

Bath & North East Somerset Council

MEETING	Cabinet	
MEETING DATE:	2nd December 2015	EXECUTIVE FORWARD PLAN REFERENCE:
		E 2807
TITLE:	Spend of Community Infrastructure Levy income 2015/16	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: none		

1 THE ISSUE

- 1.1 The B&NES Community Infrastructure Levy (CIL) came into effect in April 2015 and the process for determining spend of the CIL income was agreed by Cabinet in July 2015.

2 RECOMMENDATION

- 2.1 That Cabinet agree that the strategic income from the Community Infrastructure Levy received in 2015/16 should not be allocated this financial year but rolled forward to be added to the spending commitments for 2016/17

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 CIL is effectively a tax on development at rates set by the Council, the income from which must be spent on infrastructure.
- 3.2 Of the CIL income, 15% in a local area is handed to those local communities where the income has arisen. This rises to 25% in those areas with an adopted Neighbourhood Plan. Parish or Town Councils without NDP is capped at £100 per council tax property in the Parish or Town Council. This local portion of CIL income must be spent within 5 years to "support development in their area".

3.3 Upon receipt of CIL from the liable party and after deduction of the 5% administration allowance, the Bath local proportion (15% of the CIL receipt, if applicable) is credited to the Bath CIL Reserve in the B&NES balance sheet and the Parish or Town Councils' local proportion (15% or 25%, if applicable) is credited to a holding account from where it will be transferred to Parish or Town Councils every 6 months. The remaining proportion of the CIL receipt is credited to a B&NES CIL Strategic Reserve in the B&NES balance sheet

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

4.1 The CIL Charging Schedule must comply with relevant legislation, and the National Planning Policy Framework (2012). The Planning Act 2008 (Part 11) made provision for the introduction of the CIL. Regulations governing the preparation and operation of CIL Charging Schedule were first introduced in April 2010, and have subsequently been amended in 2011, 2012, 2013 and 2015.

5 THE REPORT

5.1 The Community Infrastructure Levy (CIL) came into effect in B&NES in April. The use of income generated through CIL will need to be spent on infrastructure to support the District's growth plans as set out in the Council's Core Strategy. The spend of CIL will be as below;

- **Local Funds:** A proportion of CIL will be passed on to local communities. 15% (capped) or 25% with adopted Neighbourhood Plans.
- **Administration Costs:** up to 5% of CIL receipts will be used within Planning Services to provide a dedicated resource for the annual monitoring and management and costs associated with collection of CIL required by the CIL regulations.
- **Strategic Funds:** The remaining CIL receipts will be allocated by the Council in accordance with the CIL Strategic Spend Protocol.

5.2 A protocol for determining the spend of CIL income was agreed by Cabinet in July 2015. The key principles are;

- The Infrastructure Delivery Programme (IDP) is updated
- The projections of the likely amount of CIL income is reviewed.
- Infrastructure providers (including B&NES Services) invited to submit bids and programmes for the use of available CIL funds.
- Bid applications are considered internally taking into account the infrastructure requirements and infrastructure funding gap.
- A Draft Spending Priority Programme is prepared and presented to Cabinet for decision. Cabinet will agree the allocation of funding for the identified projects in year one, noting potential projects for funding in years two and three.

5.3 CIL is payable on grant of planning permission and hence CIL income is dependent on the level of activity in the development industry. CIL annual income is estimated on the anticipated growth in the Core Strategy. However the income this financial year is limited, likely to be under £50,000 by the end of the financial year 2015/16. In light of this relatively limited amount it is considered that there is more benefit in rolling forward the CIL income to form part of the spending arrangements to be agreed next year.

5.4 CIL receipts may be higher than £50,000 if schemes already in the pipeline get planning permission and start on site before 31st March 2016. Also, CIL receipts are initially depressed by the fact that we allow payment by instalments. It is important to note that CIL receipts in 2016/17 will be enhanced by the remaining instalments of those CIL liable schemes that started on site in 2015/16.

5.5 On the basis of the £45,500 already received, the proportions will be as follows:

- CIL administration allowance £2,240
- B&NES Strategic proportion £ 36,430
- Bath Unparished Area/ Parish & Town Councils £6,830 (split £6,800 to Bath and £30 to Parish and Town Councils)

6 RATIONALE

6.1 In light of the relatively limited amount of CIL income this year, rolling it forward to next year is the most appropriate option as it provides the opportunity to make the spend more effective.

7 OTHER OPTIONS CONSIDERED

7.1 The CIL income could be spent this financial year but it is considered that there is greater benefit in rolling it forward.

8 CONSULTATION

8.1 This report was prepared in consultation with the s.151 Officer & the Monitoring Officer.

9 RISK MANAGEMENT

9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

10 HUMAN RIGHTS AND EQUALITIES

10.1 Officers have had regard to the Council's duties under the Human Rights Act 1998 and the Equality Act 2010 and it is considered that the recommendation in this report would not result in any adverse impacts as regards human rights or the Council's public sector equality duty.

10.2

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Background papers	<i>B&NES CIL & Regulation 123 List Community Infrastructure Levy (CIL) Strategic Spend Protocol (June 2015) B&NES Infrastructure Delivery Plan</i>
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