly linked to plan-led new development, and spread across a number of local projects	Establish a clear link between the use of CIL and new development	Ensure CIL meets its stated role to deliver infrastructure to support residential and economic growth
All governance undertaken by the Council	More proactive engagement with external stakeholders	Infrastructure essential for sustainable communities is delivered by other stakeholders and so the council may have a role to play in funding those.
CIL has been used in a reactive rather than proactive way	The spending of CIL should follow a programme-led, evidence-based approach	Will allow the Council to take more informed and considered decisions to support the Local Plan and other corporate strategies.
Assessment form & report relies on subjective information to support recommendations	A new project proposal form to reflect the 'statement of intent' and include more subjective assessment criteria	To ensure robust and transparent decision-making .
CIL is allocated during 2 bidding rounds per year, with a threshold of £50k per project for member approval	TBC.	Detailed process and governance issues will be resolved once the key

		principles of a new approach are agreed.
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Figure 8: Summary of changes between current and new approach.

6 DELIVERY PLAN

This section provides further details as to how the recommendations in the previous sections will be implemented, including:

- The options for approving this report and its recommendations.
- The tools and processes which will need to be established to implement a new approach.
- And a programme illustrating the resources and tasks to deliver it.

6.1 Approval process

It is understood that a Cabinet decision will be required on the contents of this report. The proposed process for approvals is outlined below.

Proposed Approval Route

In consultation with elected members:

- Approve the key principles that form a 'statement of intent' for the Council's new approach to CIL,
- Approve the recommended options as to how the Council should move towards a more programme-led, evidence-based approach through producing a Strategic Priority Programme (as recommended in section 5.2.1)
- Approve that there should be greater alignment between local and district-wide priorities by working more closely with town and parish councils (as recommended in Section 5.2.2)

The recommendation on the approved option will then be taken through Overview and Scrutiny Committee and Cabinet on June 18th as shown on Figure 9 below.

Date	Meeting	Purpose
w/c 6 th May	SLT / Member engagement	Discuss & understand the suggested approach with members. Further comments from members to be sent.
w/c 27 th May	Publication ahead of O&S.	
5 th June	O&S Meeting	Approval ahead of Cabinet
18 th June	Cabinet	Cabinet approval

Figure 9 ; Preferred Approval Route

6.2 Delivery Plan

This section provides an overview of the activities required to implement the new approach as recommended. This includes some interim arrangements which can be implemented now and a number of additional tasks for which additional resource would be required.

Interim Arrangements

A number of activities can be undertaken immediately after securing the approvals sought in this report to ensure no momentum is lost from the progress made to this point. This would include amending the current Project Proposal form to reflect the 'Statement of Intent' which can be used in the next CIL bidding round. It is recommended that to ensure there is sufficient officer capacity to implement these interim arrangements, communicate the changes with all ward councillors and town and parish councils and ensure a reasonable bidding window is available only one funding round is undertaken in 2024/25.

Amend the Project Proposal form.

As an immediate next step, the current Project Proposal Form will be amended to reflect the 'Statement of Intent' outlined in Section 5.1, and the suggested criteria as described below. This is to ensure that the new approach can be adopted as part of the next Funding Round.

The first set of criteria to prioritise funding is proposed to ensure that funding is prioritised towards funding that is required to support new development (though it is recognised that some critical infrastructure items are funded through other means, or by other providers – e.g. utility companies as part of their agreed funding programmes from Government for capital projects). It is further proposed that the existing categories in the Infrastructure Delivery Plan are retained. These categories are:

- **Critical infrastructure** is that which must happen in order for development to proceed. It most commonly involves connections to transport and utility networks. It is usually triggered by the commencement of development activity.
- **Essential infrastructure** is that which is necessary to mitigate impacts arising from the development, for example provision of education and health facilities. It is usually triggered at occupation of a development site, either a specific phase or the whole site. It enables development to come forward in a way that is both sustainable and acceptable in planning terms.
- **Desirable infrastructure** is that which is required for sustainable growth and to achieve good place making objectives but the absence of which is unlikely to prevent development in the short to medium term.

Other criteria to be considered are

-
- Strategic fit
 - Alignment with the Corporate Plan 'five journeys'
 - Alignment to the Place Strategy
 - Alignment with the Climate Change Strategy
 - Evidence of funding from other sources (with a higher score awarded for more and secured funding)
 - Definition of project outcomes and how these will be monitored and reported. These can be taken from project business cases, feasibility studies or other existing project information. Any monitoring or reporting on whether the project achieved these outcomes would sit outside the CIL allocation process and scope if the current Implementation Team Outcomes could include:
 - Community impact: such as the impact of the project on the community or other stakeholders, such as improving quality of life, health benefits, job creation.
 - Environmental considerations: such as enhancing natural habitats or promoting sustainability:
 - Functional improvements such as enhance capacity, efficient or safety.
 - Quality improvements: for example, by upgrading outdated facilities.
 - Evidence of deliverability (with a higher score awarded for evidence of deliverability in the short-term), for example through clear evidence of start and end dates for the project, how it is being managed and delivered, or whether planning permission or other consents have been granted or is required.
 - Whether town and parish councils are prepared to pool their CIL monies to fund projects of benefit to them
 - Risk
 - Existing infrastructure capacity and level of maintenance
 - Evidence of need.

In developing the criteria above, it will be made as objective rather than subjective, for example through a scoring mechanism. The Officer Assessment Form will also be reviewed, to include other information such as the number of new homes the project will support (by locality and taken from the Annual Monitoring Report).

Develop a Project Initiation Document to secure the additional resource needed for implementation.

It is proposed that a Project Implementation Document is prepared in order to secure the additional resource required to implement the Work Programme below. This would include:

- A Brief, setting out the activities to be undertaken (based on this Delivery Plan)
- A Work Programme setting out the timescales and milestones associated with the activities (based on the Work Programme below)
- The project management and governance arrangements within which the activities will be delivered.
- The resources required to deliver. This is proposed to be through a 'mixed economy' of the existing Implementation Team, through working with other Council teams, and external specialist expertise (either on an interim or consultancy basis)

- The budget and source of funding, which is proposed to be through the CIL Admin 'pot'.

It is recommended that this work is funded through the CIL Admin 'pot', through which up to 5% of the CIL collected in that year can be spent on administrative expenses incurred during that year. For 2022/23 the Council spent 1.88% (or £201,897) of the total CIL received on administrative expenses, and so there is 'headroom' within the 5% for additional funding (albeit this would come from the wider CIL pot). As this budget is from the CIL Admin 'pot', then the decision for allocating it could be made by the Chief Planning Officer (Head of Service) without other approvals.

Stakeholder Engagement

Once the principles for a new approach are agreed it is recommended that a comms strategy / framework for engagement is designed and implemented in order to 're-launch' the new approach, the interim arrangements and any changes to the process that are relevant with partner organisations and relevant internal service providers. It is recommended that this should be delivered as separate project with resource and input from the Council comms team.

Once a new approach is implemented there may be an advantage to hold (or re-establish) more regular, structured meetings with key stakeholders such as the County Council, the Combined Authority, National Highways, NHS. This could be through any governance that may be established as part of the Infrastructure Delivery Plan/Strategy work ahead or part of the Local Plan review.

Updated infrastructure evidence / Business Plan / Programme

Subject to the approved option towards a more programme-led approach, there will need to be additional evidence to support a new approach.

For Option 1 and Option 2 this would be reliant on the existing IDP until such time that a new IDP is available. This is currently scheduled to be in draft form in 2026.

Should Option 3 be the preferred option, a new Infrastructure Business Plan would need to be produced, which will require the following information and evidence:

- It will require an understanding of the infrastructure needed to support housing and employment growth in the Local Plan, to be taken from the existing IDP until a new IDP is available. This will need to include project costings to inform a cashflow model.
- It will be informed by the housing trajectory, to understand the phasing of development sites to come forward.
- It will require the input from other stakeholders in order to understand the infrastructure needs and requirements to support the development trajectory, potentially in a new governance group.
- It will require a clear framework for prioritisation of funds, based on the criteria outlined above.
- It will require an understanding of different funding sources, and funding projections where available to allow cashflow projections.
- The above will feed into a cash-flow and spending plan based on the prioritised projects and funding projections.

- And the above will require resource to manage, produce and coordinate, and is likely to be updated each year from its creation.

Closer alignment with district and Local priorities

The activities required to implement closer alignment will depend on the approved option, but an outline of the delivery for each is provided below.

Option A: new 'local' CIL pot

Establishing a new 'local' pot will require an amendment to the current bidding process and governance, and agreement as to how the pot would be defined (e.g. it could top-sliced from strategic CIL, or allocated up to an annual limit), and how 'local' is defined in order to differentiate it from the strategic pot. (e.g. on a ward basis).

Option B: closer engagement with town and parish Councils

Closer engagement with town and parish councils will require working alongside the neighbourhood planning teams and Parish Clerks to demonstrate the benefits of aligning priorities and funding, this will include providing additional support in the development of parish-level infrastructure plans (for example through a template Infrastructure Investment Plan that town and parish councils can use to prioritise infrastructure), and producing web-based guidance for town and parish councils.

Governance Process

At a later stage the governance process as amended for the interim stage would require further review and amendment in order to reflect any further changes to the approach in relation to the updated evidence / Business Plan / Priority Programme and closer alignment with town and parish councils.

Following feedback from the workshops a new approach would need to consider:

- The frequency of funding rounds, whereby moving to a single funding round may provide more clarity for those applying and reduce the pressure on officer resources managing the process. Suitable exemptions would need to be built in to allow consideration for proposals outside of this window.
- Consider including a 'gateway' process or the ability for an applicant to resubmit to provide a stronger case / more information.
- A review of the thresholds for decision-making regard to delegations.

An indicative process responding to this feedback is provided in Appendix D.

6.3 Work Programme

Figure 10 below shows the programme required to deliver the elements above. A high-level estimate is that to deliver this programme, in addition to the existing Implementation Team, the **'mixed economy'** element would require approximately 2 days a week of additional officer time at an officer grade over a 6-month period. The **'additional resource'** element may be better suited

to a consultancy assignment given the specialist nature of the tasks. An approximate cost would be dependent on the agreed brief, but the programme below would suggest a contract duration of up to 12 months. This currently excludes the production of the Infrastructure Delivery Plan, which could be following this in line with the current Local Plan review timetable.

Workstream	Activity	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
Approvals	Cabinet Call-in	█	█																				
Interim Arrangements	Amend project proposal Form		█	█	█	█	█	█															
	Stakeholder consultation on new approach				█	█	█																
	CIL Funding Round (1)								█	█	█	█	█	█	█	█	█	█					
	Develop Business Case / Funding bid for additional resource			█	█	█																	
	Appointment / procurement of additional resource						█	█	█														
Stakeholder Engagement	CIL Funding Round (2) (if required)													█	█	█	█	█	█				
	Design new partner governance								█	█	█	█	█	█	█	█	█	█					
	Agree governance with partners (incl Terms of Reference)												█	█									
Updated evidence	First meeting												█	█									
	Produce Template for Business Plan / Priority Programme								█	█	█	█	█	█	█	█	█	█					
	Update CIL Governance (if required)																						
	Approval of new Governance (if required)																						
	Bidding Round based on Priority Programme and new arrangements																						
Aligning district / local priorities (Option 1)	New IDP																						
	Design governance process for new 'local' pot								█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
	Test with officers and members																						
	Adoption / approval																						
Aligning district / local priorities (Option 2)	Bidding Round																						
	Engagement with Parishes and officers on new approach								█	█	█	█	█	█	█	█	█	█	█				
	Design new guidance and templates																						
	Test with officers and parishes																						
	Publish guidance and templates																						
		█																					
			█																				

Figure 10: Work Programme



7 APPENDIX A – POLICY & LEGAL FRAMEWORK

7.1 Policy & Legal Framework

An Overview of CIL & S106

Community Infrastructure Levy (CIL) is a levy-based, non-negotiable charge on (most) types of development and has been charged in Huntingdonshire since 1st May 2012.

CIL is a set charge, based on the gross internal area floorspace (GIA) of buildings, on most new developments to help fund **‘the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of the area’**.

The charging authority must pass 15% of CIL receipts, capped in line with the Regulations, to the Parish Council for the area where a CIL liable development takes place, rising to 25% if the Parish has a Neighbourhood Plan in place. This ‘meaningful proportion’ of CIL can also fund **‘anything else that is concerned with addressing the demands that development places on an area’**.

CIL is intended to be a mechanism to capture contributions from smaller scales of development, which were historically missed under the previous S106 only system, and their cumulative impact on infrastructure over time.

Planning obligations under S106 of the Town and Country Planning Act 1990 (as amended) are a legal agreement between local planning authorities, landowners, developers and potentially other affected third parties.

This can impose financial and non-financial obligations on a person or persons with an interest in the land and become binding on that parcel of land. Planning obligations are used to make acceptable development which would otherwise be unacceptable in planning.

S106 agreements are time limited and spend is defined in the agreement and must meet a number of legal ‘tests’, to ensure the contribution relates the planning of the development.

7.2 Local Policy & Guidance

Local Plan

The Huntingdonshire Local Plan to 2036 guides decisions on future development proposals in the area to address the land use needs and opportunities of Huntingdonshire’s communities from 2011 up to 2036.

The Local Plan contributes to the achievement of sustainable development and aligns with the principles and policies in the government’s National Planning Policy Framework. In essence, the HDC Local Plan identifies key areas of land for development (known as allocations) to deliver the homes, jobs and services needed in the district, and sets out what the opportunities are for development in the area, including policies against which all planning applications are considered.

Huntingdonshire Developer Contributions SPD 2011

The Developer Contributions SPD sets out the Council’s approach for securing developer contributions from new developments that require planning permission. Financial or other contributions for site related infrastructure improvements may be required to enable planning permission to be granted and are secured through a negotiated planning obligation known as a S106 agreement.

In HDC planning obligations will be used to secure **significant site related community infrastructure on strategic sites of 200 units or above**. CIL will also apply to these developments to enable contributions to District wide and local community infrastructure.

CIL allows the District Council to generate funding to deliver a range of District-wide and local infrastructure projects that support cumulative growth, and provide certainty for future development, and benefit local communities.

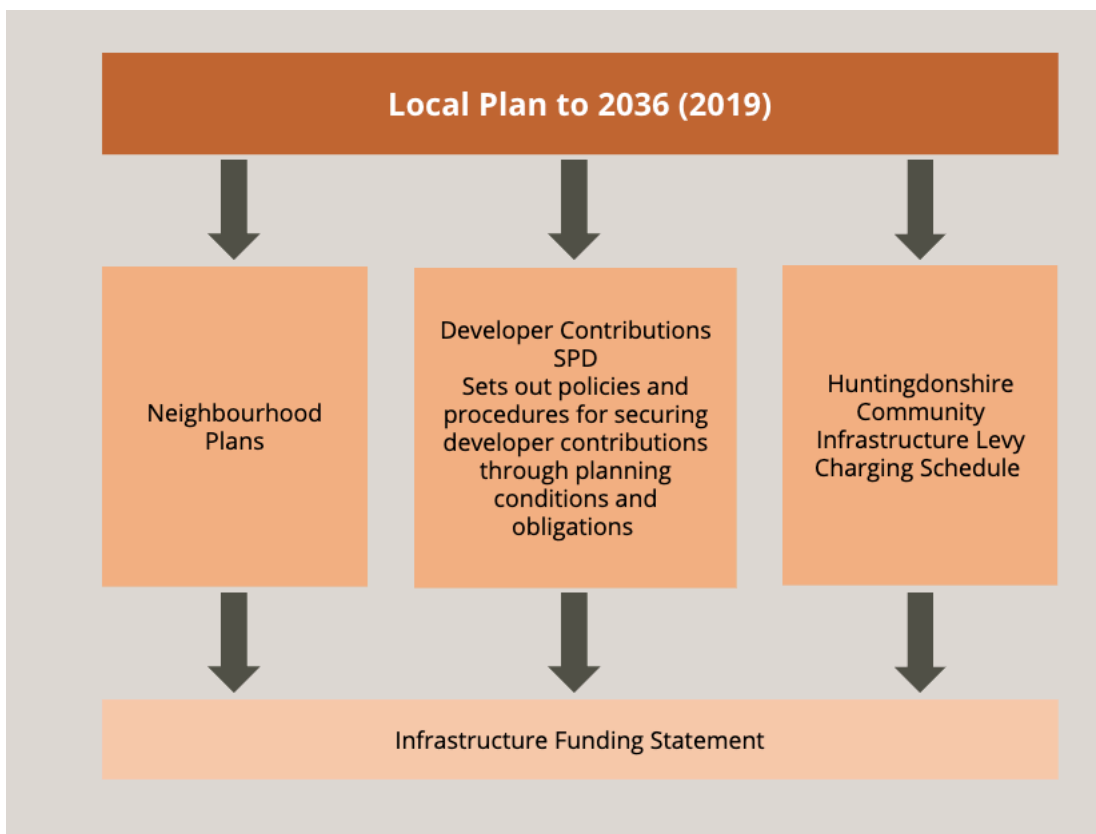


Figure 11: Huntingdonshire District Council’s Planning Framework

The purpose of CIL in HDC

HDC CIL is intended to be used for projects that align with infrastructure priorities linked to growth, the Local Plan and other key corporate documents and should not be used for maintenance or revenue projects, or new small-scale projects which primarily have local benefit that do not align with infrastructure priorities set by the Local Plan and other key council documents.

CIL is intended to be a mechanism to capture contributions from the majority of development – and their cumulative impact over time.

“CIL will generate funding to deliver a range of District-wide and local infrastructure projects that support residential and economic growth, provide certainty for future development, and benefit local communities.” (*Huntingdonshire Developer Contributions SPD, 2011*).

8 APPENDIX B – CASE STUDIES AND LESSONS FROM ELSEWHERE

We provide below a number of case studies which were presented through the workshops and provide examples of how other district councils have approached CIL governance, providing useful lessons for HDC, covering their approach to allocation and spend, and the criteria they use for decision-making.

8.1 Sevenoaks District Council

Key lessons

- **Strategy makes a clear link to infrastructure that supports new development & unlocking allocated sites.**
- **An approach which seeks to maximise the use of other funds.**
- **The frequency of 'bidding' rounds and Board meetings linked to amount of CIL income.**

Approach to governance and spend.

The Sevenoaks CIL Spending Board is responsible for making decisions about infrastructure funding. This board is made up of elected members and council officers. The Chair determines the frequency of meetings.

Decisions about expenditure are based on a set of criteria. These criteria are outlined in the Infrastructure Funding Statement (IFS) and the Infrastructure Delivery Plan (IDP). Projects are evaluated based on how well they align with the priorities outlined in the IFS and IDP.

The Board also considers other factors when making decisions. For example, they look at how well a project can unlock proposed new development or allocated sites. They also consider whether a project can demonstrate strong social, environmental, or economic justification.

Finally, the board looks at the potential for maximising other funding sources to support the proposed infrastructure projects.

Set of Criteria for Decision-Making:

The Board agrees a set of criteria to inform their decision-making, including:

- Alignment with identified infrastructure types in the Infrastructure Funding Statement (IFS) report.
- Correlation with the Infrastructure Delivery Plan (IDP).
- Direct relevance to proposed or allocated developments.

- Strong social, environmental, or economic justifications.
- Absence of prior CIL funding for the project.
- Endorsement from infrastructure providers.
- Project urgency.
- Feasibility within the next five years.
- Critical need.
- Clarity on funding plans.

8.2 Chichester District Council – Infrastructure Business Plan

Key lessons:

- **A business-plan approach produced in collaboration with councils, county, and infrastructure commissioners.**
- **It updates the five-year rolling program of infrastructure requirements annually to align with the housing trajectory.**

Approach to governance and spend.

Spend is based on an Infrastructure Business Plan (IBP), a 5-year rolling programme based on

- Infrastructure needs,
- Prioritised projects,
- The growth trajectory,
- Estimated CIL receipts, & additional funding sources.

The IBP is endorsed and monitored by an officer-led Development Plan and Infrastructure Panel (DPIP) (on which County can attend), with the final decision made by Full Council, based on an endorsed IBP.

Set of Criteria for Decision-Making:

The following definitions are used to guide which projects CIL funding should be directed to.

- **Critical Infrastructure:**
 - Essential for enabling growth, acting as prerequisites for future works. Often linked to triggers controlling development commencement.
- **Essential Infrastructure:**
 - Necessary to mitigate impacts from development operations. Linked to triggers controlling site occupation, addressing planning acceptability.
- **Policy High Priority Infrastructure:**

-
- Required for broader strategic or site-specific objectives in planning policy or statutory duties. Less direct relationship with population increases, influenced by individual choices.
 - Desirable Infrastructure:
 - Needed for sustainable growth but optional for short to medium-term development. Supports sustainable growth without immediate impact on development timelines.

8.3 Elmbridge Borough Council

Key lessons:

- **Strategic CIL allocated against a 'strategic priority programme' agreed annually, based on an understanding of the infrastructure required to support the Local Plan.**
- **A 'bidding' process is run annually inviting proposals to be assessed against the Priority Programme.**

Approach to governance and spend.

Strategic CIL funds, which support the future growth of the borough from new development, are allocated to Borough-wide infrastructure projects via the Strategic Priority Programme (SPP) which follows the following annual process:

Draft Priority List:

- Creation of a draft Strategic Priority Programme (SPP) list.

Review and Recommendation:

- Strategic CIL Working Group will review the draft list in June and recommend funding priorities to the Cabinet. Cabinet finalises the SPP for the year.

Project Development:

- Infrastructure providers were notified of priorities and developed relevant projects for Strategic CIL funding application.

Application Review and Decision:

- SCILWG reviews applications in autumn and recommends funding allocations to the Cabinet, which makes final funding decisions.

Ongoing Review:

- SPP reviewed by SCILWG, allowing for new project proposals based on annual priorities.

8.4 East Suffolk Council – The CIL Spending Working Group

Key lessons

- Council works collaboratively with town and parish councils so that CIL can meet both local and strategic objectives through providing written and visual guidance online, and templates for Parish Infrastructure Plans
- The current strategy focuses on infrastructure to support plan-led growth, replacing the previous approach which mainly funded projects which have local benefit.

Approach:

The council employs a structured approach to allocating Community Infrastructure Levy (CIL) funds. The CIL Spending Working Group, a representative body drawn from across council departments, evaluates applications for District CIL funding. This ensures adherence to the established CIL Spending Strategy and rigorously assesses projects based on their alignment with specific criteria.

To be eligible for funding, projects must demonstrably support new housing growth⁶. Additionally, they must demonstrate short-term deliverability, securement of match-funding, and alignment with existing Parish or Neighbourhood Plans⁷.

After evaluation, the Working Group presents its recommendations to the Cabinet for final consideration. This collaborative approach ensures transparency and empowers informed decision-making, ultimately guaranteeing that CIL funds are directed towards impactful community projects that deliver tangible benefits.

Set of Criteria for Decision-making:

Alignment with Local Plans:

- Focus on critical and essential infrastructure identified in Infrastructure Delivery Frameworks attached to Local Plans.

Impact on Growth:

- Support new housing and/or employment growth.

Deliverability:

- Demonstrably achievable within a feasible timeframe.

Collaboration:

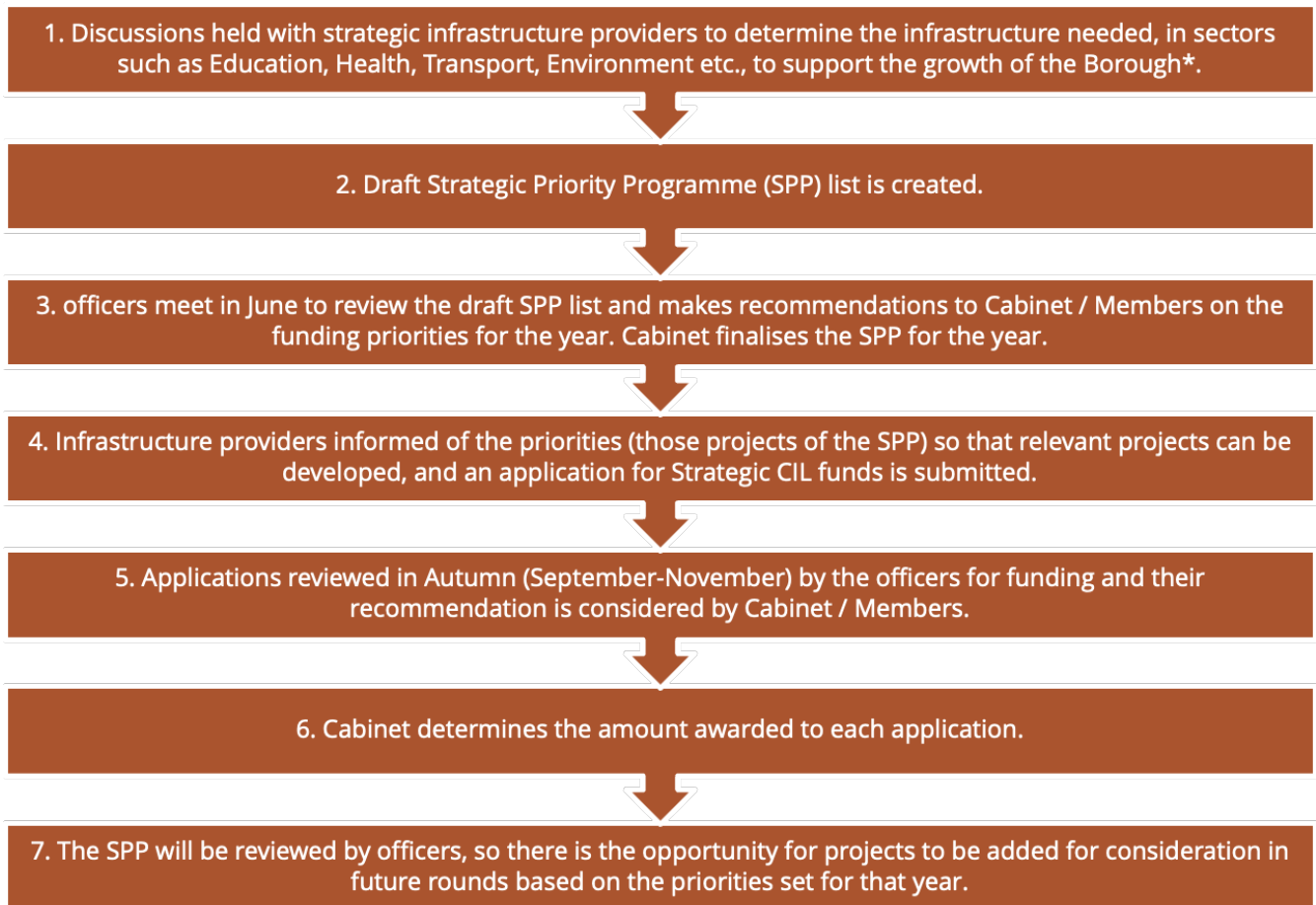
⁶ To be demonstrated by – “how will your project make a difference and benefit people? What additional services are being provided as a result of the project? Which new housing developments in your area will it support?” (<https://www.eastsuffolk.gov.uk/assets/Planning/Community-Infrastructure-Levy/CIL-spending/CIL-bid-application-guidance.pdf>)

- All avenues for collaborative funding explored to maximise project potential.

8.5 Conclusion – key lessons for HDC

- Define clear criteria for evaluating projects, including alignment with Infrastructure Funding Statements (IFS) and Infrastructure Delivery Plans (IDP) and the potential to unlock proposed new developments by the focus on critical and essential.
- Emphasise the importance of maximising other funding sources to support infrastructure projects, ensuring effective utilisation of CIL funds.
- Allocate CIL funds based on strategic priorities and needs assessments, focusing on the critical infrastructure necessary for enabling growth.
- Prioritise projects based on their ability to support identified growth objectives, deliverability within feasible timeframes, and collaboration with external stakeholders.
- Delineate between strategic borough-wide infrastructure and projects which mainly have local benefit, ensuring targeted investment in essential infrastructure to mitigate the impacts of development operations.
- Foster collaboration with stakeholders to maximise project potential and ensure alignment with local development aspirations.
- Adopt a structured approach to CIL allocation and spending, focusing on strategic priorities, rigorous project evaluation criteria, and stakeholder collaboration.

9 APPENDIX C – INDICATIVE PROCESS FOR FORMULATING A STRATEGIC PRIORITY PROGRAMME



10 APPENDIX D: INDICATIVE PROCESS FOR STRATEGIC CIL APPLICATIONS

