

Bath & North East Somerset Council

MEETING/	Cabinet			
MEETING/ DATE:	8th July 2015	EXECUTIVE FORWARD PLAN REFERENCE: E 2774		
TITLE:	Community Infrastructure Levy Strategic Spend Protocol			
WARD:	All			
AN OPEN PUBLIC ITEM				
List of attachments to this report:				
Attachment 1: The B&NES Community Infrastructure Levy (CIL) Strategic Spend Protocol (June 2015)				

1 THE ISSUE

- 1.1 The B&NES CIL Charging Schedule was adopted by the Council on 17th February 2015 and came into effect on 6th April 2015. Following the adoption, it is necessary to agree the process for allocating and releasing funds raised through CIL. The CIL Strategic Spend Protocol proposed in this report sets out the process, timetable and infrastructure prioritisation criteria.

2 RECOMMENDATION

- 2.1 That Cabinet agrees that:
 - a) the B&NES Community Infrastructure Levy (CIL) Strategic Spend Protocol (June 2015) (Attachment 1) is approved,
 - b) responsibility is delegated to the Divisional Director for Development, in consultation with the Cabinet Member for Homes and Planning, to make any minor amendments and to correct any errors to the documentation.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 The CIL Regulations allow the Council to keep up to 5 % of CIL funds to cover the administration costs to provide a resource for managing and monitoring CIL Funds.
- 3.2 The preparation of the Protocol has been undertaken by officers in the Planning Policy Team and cost of this is within existing approved budgets.
- 3.3 The allocation of Community Infrastructure Levy (CIL) funds will be made through an annual programming process that aligns with the Council's annual capital programme and budget setting process, with a final decision on the release of funds being made by B&NES Council's Cabinet. Decisions on the release of these

funds will not be made outside this process except in very exceptional circumstances.

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.
- 4.2 The Regulations state that a charging authority must apply CIL to funding the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area. It also allows Charging Authorities to pass money to bodies outside their area to deliver infrastructure that will benefit the development of the area.
- 4.3 To ensure that the levy is open and transparent, charging authorities must publish a monitoring report on their website by 31 December each year, for the previous financial year. The Council also need to ensure that it is using funding from CIL in the most effective way to help ensure that new development is properly aligned with the necessary infrastructure.
- 4.4 Therefore it is important to set out a clear accountable framework to engage with all key service providers and to prioritise CIL spending.

5 THE REPORT

- 5.1 The purpose of CIL is to contribute to the funding of the infrastructure needed to support the District's growth aspirations as set out in the Council's Core Strategy.
- 5.2 The use of income generated through CIL will need to be spent on infrastructure.
 - **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.
- 5.3 It is estimated that CIL could raise about £6.8 million in the next 5 years for infrastructure, essentially replacing that part of Section 106 funding which the council could no longer secure after April 2015. The projections based on the Strategic Housing Land Availability Assessment (SHLAA) are shown below. However this is based on anticipated housing development therefore it is just an indication only and must be treated with caution.

CIL projection based on the SHLAA Housing May 2015

	For Strategic Infrastructure	For Local Fund/ infrastructure	Administration	Total
2015/16	£923,000	£173,000	£57,000	£1,153,000
2016/17	£1,500,000	£281,000	£93,000	£1,874,000
2017/18	£1,700,000	£320,000	£106,000	£2,126,000
2018/19	£786,000	£147,000	£49,000	£982,000
2019/20	£568,000	£106,000	£35,000	£709,000
Total	£5,477,000	£1,027,000	£340,000	£6,844,000

- 5.4 The types of infrastructure for CIL Strategic Fund are listed in the B&NES Regulations 123 list guided by the Infrastructure Delivery Programme (IDP) (see background papers). The IDP identifies the infrastructure required across a broad range of Service Providers and statutory undertakers to deliver the District's plans for growth as set out in the Core Strategy.
- 5.5 Under CIL regulations the Council, as the charging authority, will need to prioritise and agree allocations of available CIL funding towards these infrastructure needs. The IDP confirms that there is a funding gap to which CIL will need to make a contribution. However CIL will not be the sole funding source. It will supplement other potential funding streams such as Business Rate Growth, the Revolving Infrastructure Fund, HCA funding and site specific Section 106 developer contributions. Each of these will need to be considered by the Council as part of its medium term service and resource planning process and the Capital programme. The IDP lists all infrastructure requirements to support new growth, including provision to be provided by developers and other organisations such as utility companies and other public bodies.
- 5.6 The allocation of CIL will be made through an annual programming process that aligns with the Council's annual capital programme and budget setting process, with a final decision on the release of funds being made by B&NES Council's Cabinet. Decisions on the release of these funds will not be made outside this process except in very exceptional circumstances.
- 5.7 The aim of the CIL Strategic Spend Protocol is to ensure transparent decision making in the process leading the allocation of strategic funds. Through this protocol the Council will identify and agree priorities for the use of CIL funding.
- 5.8 The Protocol sets out;
- The decision making process and time table
 - Infrastructure Prioritisation Criteria
 - Local Funding for Town and Parish Councils.

- 5.9 However the timetable for updating the IDP and bidding process will run slightly later this year following Cabinet agreement to the Protocol in July.
- 5.10 The Advisory Note is currently being prepared to assist Town and Parish Councils with the use and administration of the CIL. In the unparished Bath area of the district, B&NES Council will hold the funds until an appropriate framework is developed.

6 RATIONALE

- 6.1 The CIL Strategic Spend Protocol ensures transparent decision making in the process leading the allocation of funding. Through the Protocol the Council will identify and agree priorities for the use of CIL funding.

7 OTHER OPTIONS CONSIDERED

- 7.1 The option not to implement a CIL Strategic Spend Protocol has been considered, however associated risks for this would be that funding decisions are made without strategic coordination resulting in a lack of appropriate infrastructure undermining the delivery of the District's growth aspirations as set out in the Core Strategy.

8 CONSULTATION

- 8.1 The CIL Strategic Spend Protocol was prepared in consultation with the s.151 Officer, Monitoring Officer and the CIL Officers Working Group (a cross service working group).

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.

Contact person	<i>Lisa Bartlett – 01225 477281, Simon de Beer - 01225 477616, Kaoru Jacques 01225 477288</i>
Background papers	<p>www.bathnes.gov.uk/cil <i>CIL Charging Schedule</i> http://www.bathnes.gov.uk/sites/default/files/sitedocuments/Planning-and-Building-Control/Apply-for-Planning-Permission/bnes_charging_schedule_25_feb_2015.pdf</p> <p><i>CIL Regulation 123</i> http://www.bathnes.gov.uk/sites/default/files/sitedocuments/Planning-and-Building-Control/Apply-for-Planning-Permission/bnes_reg_123.pdf</p> <p><i>Infrastructure Delivery Programme</i> http://www.bathnes.gov.uk/sites/default/files/sitedocuments/Planning-and-Building-Control/Planning-Policy/Evidence-Base/Infrastructure/draft_idp_2014.pdf</p>

CIL Developers' Guide

http://www.bathnes.gov.uk/sites/default/files/sitedocuments/Planning-and-Building-Control/Apply-for-Planning-Permission/cil_guide_to_developers_v9june15.pdf

Please contact the report author if you need to access this report in an alternative format