

**HUNTINGDONSHIRE DISTRICT COUNCIL**

**Title/Subject Matter:** Community Infrastructure Levy Governance Structure

**Meeting/Date:** Overview and Scrutiny Panel (Environmental Wellbeing) –  
8th December 2015  
  
Cabinet – 10th December 2015

**Executive Portfolio:** Strategic Planning and Housing (DD)

**Report by:** Head of Development (AM)

**Ward(s) affected:** All Wards

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**Executive Summary:**

This report identifies a revised governance structure for the management and operation of the council's Community Infrastructure Levy, and seeks the confirmation of continued Community Infrastructure Levy funding towards the costs of the Huntingdon West Link Road.

**Recommendation(s):**

That the Overview and Scrutiny Panel (Environmental Wellbeing):

- 1) Considers the revised Community Infrastructure Levy governance structure and conveys its comments to Cabinet.

That Cabinet:

- 1) Approves the revised Community Infrastructure Levy governance structure and the revised Terms and Conditions and Membership of the Growth and Infrastructure Group.
- 2) Approves the further investment of Community Infrastructure Levy towards the Huntingdon West Link Road.

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## 1. WHAT IS THIS REPORT ABOUT / PURPOSE?

- 1.1 The Huntingdonshire Community Infrastructure Levy (CIL) was introduced on 1<sup>st</sup> May 2012. The CIL is a mandatory charge on specific types of new development within the district. In the period since its introduction some £3.360 million of CIL charge has been invoiced. Of this, £1.869 million has been received to date taking into account the HDC CIL instalment policy. It is estimated that the CIL may generate up to some £80 million<sup>1</sup> of developer contributions in the period to 2036.
- 1.2 It is important that CIL funding is invested wisely to ensure the timely delivery of community infrastructure projects that support the council's development and growth agenda. Given the scale of CIL funding that will be generated in future years, and the need to prioritise the investment of CIL funds into key projects, it is necessary to review the governance arrangements for the investment of CIL funds.
- 1.3 The report also recommends that Cabinet approves a funding profile for CIL expenditure related to the Huntingdon West Link Road (Edison Bell Way) which was forward funded and implemented to enable the regeneration and development of that area. The Link Road is currently the only CIL funded project that has been approved by Cabinet.

## 2. WHY IS THIS REPORT NECESSARY / BACKGROUND

- 2.1 The current CIL governance structure was approved by Cabinet on 18<sup>th</sup> October 2012 and is summarised in Figure 1. The governance structure is focused on updating the Huntingdonshire Infrastructure Business Plan 2013/14 which currently forms the basis for identifying and prioritising projects that could utilise CIL. The intention is to re-cast the Business Plan into a Delivery Plan at its next iteration. The decision to invest CIL into projects rests with Cabinet.

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|---|---|
| <b>Cabinet</b>  | Responsible for approving the Huntingdonshire Infrastructure Business Plan and decisions on CIL expenditure.  |
| <b>Overview and Scrutiny Panel (Economic) with other Panels invited to attend</b>               | Responsible for considering the draft Huntingdonshire Infrastructure Business Plan and making recommendations to Cabinet.   |
| <b>Huntingdonshire Strategic Partnership (HSP)</b>  | Responsible for endorsing the draft Huntingdonshire Infrastructure Business Plan and recommending it for approval to HDC Cabinet.   |
| <b>Growth and Infrastructure Group (reporting to the Huntingdonshire Strategic Partnership)</b> | Responsible for directing the preparation of the draft Huntingdonshire Infrastructure Business Plan and project development for the delivery of major sites.<br><br>Chaired by the Executive Councillor |

<sup>1</sup> This is a high level estimation based on current evidence and before any exemptions or reliefs are applied. This figure is subject to monitoring and potential regulatory changes.

|                              |  |
|------------------------------|--|
|                              | <p>for Strategic Planning and Housing. Includes the Chair of the Cambridgeshire County Council Environment and Economy Committee and a nominated town and parish council representative. Supported by members of the officer group led by HDC officers (Implementation Team in Planning Service). Also seeks to involve neighbouring authorities in Cambridgeshire and beyond.</p> |
| <b>Officer Working Group</b> | <p>Responsible for identifying projects to be included in the Huntingdonshire Infrastructure Business Plan.</p> <p>Involves a wide range of partners to consider the integration of a wide range of infrastructure themes including communities, health, utilities, education, highways and transport, green infrastructure.</p>   |

- 2.2 Whilst the final decisions on CIL rest with Cabinet under the current structure, there is an extensive formal underlying process for engaging infrastructure project partners, Members and officers from other authorities, and the Huntingdonshire Strategic Partnership.
- 2.3 There are useful and efficient elements of the current governance structure, but experience over the past three years has demonstrated that it has been more complex than necessary.
- 2.4 The element of the existing governance structure that has not worked as effectively as initially envisaged is the link between the Growth and Infrastructure Group and the Huntingdonshire Strategic Partnership. In order to work effectively, the Growth and Infrastructure Group needs to meet regularly enough to make progress with its business, and to contribute appropriate management information to the council. Its current tie to the Huntingdonshire Strategic Partnership Board, which meets infrequently, mitigates against the level of progress and action that is likely to be required as the CIL fund grows in line with the amount of new development that commences in future years.
- 2.5 In addition, the local and strategic context for infrastructure planning and funding continues to change. The changes include:
- The need to respond to recent government announcements about the timing of development.
  - The need to cement more effective infrastructure project development and delivery arrangements and working relationships with key partners (particularly Cambridgeshire County Council and the Greater Cambridgeshire and Greater Peterborough Local Enterprise Partnership (LEP)).
  - The potential for changes in the way that major infrastructure projects will need to be planned across local authority areas, along with impacts and opportunities related to any future devolution of powers and funding from central government.

- The need to ensure that town and parish councils are in a position to effectively utilise the 'meaningful proportion' of CIL funds that they receive under legislative requirements (15% to 25% of CIL receipts) as an incentive to accept and plan for new development in their areas.

2.6 It is considered that much of the existing governance structure should be retained but that some elements should be rationalised in order to create a revised CIL governance structure that is fit for purpose for future years. These are set out in section 3 of this report.

### **3. OPTIONS CONSIDERED / ANALYSIS**

3.1 There is an opportunity to simplify the CIL governance structure by removing parts of it and strengthening other parts. It is clear, given the finances involved, that a robust and up to date CIL governance structure needs to be in place. The key elements of the CIL process that need to be subject to the governance structure are the policies, processes and mechanisms for collecting CIL from developers, the preparation and publication of statutory features of CIL (including the CIL Regulation 123 List) and the CIL Annual Monitoring Report, and the significant work that is required to develop prioritised projects and programmes that justify the investment of CIL into local and strategic infrastructure projects.

3.2 HDC is the 'collection authority' for CIL receipts and, with the exception of the proportion for administration purposes and a proportion that goes to eligible town and parish councils, the expenditure of all CIL funds generated from new development within the district is for the council to decide. In order to ensure sound investment decisions locally and strategically, other relevant authorities and organisations need to be involved in working with HDC. The ability to build and maintain good working relationships with relevant partners is an important factor in enabling the development of broader infrastructure priorities and related funding packages, which may include CIL along with other funds, and discussions about prioritising CIL expenditure on those projects.

3.3 From the council's perspective, the CIL governance structure needs to comply with corporate governance arrangements and so it must include a meaningful role for the Overview and Scrutiny process and a decision making role for Cabinet. The process of reporting CIL matters to the Overview and Scrutiny Panel (Economic Wellbeing) with representatives from the other Panels invited to attend remains appropriate as CIL issues are of cross-cutting interest to all Panels.

3.4 The Growth and Infrastructure Group process has worked effectively as a Member and officer group, with membership that represents all of the main infrastructure related organisations that operate in the district. The separate Officer Working Group has not been necessary as the officer representatives on the Growth and Infrastructure Group have effectively assumed this role. It is proposed that the Growth and Infrastructure Group should remain and be strengthened subject to three key changes:

- 1) The membership should be strengthened to enable the group to have more direct input from elected Members from both HDC and Cambridgeshire County Council. This would help to raise the profile and importance of infrastructure planning generally, and would build the working relationships between the District and County councils on these matters. This in turn would enable the development of a much more

effective discourse on strategic infrastructure matters (especially in relation to the planning and delivery of highways and transport infrastructure).

- 2) The officer membership and representation from infrastructure related bodies, in particular the importance of the representation from the LEP, should remain and be strengthened. The relationship with the LEP will become more important, especially through its role as conduit for government funding.
- 3) The group, in its re-ordered format, does not need to be linked to the Huntingdonshire Strategic Partnership to be successful. It can operate as a formally convened working group within the council's existing structures, reporting to the Overview and scrutiny processes and Cabinet.

3.5 With the changes proposed it will not be necessary to include the Huntingdonshire Strategic Partnership as part of the revised CIL governance structure. Sufficient safeguards and mechanisms to cover broader economic, environmental and social wellbeing issues will be built into the frameworks that support the CIL governance structure through the broader representation of elected Members on the Growth and Infrastructure Group and more regular reporting to the Overview and Scrutiny and Cabinet processes.

3.6 The changes will also provide a clearer reporting mechanism for the emerging Infrastructure Delivery Plan. It is proposed that the Infrastructure Delivery Plan replaces the current Infrastructure Business Plan. The change in title is to reflect the importance of infrastructure delivery whether funded by CIL or other sources. The plan will need to ensure that infrastructure projects that may utilise CIL funding are properly developed through effective partnership working to enable timely delivery. The Infrastructure Delivery Plan will have a key role as part of the supporting evidence base for the emerging Huntingdonshire Local Plan to 2036 (HLP2036) and its production timescale is necessarily linked to the Local Plan. This timescale would tie in with the anticipated adoption timescales for the emerging HLP2036 meaning that it would continue to be prepared up to the point at which the Local Plan is 'submitted' in the period up to March 2017. This timescale allows the revised CIL governance structure to fully inform the prioritisation of infrastructure projects as they are developed through wider dialogue with the members of the Growth and Infrastructure Group.

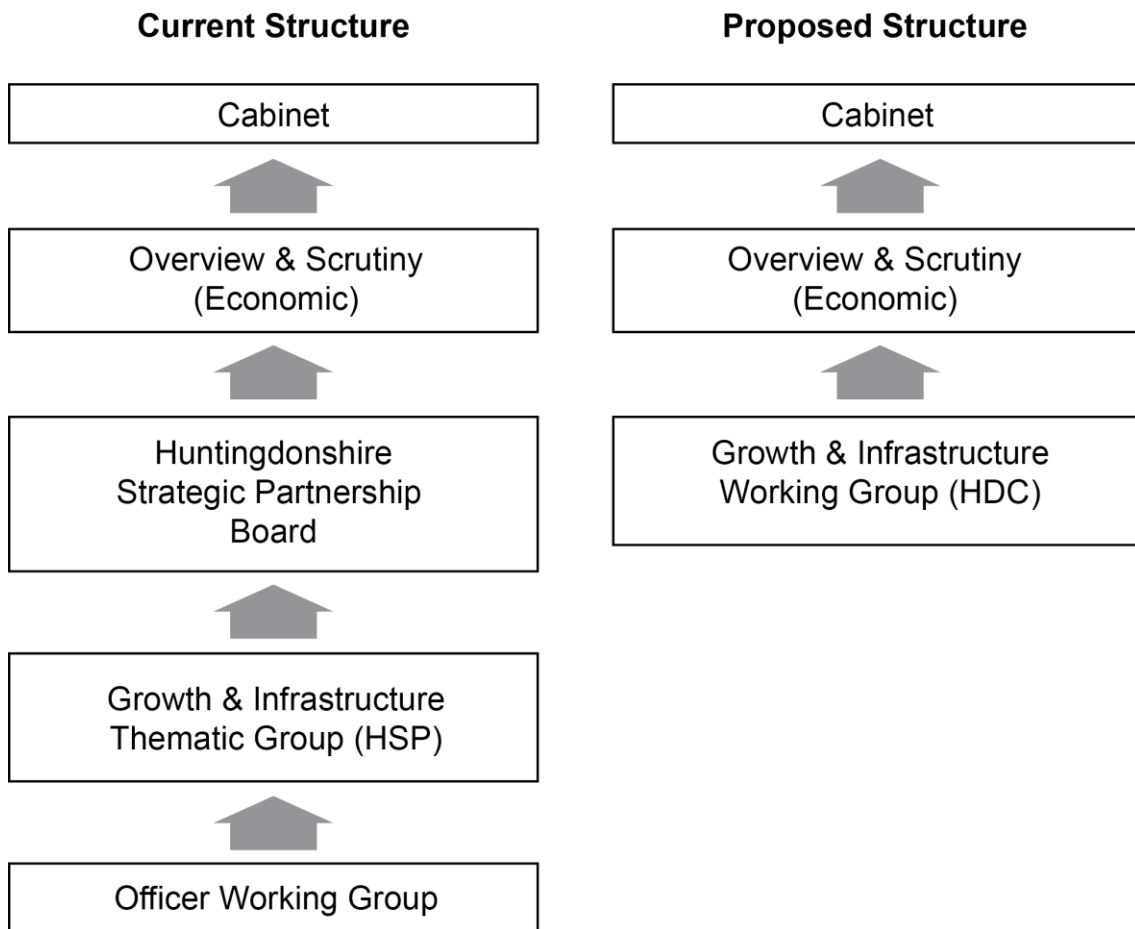
3.7 The nominated representation from the town and parish councils needs to be retained on the Growth and Infrastructure Group to maintain involvement in overall infrastructure project development but also, importantly, to inform discussions between the District Council and town and parish councils over how the proportion of CIL that goes to them may be allocated to infrastructure projects.

3.8 It is proposed that the Growth and Infrastructure Group should meet on a quarterly basis to develop the Infrastructure Delivery Plan and to consider CIL and other related issues, including strategic site delivery. This frequency of meeting enables progress reports to be prepared for management and business planning purposes, and also as required for information to be provided to Overview and Scrutiny processes, and for decisions on CIL expenditure to be planned and made for relevant Cabinet meetings.

3.9 The revised CIL governance structure proposal is summarised in Figure 2.

| <b>Figure 2: Proposed CIL Governance Structure</b>  |   |
|---|---|
| <b>Cabinet</b>  | Responsible for approving the Huntingdonshire Infrastructure Delivery Plan and decisions on CIL expenditure.  |
| <b>Overview and Scrutiny Panel (Economic) with other Panels invited to attend</b>                   | Responsible for considering the draft Huntingdonshire Infrastructure Delivery Plan and making recommendations to Cabinet.   |
| <b>Growth and Infrastructure Group (reporting to the Overview and Scrutiny process and Cabinet)</b> | <p>Responsible for directing the preparation of the draft Huntingdonshire Infrastructure Delivery Plan and project development for the delivery of major sites.</p> <p>Chaired by the Executive Councillor for Strategic Planning and Housing supported by three HDC councillors. Includes the Chair of the Cambridgeshire County Council Environment and Economy Committee supported by one CCC councillor. A nominated town and parish council representative will be involved. The elected Members will be supported by members of the officer group led by HDC officers (Implementation Team in Planning Service). The group will continue to seek to involve neighbouring authorities in Cambridgeshire and beyond. The workload involves a wide range of partners to consider the integration of a wide range of infrastructure themes including communities, health, utilities, education, highways and transport, green infrastructure.</p> |

3.10 The change between the current structure and the proposed new structure is summarised at Figure 3.



3.11 The proposed revised Terms of Reference and Membership for the Growth and Infrastructure Group are attached at Appendix A.

3.12 These structures should be subject to regular review once it has been operational for a reasonable period, and it is suggested that the structure should be reviewed again in 2017/18 as part of a fundamental review of the council's CIL Charging schedule and underlying supporting policies.

#### **Confirmation of CIL Funding Towards the Huntingdon West Link Road**

3.13 The Huntingdon West Link Road (now known as Edison Bell Way) was implemented as part of the regeneration and development of an area to expand the role of Huntingdon town centre. The Link Road was opened in April 2014. The funding partners are Cambridgeshire County Council (CCC) and Huntingdonshire District Council (HDC). The estimated overall cost of the link road is £11.341 million (NB. this is estimated as compensation costs related to the Compulsory Purchase Order are still to be finalised). The outstanding balance to pay is £4.426 million, split equally between HDC and CCC, to be profiled over a period to be determined by the Head of Resources and funded by future CIL receipts. Approval is sought from Cabinet for the development of a future funding profile that enables the further drawdown of CIL funds towards the financial completion of the project.



#### **4. COMMENTS OF OVERVIEW & SCRUTINY PANEL**

- 4.1 This matter is being considered by the Overview and Scrutiny Panel (Environmental Wellbeing) on 8<sup>th</sup> December 2015 and its comments will be conveyed to Cabinet.

#### **5. KEY IMPACTS / RISKS? HOW WILL THEY BE ADDRESSED?**

- 5.1 The adoption of a CIL governance structure that is fit for purpose should minimise the risk of the council failing to prioritise CIL expenditure through an open and transparent project development and prioritisation and decision making process.
- 5.2 A revised Growth and Infrastructure Group which includes additional elected Members from the District Council and the County Council, as well an enhanced representation from the LEP and continued representation on behalf of town and parish councils and supporting officers and partner organisations, will enable the building of more effective working relationships in the preparation of the Infrastructure Delivery Plan and its influence on the emerging Huntingdonshire Local Plan to 2036.

#### **6. LINK TO THE CORPORATE PLAN**

- 6.1 The recommendations of this report relate to the following element of the Huntingdonshire Corporate Plan 2015 - 2016 (page 6):
- A strong local economy: to remove infrastructure barriers to growth – develop Community Infrastructure Levy governance structure.

#### **7. LEGAL IMPLICATIONS**

- 7.1 The council needs to have a robust CIL governance process to ensure that decisions on the expenditure of CIL funds are taken in an open and transparent manner.

#### **8. RESOURCE IMPLICATIONS**

- 8.1 The meetings of the Growth and Infrastructure Group will continue to be facilitated by the Corporate team as part of the council's committee processes. The lead Head of Service will be the Head of Development who will continue to deploy the workload on CIL, other developer contributions, and infrastructure planning to the Implementation Team Leader. Support will be provided as required by the Implementation Team, other officers in the Planning Service and across the council as appropriate, as well as from partners organisations including the County Council.

#### **9. REASON FOR THE RECOMMENDED DECISIONS**

- 9.1 The recommendations will ensure that the council has a CIL governance structure that is fit for purpose by ensuring that CIL funding is allocated to prioritised infrastructure projects in an open and transparent manner.

#### **10. RECOMMENDED DECISIONS**

That the Overview and Scrutiny Panel (Environmental Wellbeing):

- 1) Considers the revised Community Infrastructure Levy governance structure and conveys its comments to Cabinet.

That Cabinet:

- 1) Approves the revised Community Infrastructure Levy governance structure and the revised Terms and Conditions and Membership of the Growth and Infrastructure Group.
- 2) Approves the further investment of Community Infrastructure Levy towards the Huntingdon West Link Road.

## **11. LIST OF APPENDICES INCLUDED**

Appendix A: Terms of Reference for Revised Growth and Infrastructure Group.

## **CONTACT OFFICER**

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## **APPENDIX A**

### **Huntingdonshire District Council Growth and Infrastructure Thematic Group**

**Lead Head of Service:**        **Head of Development**

**Lead Officer:**                **Implementation Team Leader, Planning Service**

#### **Terms of Reference**

1. To support and co-ordinate, as appropriate, the strategic growth and infrastructure development for Huntingdonshire, through the delivery of actions relating to key plans including the:
  - a) Huntingdonshire Development Plan (including the Core Strategy/ emerging Local Plan and associated planning documents strategies and site development briefs).
  - b) Cambridgeshire County Council's Local Transport Plan and associated highways and transport strategies.
  - c) Relevant Huntingdonshire District Council and related organisations' strategies for housing, economic development, and the environment.
  - d) Greater Cambridgeshire and Greater Peterborough Local Enterprise Partnership strategies and delivery and funding mechanisms.
2. To act as Project Board for the delivery and funding of the infrastructure needs for the District including all strategic sites to match projected planned growth as outlined in the existing and emerging Huntingdonshire Development Plan.
3. To develop an Infrastructure Delivery Plan for the district and with reference to strategic infrastructure priorities that may impact on the District.
4. To assess / review infrastructure priorities for the spending of Community Infrastructure Levy and other available funding through an agreed governance process.
5. To ensure the co-ordination and delivery of the growth and infrastructure elements of the Huntingdonshire Corporate Plan.
6. To ensure smooth working between Huntingdonshire District Council and partner organisations in relation to infrastructure delivery.
7. To ensure stakeholders have engaged in the process of strategy development and implementation on growth and infrastructure related issues.
8. To anticipate and co-ordinate the implementation of new legislation.
9. To provide performance management information.
10. To disseminate good practice.

#### **Membership**

Huntingdonshire District Council councillors: Executive Councillor for Strategic Planning and Housing (Chair); 3 x nominated District Councillors.

Cambridgeshire County Council councillors: Chair of the Environment and Economy Committee plus 1 x nominated County Councillor.

Town and Parish Councils nominated representative.

Relevant Huntingdonshire District Council officers.

Relevant Cambridgeshire County Council officers.

Relevant officers from the Greater Cambridgeshire and Greater Peterborough Local Enterprise Partnership.

Representatives from the following infrastructure related organisations:

- Environment Agency.
- Highways England.
- NHS Property Services.
- Network Rail.
- Utilities providers (water, sewage, power).
- Any other infrastructure related organisation that the Group wishes to invite.