

Decision maker: Cabinet 3 December 2015

Subject: Community Infrastructure Levy (CIL) - Neighbourhood Proportion

Report by: Director of Culture & City Development

Wards affected: all

Key decision (over £250k): no

1. Purpose of report

- 1.1 To suggest a revised process for agreeing spend of the Community Infrastructure Levy (CIL) neighbourhood proportion.

2. Recommendations

- 2.1 That the Cabinet agrees the revised process for agreeing the spending of the neighbourhood proportion of the levy, as set out in section 4 of this report. That is
- a) To delegate the function of decisions as to the expenditure of CIL to the Assistant Director of Culture & City Development in consultation with the S.151 Officer; and
 - b) To adopt the procedure referred to in section 4 of the report.

3. Background

- 3.1 On 1 July 2013, following the introduction of regulations governing the CIL neighbourhood proportion, a report was brought to Cabinet to agree the way these funds would be administered in the city.
- 3.2 It was agreed that the 'neighbourhood' would be defined as the ward in which development takes place. As CIL payments are received, 15% of each receipt is held in an earmarked reserve for the ward, to accumulate over time as additional development takes place in that neighbourhood.
- 3.3 The CIL Regulations provide that the neighbourhood CIL can be spent on:
- (a) the provision, improvement, replacement, operation or maintenance of infrastructure; or
 - (b) anything else that is concerned with addressing the demands that development places on an area.
- 3.3 In consultation with their local communities, ward members can bring forward their ideas for spend within these parameters. As ward members do not have the authority to make spending decisions, the agreed process is that formal sign-off is through a report to the Cabinet Member for Planning, Regeneration and Economic Development (PRED).

3.4 In the first two years since this process was agreed, there was insufficient money in the fund, but during 2015, five schemes have been funded using this mechanism.

4. **Suggested Revised Process**

- 4.1 While the process has worked, it is considered to be unnecessarily resource intensive and slow, in that it is restricted by meeting cycles and relies on formal reports. In addition, the Cabinet member for PRED considers that in most cases, unless there are very unusual circumstances, the decision is likely to be made in line with ward members' wishes, making the agreement at PRED a formality rather than a necessity.
- 4.2 It is therefore proposed to simplify the process. Instead of a report being taken to the PRED meeting for decision, a planning officer, acting under delegation from the Assistant Director of Culture & City Development will prepare an item for the Members Information Service (MIS) setting out the proposed project and level of support sought from the CIL neighbourhood fund.
- 4.3 The MIS route allows all members to see what spending suggestions are being made, and if they feel further scrutiny is needed, there is the possibility for call-in. However the decision will be retained by the Assistant Director of Culture & City Development.
- 4.4 Planning officers will maintain the overview of the requirements of the regulations. It is suggested that going forward, planning officers will take a more proactive role in identifying opportunities for infrastructure projects, considering needs arising from development in the area and working with ward members and communities. Ward members will retain the ability to bring forward their own ideas for projects.
- 4.5 It also remains important that the correct financial processes are followed, so planning officers will continue to consult in detail with Finance prior to seeking use of the CIL funds.

5. **Exceptions and limitations to ward level spend:**

- 5.1 Some developments will be of city wide importance and will, by virtue of their size, generate substantial amounts of CIL. Examples of this could be developments in the city centre or at Tipner. These could generate disproportionate amounts of neighbourhood CIL in those wards. It is suggested that the process for this remains unchanged: i.e. that CIL receipts above £1 million from an individual development are not linked to wards, but instead go into a separate reserve. Spending decisions for this will be determined by the Cabinet and will be for the benefit of the whole city. Again, planning officers will take a proactive role in identifying infrastructure needs arising from development.
- 5.2 Areas that have a neighbourhood plan in place are eligible for 25% of the CIL collected in that area. Neighbourhood plans should identify infrastructure needs, and spending decision in those areas should be made in line with the

neighbourhood plan. A neighbourhood plan is currently being developed in Milton. No neighbourhood plans have yet been adopted in the city.

6. Reasons for recommendations

6.1 The current process for sign off of spend from the CIL neighbourhood proportion is considered to be unnecessarily resource intensive and slow. In the interest of saving time and resources, a simpler process is proposed.

7. Equality impact assessment (EIA)

7.1 The reports deals purely with financial process matters and an EIA is therefore not needed.

8. Legal Implications

8.1 Decisions on the expenditure of CIL are executive functions, currently reserved to the Cabinet Member for PRED. This report advocates a delegation of functions to officers. While the MIS process may be adopted it cannot supplant the authority of the Cabinet Member or officers acting under his/her delegation.

9. Director of Finance’s comments

9.1 The CIL Neighbourhood contributions are held in separate reserve accounts, identified by Ward.

9.2 There is close financial monitoring of these funds and this will continue upon implementation of the recommendation contained in this report.

9.3 Whilst the use of Neighbourhood CIL Funds are to be proposed by Members for expenditure in their Wards, the Council and the S.151 Officer have an obligation for the safeguarding and proper stewardship of all Council spending as well as an obligation to ensure that all expenditure is legal and value for money. For this reason the S.151 Officer will need to be consulted on the proposed use of the Funds prior to its approval.

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Signed by:

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Community Infrastructure Levy (Amendment) Regulations 2013	http://www.legislation.gov.uk/ukdsi/2013/9780111534465/pdfs/ukdsi_9780111534465_en.pdf

Community Infrastructure Levy Guidance, CLG	http://planningguidance.communities.gov.uk/blog/guidance/community-infrastructure-levy/spending-the-levy/
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The recommendation(s) set out above were approved/ approved as amended/ deferred/
rejected by on

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Signed by: