

## MID SUFFOLK DISTRICT COUNCIL

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| <b>TO:</b> Cabinet  | <b>REPORT NUMBER:</b> <b>MCa/19/34</b> |
| <b>FROM:</b> David Burn, Cabinet Member for Planning                                | <b>DATE OF MEETING:</b> 6 January 2020 |
| <b>OFFICER:</b> Christine Thurlow<br>Professional Lead Key Sites and Infrastructure | <b>KEY DECISION REF NO.</b> CAB173     |

### COMMUNITY INFRASTRUCTURE LEVY (CIL) - CIL EXPENDITURE BUSINESS PLAN JANUARY 2020

#### 1. PURPOSE OF REPORT

- 1.1 The CIL Expenditure Framework, the CIL Expenditure Framework Communications Strategy and the Timeline for Implementation following the CIL Framework Review were all adopted by both Councils on the 19<sup>th</sup> March 2019 (Babergh) and 18<sup>th</sup> March 2019 (Mid Suffolk). (Background Documents refer).
- 1.2 The processes and governance around CIL expenditure is set out in these documents and the type of infrastructure that CIL monies can be spent on is set out in each Councils CIL Position Statement. (Background Documents refer).
- 1.3 CIL expenditure operates using a process of twice-yearly bid rounds which occur on the 1<sup>st</sup> - 31<sup>st</sup> May and 1<sup>st</sup> - 31<sup>st</sup> October each year. Once all the Bids have been validated, all valid Bids are then screened for the availability of s106 funds and other funding streams. Following this all valid Bids are prioritised using criteria set out in the CIL Expenditure Framework and recommendations on Valid Bids are included within a CIL Business Plan for each District. The CIL Business Plan for that District will be considered by that Councils Cabinet with decisions on all valid Bids either for Cabinet to make or for Cabinet to note (if the valid Bid has been determined using delegated powers).
- 1.4 This report seeks to obtain approval by Cabinet for Mid Suffolk's CIL Business Plan – January 2020 which forms Appendix A to this report. This report contains the assessment of the CIL Bid (M14-18) including the judgement around the prioritisation criteria for that Bid (Appendix B).

#### 2. OPTIONS CONSIDERED

- 2.1 There is a diverse spectrum of approaches to CIL expenditure across the country from Unitary Authorities who have absorbed CIL into their individual Capital Programmes to others who ringfence all funds to be spent locally. A range of different approaches was identified in Appendix A of the Framework for CIL Expenditure report provided to Cabinet's on the 5<sup>th</sup> and 8<sup>th</sup> of February 2018 and discussed in full during the workshops with the Joint Member advisory panel. Members adopted the documents set out in paragraph 1.1 above by Council decision in April 2018 which were subsequently reviewed and adopted on the 19<sup>th</sup> March 2019 (Babergh) and 18<sup>th</sup> March 2019 (Mid Suffolk).

### 3. RECOMMENDATIONS

That the CIL Expenditure Business Plan (December 2019) and accompanying technical assessment of the CIL Bid (M14-18) forming Appendices A and B and which includes a decision on that valid Bid for Cabinet to make and approve as follows: -

#### **Decision for Cabinet to make: Ringfenced funds for the Stowupland catchment only, Strategic Infrastructure Fund and Local Infrastructure Fund**

| <b>CIL Bid, Location and Infrastructure Proposed</b>   | <b>Amount of CIL Bid and total cost of the Infrastructure</b>   | <b>Delegated Decision</b>  |
|--|---|--|
| M14-18 Stowupland High School<br><br>Expansion to the High School (in the form of a new Sixth form block with 15 additional Sixth Form places) and the creation of 125 secondary school places at the High school. | Amount of CIL Bid<br>£2,446, 575.00<br><br>Total cost<br>£2,979,718.00 (excluding VAT costs which are recoverable by the SCC) | Cabinet to approve<br><br>CIL Bid M14-18 at<br><br>Stowupland High<br><br>School subject to<br>the completion of<br>a Community User<br>Agreement. |

3.2 Cabinet are also asked to note and endorse this CIL Business Plan which includes the position in respect of approved CIL Bids from Rounds 1, 2 and 3.

### **REASON FOR DECISION**

Community Infrastructure Levy (CIL) monies have been collected since the implementation of CIL on the 11<sup>th</sup> April 2016. The CIL Expenditure Framework originally adopted in April 2018 and reviewed with amendments adopted on the 18<sup>th</sup> March 2019 requires the production of a CIL Business Plan for each District which contains decisions for Cabinet to make or note on CIL Bids for CIL expenditure. These decisions relating to the expenditure of CIL monies form one of the ways in which necessary infrastructure supporting growth is delivered.

### 4. KEY INFORMATION

4.1 Given the determination of “available monies” for this CIL Bid M14-18 - (paragraphs 7.8 - 7.9 inclusive) Members are advised: -

- Bid round 4 (between 1<sup>st</sup> - 31<sup>st</sup> October) has now closed. A total of ten new CIL Bids were received within Mid Suffolk; all of which have been acknowledged. They will need to be validated, screened, consulted upon and assessed against prioritisation criteria. As such those Bids are not being considered in this CIL Business Plan. When these Bids become valid, they will be progressed and are

expected to be considered by Cabinet on the 9<sup>th</sup> March 2020 under an updated CIL Business Plan.

- This CIL Business Plan focuses on one single Bid; this being M14-18. The CIL Business Plan does however provide an up to date progress position on all those CIL Bids which have previously been approved in Bid rounds 1, 2 and 3.
- CIL Bid M14-18 was originally submitted in Bid round 1 and was for a school expansion for £1,198,000.00. No planning permission had been granted for any detailed design and the amount of the Bid was based on old cost multipliers. Following much detailed discussion, a revised CIL Bid accompanied by a Business Plan with a detailed design was submitted on the 10<sup>th</sup> October 2019. This information has been followed up with further information relating to costings.

#### 4.2 Consultation

- This detailed design was finally considered by Suffolk County Councils Development and Regulation Committee on the 29<sup>th</sup> October and was approved. This agreement to grant planning permission made the Bid valid on the 29<sup>th</sup> October and as such this Bid has been entered as valid on the Web site and formal consultation has taken place with the Ward Members, Parish Council and the County Councillor for the locality. The consultation took place over a three-week period and the responses that were received are listed below together with comments which respond to the points that have been made. This is as follows: -
- Gary Green County Councillor for Stowmarket North, Stowupland and Creting St. Peter states the following (in respect to the consultation) : -
  - In my opinion I do not support this level CIL funding as the school applying is fundamentally a private company.
  - The school was formally a foundation which means it took responsibility for its own buildings and land. It then became an Academy so has a private, for profit company, running it so to use what is essentially community money is wrong.
  - If this was still a council owned building, then I can understand why this money would be used but for this school the Academy trust should find its own monies for the build!!

#### Response to Councillor Greens comments: -

- Stowupland High School, as part of a foundation trust, does own the site and buildings, but it remains Suffolk County Council's responsibility to provide sufficient and suitable school places. SCC receives funding to provide additional school places arising due to demographic growth (Basic Need), and housing developers are required to provide funding to support infrastructure for the growth their development generates, including education infrastructure. In Babergh and Mid Suffolk the developer funding is collected and distributed through the CIL bidding process, hence this CIL bid from SCC to provide the additional places required at the school to

provide sufficient places. SCC is applying for CIL funding, not the trust, therefore if the bid is successful, the funding will pass to SCC.

- Academies, Trusts and Foundation Schools do not receive funding from central government to provide additional places.
- The project at Stowupland High School will provide 125 additional places in Years 7-11 and a further 15 places in the sixth form. The new building will allow the existing sixth form to relocate from the main building, which will release accommodation to allow the Year 7-11 capacity to increase. The majority of these new places are required due to housing growth, the balance of 14 places is deemed as Basic Need, SCC is providing the funding to provide these places.
- Stowupland Parish Council state the following (in respect of the consultation): -

Following a Parish Council meeting last night, the members are not able to make a response as they still have the following concerns: -

- Confirmation of what the community use is for the building
- Parking issues
- Detailed plans of the Safer Route to School scheme showing the entrance to the A1120
- Confirmation from SCC that the Safer Route to school will be completed alongside the build by September

#### Response to Stowupland Parish Councils comments-

- Confirmation of what the community use is for the building - The building has been designed to facilitate community lettings, with the inclusion of a performing arts space adjacent to an atrium space and kitchen. The classrooms will be multi-functional and at least one room will be furnished to facilitate hire for meetings. There is also a commitment from the University of Suffolk to run access courses in the evenings, at weekends and during the holidays for the local community. Community use will be managed by the John Milton Academy Trust and will be the subject of a Community Use Agreement, which is required by both planning condition and for the CIL funding. The school is very willing to work with partners to maximise the building's use for the benefit of the local community.
- Parking issues - The planning application demonstrated that additional parking (above what is required by Suffolk Parking Standards) will be included in the scheme. An area has also been identified for future sixth form parking, if required.
- Detailed plans of the Safer Route to School scheme showing the entrance to the A1120 - Steve Kerr (Definitive Map Manager, SCC) has been communicating with the Parish Council on this matter and will seek to provide them with the detailed design drawings from Suffolk Highways.

- Confirmation from SCC that the Safer Route to school will be completed alongside the build by September - All stakeholders are keen to see this outcome. The implementation of the route will need to be phased, so that time-restricted Highways funding can be used. The proposal is to form the surface over Thorney Green early in 2020, to commit the Highways funding which will be lost unless the work starts in early 2020. The surface on the school site will follow in 2020, to tie in with the expansion building project. Best endeavours will be for this work to be complete for September 2020.

4.3 The reason why this Bid is being determined independent of the other outstanding Bids is: -

- This Bid was originally submitted in Bid round 1. However, the scheme for the expansion to the school had not been designed at this stage and did not have the grant of planning permission and was consequently termed to be an invalid bid.
- The housing growth that has caused the need for the school expansion has already taken place at the following locations: -
  - Bacton
  - Earl Stonham
  - Finningham
  - Haughley
  - Mendlesham
  - Old Newton
  - Stowmarket
  - Stowupland
  - Wyverstone
- The above developments have triggered the need for the school expansion and for this to be fully constructed and capable of being used ready for the September term 2020, this proposal for funding needs to be considered independent of the rest of the Bids in order to meet the timetable for the works to be ready for the start of the education term in September 2020.. The scheme involves an element of forward funding given committed growth and planned for growth through the emerging Joint Local Plan. This scheme represents Phase one of growth as planned for in the Infrastructure Delivery Plan. It is classed as essential infrastructure. Delivery of this phase of development would allow a second stage of expansion at this school to be provided at the appropriate stage as the scheme has been master planned with this in mind.
- The urgency is such that if this Bid is determined favourably on the 6<sup>th</sup> January 2020, then the works on site could start in early January 2020 with the new sixth form block and all the other elements of the scheme being in place ready to open and capable of use in September 2020.

4.4 The technical assessment (Appendix B) contains information in respect of the Bid with answers to all the validation, screening and prioritisation criteria. The Key points being: -

- This project represents the delivery of key education infrastructure for Mid Suffolk, which is in direct correlation with housing growth that has already

taken place, as well as committed and planned residential growth of the Stowupland area. Furthermore, the project is prioritised as essential in the Babergh and Mid Suffolk Infrastructure Delivery Plan to enable the growth proposed in the Joint Local Plan (Regulation 18 July 2019).

- The project creates a new Sixth Form accommodation, which in turn increases capacity in the existing main building for secondary pupils ages 11 – 16, as such: -
  - Places for secondary pupils ages 11 – 16 to be increased from 925 places to 1,050 places (i.e. 125 additional places)
  - Places for sixth form pupils to be increased from 185 places to 200 places (i.e. 15 additional places).
- The project has been master-planned so that future additional school places can be provided at the school (in a separate scheme constituting Phase 2) when required to support further housing growth in the area. The new Sixth Form accommodation will be purpose built and independent from the main building. It includes the provision for out of hours community use of the Performing Arts Studio, and therefore provides increased facilities that will be available for community use (subject to this being secured through a Community User Agreement). The detail of this document is being established collaboratively between SCC, the Academy and Mid Suffolk
- The project is strongly supported by the school community (including parents and governors), local businesses and the John Milton Academy Trust itself. The Parish Council have raised concerns primarily regarding sufficient parking, traffic congestion and sustainable travel to school. The County Council in partnership with the John Milton Academy Trust (JMAT) who are responsible for running Stowupland High School have endeavoured to mitigate these concerns by providing a school bus park within the school grounds. This will alleviate the existing 'on site' congestion caused by the buses parking in the road, which prevents cars from exiting the school site at the beginning and end of the school day. Concerns regarding cycle parking spaces and motorcycle parking spaces have also been addressed with additional spaces being proposed above the required Suffolk Parking Standards.
- Collaborative spend is proposed, where the largest part of the costs will be met through CIL funds, with contributions from the Department of Education through Basic Need funding, together with SCC Council borrowing and secured s106 monies. As the secondary school's expansion programme is listed as being of strategic importance under Policy SP08 (Infrastructure Provision) of the emerging Joint Local Plan, this project is considered as essential for the delivery of growth which already has occurred as well as committed and planned growth.
- Planning permission was granted for the scheme, which is the subject of this CIL Bid (by favourable decision at SCC Development and Regulation Committee on 29th October 2019). This action made the CIL Bid valid with a tight timetable for delivery (by September 2020). This is the overriding reason

why this Bid could not wait for determination as part of the normal CIL Bid Round process in March 2020.

## **5. SUMMARY OF THE PROPOSAL IN DESIGN TERMS AND CONCLUSIONS**

- 5.1 The proposal is to construct a two-storey standalone building at Stowupland High School to accommodate the Sixth Form. The proposal is designed in two phases, to enable future expansion of this new building if required in the future. Phase 1 (for this current CIL bid), would provide on the ground floor: entrance, atrium, performing arts studio (available to the public out of hours), kitchen and dining/common room, storage, locker room, office and toilets; on the second floor: 4 new classrooms, media suite, storage and toilets.
- 5.2 The net increase in pupil admission numbers are:
- Secondary pupils: 125 additional places;
  - Sixth form pupils: 15 additional places.
- 5.3 The proposal also includes significant improvements to site access by car, school bus, cycling and walking, with a new parking area for seven coaches, a 57-space car park, additional cycle parking and a new cycle/footpath. The new parking area with 57 parking spaces provides 20 spaces above the requirements of the Suffolk Parking Standards. The proposed new car park would bring the total number of marked spaces on the site to 117 (60 existing and 57 new). This aims to reduce the need for overspill parking on the grass as is currently the case at the school.
- 5.4 A pupil drop-off area is proposed adjacent to the turning circle and new car park. In contrast to the position taken by most other schools, Stowupland High School allows parental drop-off on site in order to reduce traffic issues elsewhere in the village.
- 5.5 The pupil drop-off area combined with the coach parking area would reduce peak-time congestion on the access road within the site and improve access for pupils travelling by car. Any sixth formers driving to school can park in the Village Hall car park under an agreement with the school (16 spaces). Currently only 6% of sixth formers drive to school. Should this parking arrangement cease, a space has been identified on the school site for sixth form parking (which would require planning permission if pursued in the future).
- 5.6 The standalone building is well designed and complements the character of the main school building. The benefits of providing an independent facility for the sixth formers provides a more appropriate learning environment, well designed and well-resourced to advance education for the benefit of the pupils, as well as the local community.
- 5.7 Overall, as supported by the Suffolk County Council Members of the Development and Regulation Committee on the 29<sup>th</sup> October 2019, the proposal provides a good opportunity to improve education provision and aspirations for Sixth Form pupils, as well as having the potential to address current issues in relation to car parking and traffic issues in the vicinity of the site. It also provides the added benefit of being available for the Community under a Community User agreement.

## **CONCLUSIONS**

- 5.8 The expansion at this school represents key school infrastructure which is necessary to serve the needs of the housing growth that has taken place and is also approved and planned. The scheme is larger than that necessary to address the growth as with school expansions there is always an element of forward funding as school expansions are designed to be a little bigger than immediately required. In this case the scheme provides for an additional 125 secondary school places and 15 additional sixth form places. Using the appropriate cost multipliers this project is costed appropriately using the Department for Education (DfE) cost multipliers at £2,979,718.00 with a CIL Bid request of £2,446,575.00 being sought.
- 5.9 Given the fact that the school has a wide catchment area (and will take pupils from the following parishes: Bacton, Cotton, Creeting St Peter or West Creeting, Finningham, Gipping, Haughley, Mendlesham, Old Newton with Dagworth, Earl Stonham, Stowupland, Westhorpe, Wetherden, Wyverstone) it is considered appropriate to recommend taking money from the Stowupland school ringfenced fund, the Strategic Infrastructure Fund and the Local Infrastructure Fund to pay for this project. This is set out in paragraphs 7.8 and 7.9.
- 5.10 To conclude, this scheme represents the first school extension within Mid Suffolk to be funded involving CIL monies. It is important that this essential infrastructure is delivered as the growth requiring its provision has in the main already taken place. On this basis and as the proposal is listed as essential infrastructure it is strongly recommended that this proposal to fund this infrastructure is supported subject to the completion of a community user agreement so that maximum use of this facility can be made by the community.

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

- 6.1 The effective spending of CIL monies will contribute to all the three priority areas that Councillors identified in the Joint Strategic Plan. Economy and Environment Housing and Strong and Healthy Communities.

## **7. FINANCIAL IMPLICATIONS**

- 7.1 The adopted CIL Expenditure Framework is critical to the funding of infrastructure to support inclusive growth and sustainable development.
- 7.2 The CIL Regulations stipulate that CIL monies which are collected must be spent on Infrastructure. Before 1<sup>st</sup> September 2019, each Council was required to publish a list of infrastructure that they will put the CIL monies towards. These lists were known as the "Regulation 123 Lists". However, on the 1<sup>st</sup> September 2019, new CIL Regulations were enacted, with the CIL 123 Lists being abolished, and in order to provide clarity given this changing situation, each Council adopted a CIL Position Statement containing a list of infrastructure that it would spend its CIL monies on. The authority for this was provided by a Council decision in March 2019 when the First Review of the CIL Expenditure Framework was undertaken and a revised scheme was agreed (by both Councils). The CIL Position Statements are identical for both Councils; the [hyperlink](#) for the CIL Position Statement for Mid Suffolk is contained at paragraph 14.1.

- 7.3 These replacement documents (known as the CIL Position Statement) makes both Councils position clear on the expenditure of CIL This is expected to remain in force until the Position Statement is formally reviewed (as part of the forthcoming Review of the CIL Expenditure Framework) and amended /or replaced.
- 7.4 CIL is collected and allocated in accordance with the CIL Regulations 2010 (as amended). Each Council retains up to 5% of the total CIL income for administration of CIL. From the remainder, 15% is allocated to Parish or Town Councils (subject to a cap) but where there is a Neighbourhood Plan in place this figure rises to 25% (without a cap). For those parishes where there is no Parish or Town Council in place the Council retains the monies and spends the CIL Neighbourhood funds through consultation with the Parish.
- 7.5 Since the implementation of CIL for both Councils on the 11<sup>th</sup> April 2016 there have been seven payments to Parish Councils, in October 2016, April and October 2017, April and October 2018 and April and October 2019. At the time that the Neighbourhood payments are made, the 20% set aside for Strategic Infrastructure fund is also undertaken. The Strategic Infrastructure Fund money is stored separately to the Local Infrastructure Fund at this point. As this accounting requires Finance to verify the figures, daily accounting in this way would be too cumbersome and resource hungry to carry out. There is no adverse impact on the Bid Round process or cycle to this method of accounting. Indeed, these dates work well with the Bid round process. (Paragraph 1.3 refers).
- 7.6 The remaining 80% of the CIL monies comprises the Local Infrastructure Fund and it is the total of these separate funds which the available funds for expenditure against each Bid round are calculated. Within the CIL Expenditure Framework, infrastructure provision for major housing developments is prioritised and ringfenced for spend against these housing projects. In this way housing growth occurring within the Districts is supported by infrastructure provision.
- 7.7 When commencement of these major housing schemes occurs, monies are collected according to the CIL payment plan in place. If the scale of development is large the CIL payment plan could be up to 5 equal payments collected over a two-year timescale. Smaller developments are required to pay the money in less instalments and over a shorter timescale. These monies are held in a separate account from the Strategic and Local Infrastructure funds to ensure the monies are safeguarded towards infrastructure supporting these developments. The remaining unallocated monies are known as the “**available funds**” and it is these funds that can fund the majority of CIL bids.

### **Available funds (Stowupland school catchment area Ringfenced funds, Strategic and Local Infrastructure Funds) – Mid Suffolk**

7.8 These available funds are: -

- Local Infrastructure Fund available as at 30 September 2019 =: £1,446,403.54

- Strategic Infrastructure Fund (including interest) as at 30 September 2019 =: £1,119,795.49
- Ringfenced monies collected in the Stowupland catchment area taken from the Ringfenced funds as at 30 September 2019 =: £1,022,867.46

7.9 These are expressed as follows: -

| <b>Expenditure</b>  | <b>Total</b> | <b>2017/<br/>18</b> | <b>2018/19</b> | <b>2019/20</b> |
|---|--------------|---------------------|----------------|----------------|
| Total Expenditure in Bid Round 1 (Local Infrastructure Fund only)   |              | N/A                 | £156,979.84    | N/A            |
| Total Expenditure in Bid Round 2 (Local Infrastructure Fund only)   |              | N/A                 | £78,297.15     | N/A            |
| Total Expenditure in Bid Round 3 (Local Infrastructure Fund only)   |              | N/A                 | N/A            | £9,996.26      |
| CIL Expenditure "Available Funds" in Strategic Infrastructure Fund for consideration of Bid M14-18 (at 30/9/2019)                                     |              | N/A                 | N/A            | £1,119,795.49  |
| CIL Expenditure "Available Funds" in Local Infrastructure Fund for Bid M14-18 (at 30/9/2019)  |              | N/A                 | N/A            | £1,446,403.54  |
| CIL Expenditure "Available Funds" in Ringfenced funds for Stowupland high school catchment area for Bid M14-18 (at 30/9/2019)                         |              | N/A                 | N/A            | £1,022,867.46  |
| Amount carried forward to Bid Round 4 (Strategic Infrastructure Fund) if Bid 14-18 is approved (at 30/9/2019)   |              | N/A                 | N/A            | £0             |
| Amount carried forward to Bid Round 4 (Local Infrastructure Fund) if Bid 14-18 is approved (at 30/9/2019)   |              | N/A                 | N/A            | £1,446,403.54  |
| Amount carried forward to Bid Round 4 (Total Ring-fenced monies within Stowupland high school catchment area) if Bid 14-18 is approved (at 30/9/2019) |              | N/A                 | N/A            | £0             |
| Amount carried forward to Bid Round 4 (Total Ring-fenced monies outside of Stowupland high school catchment area) (at 30/9/2019)                      |              | N/A                 | N/A            | £1,643,186.34  |

## 8. LEGAL IMPLICATIONS

- 8.1 The detailed framework for CIL expenditure is legally sound and robust and was designed including a legal representative from the Councils Shared Legal Service (who also attended each of the Joint Member workshop sessions) and agreed the adopted CIL Expenditure Framework documents (prior to consideration by Cabinet and Council of both Districts).
- 8.2 This report and the accompanying CIL Business Plan for Mid Suffolk District Council - December 2019 (including Appendix B) have also been endorsed as being sound and legally compliant by the Councils Shared Legal Service.
- 8.3 Governance arrangements agreed in April 2018 and which remained unchanged as part of the CIL Expenditure Framework Review of 2019 are clear in respect of the determination of this Bid. It is a Cabinet decision and paragraph 3.1 of the CIL Expenditure Framework allows Bids to come forward independent of others if there are exceptional reasons. In this case housing growth has been started within the Stowupland catchment area to a quantum where this school expansion is triggered and is necessary.
- 8.4 Regulation 62 of the CIL Regulations 2010 (as amended) required CIL charging authorities to publish monitoring statistics for collection allocations and expenditure of CIL monies by the 31st of December for each year. The 2017, 2018 and 2019 Monitoring Report for both Councils are published on the websites (see below).

<https://www.midsuffolk.gov.uk/assets/CIL-and-S106-Documents/Mid-Suffolk-District-Council-CIL-Monitoring-Report-2016-17.pdf>

<https://www.midsuffolk.gov.uk/assets/CIL-and-S106-Documents/FINAL-MSDC-Reg-62-Report.pdf>

<https://www.midsuffolk.gov.uk/planning/community-infrastructure-levy-and-section-106/community-infrastructure-levy-cil/cil-reporting/>

- 8.5 In the future, under the new CIL Regulations 2019, it is necessary for each Council to produce an Annual Funding Statement (dealing with both CIL and s106 developer contributions. This must be produced by December 2020.

## 9. RISK MANAGEMENT

- 9.1 This report is most closely linked with the Strategic Risk 1d – Housing Delivery. If we do not secure satisfactory investment in infrastructure (schools, health, public transport improvements etc) then development is stifled and /or unsustainable.
- 9.2 Key risks are set out below:

| Risk Description  | Likelihood   | Impact  | Mitigation Measures   |
|---|--------------|---------|---|
| Failure to allocate expenditure such that if we do not secure investment in infrastructure (schools, health, public transport improvements etc.), | Unlikely (2) | Bad (3) | Adopted Community Infrastructure Levy (CIL), secures investment on infrastructure via the planning process (which includes S106). |

| Risk Description  | Likelihood                 | Impact                       | Mitigation Measures  |
|---|----------------------------|------------------------------|--|
| <p>then development is stifled and/or unsustainable.</p> <p>Current Risk Score: 6</p>   |                            |                              | <p>Creating the Infrastructure Delivery Plan as part of the Strategic Plan, Joint Local Plan with associated Infrastructure Strategy and Infrastructure Delivery Plan will ensure that infrastructure across both Councils is addressed, New Anglia LEP Economic Strategy, draft created together with the Councils Open for Business Strategy.</p>  |
| <p>Failure to produce a yearly Regulation 62 report would result in non-compliance with the CIL Regulations 2010 (as amended) and may mean that Members and the public are not aware of CIL income and expenditure activities.</p> <p>In the future under the new CIL Regulations 2019 an Annual Funding Statement is required to address CIL and s106 developer contributions and this must be produced and in place by December 2020. Failure to so will also result in non-compliance with the CIL Regulations</p> | <p>Highly Unlikely (1)</p> | <p>Noticeable /Minor (2)</p> | <p>The Infrastructure Team produces the required report which is checked and verified by Financial services/open to review by External Audit. Reminders are set to ensure the report is published by the statutory date. The format of the Monitoring report which in future will be known as the Annual Funding Statement is laid out in the CIL Regulations, so there is no risk in relation to the way the information is presented</p> |
| <p>Failure to monitor expenditure such that CIL expenditure is not effective.</p>   | <p>Unlikely (2)</p>        | <p>Bad (3)</p>               | <p>The software which supports CIL collection will be used to support CIL expenditure. In addition, it is envisaged that a yearly CIL Business plan (with a 6-month update) will be produced which will include details of all allocated and proposed CIL expenditure and this together with the software will be used for effective monitoring.</p>   |
| <p>If too high a value is allocated into the Strategic Infrastructure Fund, there is a risk that there would be insufficient Local Infrastructure Funding available to deliver the infrastructure required to mitigate the harm, thereby ensuring sustainable development.</p>  | <p>Unlikely (2)</p>        | <p>Bad (3)</p>               | <p>The Infrastructure Team will continue to monitor all allocations of CIL Funds and the CIL Expenditure Framework review will include this risk as a key element of the review to ensure the level set remains appropriate.</p>   |

| Risk Description   | Likelihood   | Impact       | Mitigation Measures  |
|--|--------------|--------------|--|
| <p>If 25% Neighbourhood CIL is automatically allocated to any Parish/Town councils where there is no Neighbourhood Plan in place, there is a risk that there would be insufficient CIL Funding to allocate to the Strategic Infrastructure Fund and also the risk that there would be insufficient Local Infrastructure Funding available to deliver the infrastructure required to mitigate the harm, thereby ensuring sustainable development.</p> | Unlikely (2) | Bad (3)      | <p>The Infrastructure Team will continue to monitor all allocations of Neighbourhood CIL and other CIL Funds and the CIL Expenditure Framework review will include this risk as a key element of the review to ensure allocations of CIL remain appropriate and projects to make development sustainable are able to be delivered.</p>   |
| <p>If commencements of major housing developments were not correctly monitored or the incorrect apportionment of CIL monies were to occur such that monies could not be allocated towards major housing developments, inadequate infrastructure provision would result.</p>  | Unlikely (2) | Disaster (4) | <p>The Infrastructure Team will continue to monitor all commencements of development through the service of the required Commencement Notice by developers such that correct apportionment of CIL Funds can be undertaken. The CIL Expenditure Framework review will include this risk as a key element of the review to ensure allocations of CIL remain appropriate and projects to make development sustainable are able to be delivered.</p> |

### **Assurances (for collection of CIL monies)**

9.3 In September 2016 Internal Audit issued a report in relation to CIL governance processes. The Audit Opinion was High Standard and no recommendations for improvement to systems and processes were made. Table 5 provides a definition of this opinion:

**Table 5**

|               | <b>Operation of controls</b>  | <b>Recommended action</b>  |
|---------------|---|--|
| High standard | Systems described offer all necessary controls. Audit tests showed controls examined operating very effectively and where appropriate, in line with best practice.  | Further improvement may not be cost effective.   |
| Effective     | Systems described offer most necessary controls. Audit tests showed controls examined operating effectively, with some improvements required.   | Implementation of recommendations will further improve systems in line with best practice. |
| Ineffective   | Systems described do not offer necessary controls. Audit tests showed key controls examined were operating ineffectively, with a number of improvements required.   | Remedial action is required immediately to implement the recommendations made.             |
| Poor          | Systems described are largely uncontrolled, with complete absence of important controls. Most controls examined operate ineffectively with a large number of non-compliances and key improvements required. | A total review is urgently required .  |

9.4 On the 18th December 2017 Joint Overview and Scrutiny received a fact sheet on collection and current thinking on CIL expenditure and questions were answered in relation to it. Members of that Committee were advised of the route map towards getting a framework for CIL expenditure formally considered. Members were advised that this would be a key decision for both Councils and would need to go to Cabinet and then full Council. The resulting joint CIL Expenditure Framework, the CIL Expenditure Communications Strategy and the Timeline for the Expenditure of CIL and its Review were adopted by both Councils on the 24th April 2018 (Babergh) and 26th April 2018 (Mid Suffolk).

9.5 In May 2018 the results of an investigation by Internal Audit on behalf of the Assistant Director Planning and Communities were produced following complaints regarding the CIL process in place for Babergh and Mid Suffolk. The investigation concluded: -

- "The information provided to the public in relation to the CIL process is superior to that found for some other Councils and the team go over and above the requirements when supporting applicants where resources allow them to do so. It is Internal Audit's opinion that the Infrastructure team, even though working under challenging conditions with increasing numbers of applications, are providing a good service to customers and also pro-actively looking for ways to improve where possible."

- "The audit opinion is therefore high standard" – (paragraph 8.3 Table 5 defines high standard classification).

9.6 In September 2018 Internal Audit conducted a review of CIL Expenditure processes and released a written report. It contains a Substantial Assurance audit opinion (with two good practice points needing to be addressed relating to further clarification of "best value" (one of the criteria for assessing CIL Bids) and storage of all electronic communication.

9.7 On the 19<sup>th</sup> September 2019 a report was prepared for consideration by Joint Overview and Scrutiny on CIL expenditure with five witnesses including Infrastructure Providers, Cockfield Parish Council and a member of the Joint Member Panel; the latter of which are informing the second review of the CIL Expenditure Framework. It

is expected that the outcomes from this process will be presented to both Councils for consideration and be in place before Bid round 5 opens in May 2029.

### **Assurances (for collection and expenditure of CIL Monies)**

- 9.8 It is expected that Internal Audit will continue to regularly audit CIL collection allocation and expenditure processes and actual expenditure once any schemes are developed and implemented.
- 9.9 As Members will recall there is a timeline for implementation of CIL and its review which contains key dates for the remainder of the CIL expenditure year cycle (Background papers referred.)
- 9.10 The first review of the CIL Expenditure Framework took place in 2018 following consideration by Joint Overview and Scrutiny in November 2018. The Joint Member Panel also informed the review and the conclusions were presented to both Councils and adopted in March 2019. This decision by both Councils planned for a further review of the CIL Expenditure Framework to occur at the same time as the Bid round no 4 so that any revised scheme would be in place before Bid round 5. This second review of the CIL Expenditure Framework is likely to be considered by each Council in April 2020.

## **10. CONSULTATIONS**

- 10.1 The CIL Expenditure Communications Strategy contains a requirement for both Councils to consult the following bodies or organisations (for a period of 21 days) where valid Bids for their Wards or Parish have been submitted as follows (with responses contained in paragraph 4.2 above):-
- District Member(s)
  - Parish Council
  - Division County Councillor

Where appropriate as part of the CIL process and assessment of the Bids, Officers have also taken advice from other Officers within the Council; including the Communities team and the Strategic Leisure Advisor.

- 10.2 Regular Parish events and Member briefings will continue to be held to familiarise all with the Expenditure Framework and how we can continue to work together to provide infrastructure for the benefit of our communities.

## **11. EQUALITY ANALYSIS**

- 11.1 Please see attached Screening report.

## **12. ENVIRONMENTAL IMPLICATIONS**

- 12.1 It is important that appropriate infrastructure mitigates harm which could be caused by new development without its provision. CIL is one way in which infrastructure is provided and the CIL Expenditure Framework requires two bid rounds per year supported by the provision of a business plan for each Bid round. There is no EIA Assessment required.

### 13. APPENDICES

| Title  | Location |
|--|----------|
| A. Appendix A the CIL Business Plan for Mid Suffolk containing Bid M14-18 – January 2020                           | Attached |
| B. Appendix B to the CIL Business Plan for Mid Suffolk – January 2020 (Technical Assessment of the CIL Bid M14-18) | Attached |
| C. Appendix C Screening report for Equality Analysis   | Attached |

### 14. BACKGROUND DOCUMENTS

14.1 The CIL Expenditure Framework, the CIL Expenditure Framework Communications Strategy and the CIL Position Statement for Mid Suffolk District Council together with the Timetable for the implementation of the CIL Expenditure Framework and Review constitute background papers for this report. These were originally adopted by both Councils in April 2018. They were reviewed and adopted by both Councils in March 2019 (Babergh – 18<sup>th</sup> and Mid Suffolk - 19<sup>th</sup> March) and these amended Background documents are as follows: -

- The CIL Expenditure Framework:

<https://www.midsuffolk.gov.uk/assets/CIL-and-S106-Documents/CIL-SPENDING/FINAL-CIL-Expenditure-Framework-Babergh-and-Mid-Suffolk-Final-amended-March-2019.pdf>

- The CIL Expenditure Framework Communications Strategy:

<https://www.midsuffolk.gov.uk/assets/CIL-and-S106-Documents/CIL-SPENDING/FINAL-CIL-Expenditure-Framework-Communication-Strategy-final-005March-2019-005.pdf>

- CIL Position Statement for Mid Suffolk District Council:

<https://www.midsuffolk.gov.uk/planning/community-infrastructure-levy-and-section-106/community-infrastructure-levy-cil/spending-cil/>

- The Timetable for the implementation of the CIL Expenditure Framework and the second Review of the CIL Expenditure Framework

<https://www.midsuffolk.gov.uk/assets/CIL-and-S106-Documents/CIL-SPENDING/FINAL-CIL-Expenditure-Calendar-2019-Key-dates.pdf>

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