

BABERGH DISTRICT COUNCIL and MID SUFFOLK DISTRICT COUNCIL

TO: Council	REPORT NUMBER: BC/20/30
FROM: Councillor Clive Arthey Councillor David Burn Cabinet Members for Planning	DATE OF MEETING: 23 March 2021 (BDC) 25 March 2021 (MSDC)
OFFICER: Tom Barker - Assistant Director Sustainable Communities	KEY DECISION REF NO. N/A

COMMUNITY INFRASTRUCTURE LEVY (CIL) – CIL EXPENDITURE FRAMEWORK THIRD REVIEW – MARCH 2021

1. PURPOSE OF REPORT

- 1.1 The Community Infrastructure Levy (CIL) Expenditure Framework, the CIL Expenditure Framework Communications Strategy and the Timeline for Implementation and Review were all originally adopted by both Councils on the 24th April 2018 (Babergh) and 26th April 2018 (Mid Suffolk). A first review of these documents took place and the changes were adopted at both Councils meetings on the 18th March 2019 (Mid Suffolk) and 19th March (Babergh). A second review took place in the winter 2019/20 and these changes were adopted by both Councils in April 2020. Both Councils agreed that they wished to keep the CIL Expenditure Framework under review and agreed the need for a third review which would take place at the same time as Bid round 6 (October 2020) with any amendments being adopted and in place before Bid round 7 (May 2021). (Background Documents refer)
- 1.2 It was also agreed that the Joint Member Panel who informed the content of the CIL Expenditure Framework (including the first and second review) would remain to inform the third CIL Expenditure Framework review process.
- 1.3 This third review process has taken place as follows:-
 - The involvement of the Joint Member Panel comprising the following Members; Clive Arthey, Lee Parker, Leigh Jamieson, Mary McLaren, David Burn, Gerard Brewster, Sarah Mansel and John Field.
 - Joint Member Panel meetings took place on the 1st 10th 18th and 31st October, 3rd and 17th November, 15th December and 1st February 2021 to discuss the scope of the review and to agree outcomes.
- 1.4 This report together with the attached Appendices A, (amended CIL Expenditure Framework) B, (amended CIL Expenditure Communications Strategy) C (Key CIL dates calendar) represent the conclusions and outcomes of the third CIL Expenditure Framework review process. These will be discussed in the report under Key information (see below) and constitute the foundation for the recommendations below.

- 1.5 Since the second review, a new provision within the CIL Regulations of 2019 has taken effect and an annual Infrastructure Funding Statement (including an Infrastructure List) for each Council has been produced and agreed by Cabinet in November 2020. These documents have replaced the CIL Position Statements for each Council which are abolished (under this new legislation). The Councils published their first Infrastructure Funding Statements (including the Infrastructure List) on the Councils website on the 12th December 2020. These documents (to be reviewed each year for each Council) are key documents that the CIL Expenditure Framework rest on.
- 1.6 A further recommendation under cover of this report involves the need for a further (fourth) CIL Expenditure Framework review (to be informed by the Joint Member Panel) whilst Bid round 8 is taking place (October 2021) so that any amended scheme is in place before Bid round 9 opens (May 2022).

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 5th and 8th 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. Two reviews of the CIL Expenditure Framework and the CIL Expenditure Framework Communication Strategy have subsequently taken place with changes informed by the Joint Member Panel that were adopted by both Councils in March 2019 and April 2020.

3. RECOMMENDATIONS

- 3.1 That Babergh and Mid Suffolk Councils approve the amendments to the CIL Expenditure Framework – March 2021 (arising from the third review) - (Appendix A) and the CIL Expenditure Framework Communications Strategy – March 2021 (Appendix B).

(Appendix C comprises the yearly Key CIL Dates Calendar which is produced under delegated powers (to the Assistant Director of Sustainable Communities in consultation with the Cabinet Members for Planning and the Cabinet Members for Communities) each year (as part of the outcomes of the first review of the CIL Expenditure Framework.) Appendix C (Key CIL dates for 2021/22) together with Appendices E and F (which comprise the current annual Babergh and Mid Suffolk Infrastructure Funding Statements - Infrastructure List) accompany the CIL Expenditure Framework and the Communications Strategy and are for reference purposes only).

- 3.2 That Babergh and Mid Suffolk agree that the CIL Expenditure Framework and the CIL Expenditure Framework Communications Strategy be reviewed again whilst Bid round 8 is being considered (October 2021) so that any amended scheme can be in place before Bid round 9 occurs (May 2022).
- 3.3 That Babergh and Mid Suffolk agree that the Joint Member Panel be retained to inform this (fourth) review.

REASON FOR DECISION

Community Infrastructure Levy (CIL) monies have been collected since the implementation of CIL in April 2016. There is no prescribed way for Councils to decide upon the spend of money collected through CIL, so Councils have to agree their own approach and review processes.

4. KEY INFORMATION

- 4.1 All the information captured in paragraph 4.5 has formed the substance of discussion by the Joint Member Panel at their meetings on the 1st 10th 18th and 31st October, 3rd and 17th November 2020, 15th December and 1st February 2021.
- 4.2 Since the first review of the CIL Expenditure Framework, the Infrastructure Delivery Plan (IDP) has been produced and published as evidence for the Joint Local Plan. This document significantly changes the context for CIL expenditure as it identifies infrastructure priorities for both Districts to support growth. It classifies the infrastructure as critical, essential or desirable and in doing so it signals that greater weight needs to be given to some infrastructure projects if compared with others as those listed as critical or essential are necessary where growth has taken place.
- 4.3 In addition since the second review, the provisions of the CIL Regulations 2019 have taken place requiring all Councils to produce a yearly Infrastructure Funding Statement (IFS). This document captures monitoring information about the income and expenditure of CIL and s106 together with the allocation of Neighbourhood CIL and its expenditure by Parishes on a yearly basis. In addition, the legislation requires all Councils to produce an Infrastructure List within the IFS which is a list of all specific infrastructure projects that the Council expect to spend CIL and s106 on. For Babergh and Mid Suffolk, this Infrastructure List (which is different for both Councils) is largely but not wholly comprised of infrastructure projects resulting from the Infrastructure Delivery Plan.
- 4.4 The Infrastructure Funding Statements for both Councils were considered by both Council's Cabinets in November 2020 and the separate IFS documents for Babergh and Mid Suffolk were published on the Councils web site in December 2020. (Appendices E and F comprise the Infrastructure List taken from the IFS for both Councils (with the whole IFS document capable of being read using the hyperlink in Background Papers - see below).
- 4.5 For the third review, the Joint Member Panel discussed revisions and have made the following suggestions for changes to the CIL Expenditure Framework and the CIL Expenditure Framework Communications Strategy (Appendices A and B) as follows:-

CIL EXPENDITURE FRAMEWORK (Appendix A)

Key recommended changes: -

- **New CIL Bid application form for requests for CIL funds from adjoining Local Authorities/Infrastructure Providers for CIL** to support infrastructure projects outside the Babergh and Mid Suffolk administrative boundaries where it can be satisfactorily proven that our growth impacts on infrastructure beyond the District's boundaries such that mitigation is required.

- **New additional criteria for dealing with such CIL Bids (from adjoining Local Authorities/Infrastructure Providers) as follows:-**
- **Must be collaborative Bids** – Babergh/Mid Suffolk will not contribute 100%
- **Babergh's and Mid Suffolk's CIL spend must be proportionate** to what is being provided and linked by way of evidence to impacts of growth within Babergh and Mid Suffolk and must address evidence based impacts.
- **Must be specific deliverable projects with timescales and oven ready schemes** with all necessary formal approvals in place.
- **Babergh and Mid Suffolk must be final part of the funding jig saw** so that CIL funds are not tied up in projects that will not be delivered.
- **Must be capital based specific projects** that address growth impacts.
- **Will not fund projects which are not classed as infrastructure.**
- **Specific infrastructure projects must be listed in the Infrastructure Delivery Plan and within the Infrastructure Funding Statement (Infrastructure List)** for Babergh and Mid Suffolk where spend is going to occur.
- **Same engagement process for Parish Councils Ward Members and County Councillors** (as already set out in the Framework) where CIL expenditure beyond each Districts administrative/geographical boundaries is over £50,000.
- **All such CIL expenditure beyond each Districts administrative/geographical boundaries shall be Cabinet decisions** with no delegated decisions.
- **Technical Assessment shall include an additional section** where CIL spend is outside the administrative/geographical boundaries of the Districts (in order to respond to these additional criteria).
- **Collaborative spend outside the District shall be limited to Infrastructure provider projects only.**
- **Normal Bid round process twice a year will apply.**
- **Submission of a CIL Project Enquiry form** before actual CIL Bid submission will be necessary and can be submitted year round.
- **Consider whether the required mitigation can be provided by other means** (through culminative growth impacts).
- **Is the infrastructure mitigation required classed as essential within the other Districts Infrastructure Delivery Plan, Infrastructure Funding Statement and Statements of Common Ground.**
- **All CIL Bids for expenditure beyond the Districts administrative/geographical boundaries must come from adjoining Local Authorities or Infrastructure Providers.** Any requests from Parishes Community Groups/other organisations (such as Health Hubs, Schools) outside BDC and MSDC administrative boundaries will be regarded as falling outside the terms of our CIL Expenditure Framework – not eligible for making CIL Bids.
- **CIL Bid requests direct from schools** – agreed we make position clear in the CIL Expenditure Framework that all education funding must be because of a proven education need and other Bids will be termed outside the CIL Expenditure Framework.

- **Use of CIL Project Enquiry Form** – regarded as very useful for building a programme of infrastructure delivery. Agreed all infrastructure projects must submit a CIL Project Enquiry Form before actual CIL Bid submission.
- **One transitional Bid round** – where circumstances warrant allow one transitional Bid round for all existing undetermined CIL Bids so that they are not disadvantaged by any changes in this review.
- **Agreement to keep CIL Expenditure Framework under review.** Agreed another review (fourth) whilst Bid round 8 is underway (October 2021) so that any revisions are adopted before Bid round 9 occurs in May 2022.
- **Agreed the Joint Member Panel remain to inform the fourth CIL Expenditure Framework review.**

CIL EXPENDITURE FRAMEWORK COMMUNICATION STRATEGY (Appendix B)

Key recommended changes: -

- **Include Parishes in the CIL Expenditure Framework Communication Strategy**
- **Abolition of the CIL Position Statements and their replacement by the Infrastructure Funding Statement (including an Infrastructure List) for each Council**
- **Inclusion of the Infrastructure Funding Statement** on CIL Expenditure for Member Briefings.
- **Inclusion of specific dates for the allocation of Neighbourhood CIL** in April and October each year.
- **Provide some clear key messages on a fact sheet type basis to cover different aspects of CIL for the web site.**
- **Continue with regular briefing sessions with Members and also Parishes** in line with the requirements for regular communication in the CIL Expenditure Framework Communication Strategy – 2 events each year.
- **Alteration of wording to reflect that Parish Briefings will take place in a virtual setting** (with the deletion of references to those Briefings being held in different locations within both Districts).

Key outcomes from the changes suggested by the Joint Member Panel

4.6 The key outcomes would be as follows:-

- New additional CIL Bid application form, determining criteria and procedural changes to address CIL expenditure outside Babergh and Mid Suffolk's geographical boundaries where such impacts warrant infrastructure mitigation
- Procedural and working practice changes to ensure that Babergh and Mid Suffolk secure s106 monies or CIL in respect of new development which occurs beyond the Districts administrative/geographical boundaries where this impacts upon Babergh

and Mid Suffolk's infrastructure so that any gained contributions can be invested in Babergh and Mid Suffolk infrastructure

- Monitor and review all CIL Bid expenditure on CIL Bids from adjoining local Authorities or infrastructure Providers by determination of these CIL Bids by Cabinet with no delegated decisions
- Procedural/process changes for CIL Bids.
- Continue to improve communication around CIL particularly for Members and Parishes.
- Continue to keep the CIL Expenditure Framework and the CIL Expenditure Framework Communication Strategy under regular yearly review.

4.7 It is recommended that both Councils agree these changes under the recommendations in Section 3 above.

5. LINKS TO JOINT STRATEGIC PLAN

5.1 The effective spending of CIL Monies will contribute to all the three priority areas that Councillors identified in the Joint Corporate Plan; Economy and Environment Housing and Strong and Healthy Communities.

6. FINANCIAL IMPLICATIONS

6.1 The adopted CIL Expenditure Framework is critical to the funding of infrastructure to support growth and sustainable development.

6.2 The CIL Regulations stipulate that CIL monies which are collected must be spent on Infrastructure. Before 1st 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 1st 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 were identical for both Councils. Under the 2019 CIL Regulations each Council has to produce a yearly Infrastructure Funding Statement (IFS) ; the first one was agreed by both Councils Cabinets and they were published on the Councils web site in December 2020. The Infrastructure Funding Statements contain an Infrastructure List which is founded not wholly but partly on the Infrastructure Delivery Plan. Upon the publication of each Councils IFS under the 2019 CIL Regulations, each Council's CIL Position Statements were abolished.

6.3 CIL is collected and allocated in accordance with the CIL Regulations 2019 Each Council retains up to 5% of the total CIL income for administration of CIL. From the remainder, 15% (capped at £100 per Council Tax dwelling) is allocated to Parish or Town Councils but where there is a made Neighbourhood Plan in place this figure rises to 25% (with no 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 concerned.

- 6.4 At the time that the Parish pay-outs are made (by 28th April and 28th October each year), the 20% save for the Strategic Infrastructure fund is also undertaken as required by the CIL Expenditure Framework. The Strategic Infrastructure Fund money is stored separately to the Local Infrastructure Fund at this point. At the same time, the ringfencing of CIL monies (for developments of ten houses or more) occurs; these are known as Ringfenced Infrastructure Funds. This ringfencing of funds occurs in order to ensure that infrastructure provision for major housing developments is prioritised and ringfenced for spend. 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.
- 6.5 The remaining 80% of the CIL monies comprises the Local Infrastructure Fund from which the majority of expenditure against the Bid round are taken. Each Bid round, the available funds for expenditure from the Strategic Infrastructure Fund, the Ringfenced Infrastructure Funds and the Local Infrastructure Fund are calculated. The CIL Bids are then paid for from these different funds of money.
- 6.6 Infrastructure delivery in CIL expenditure terms is as follows:- .

Total allocated expenditure for Babergh in Bid rounds 1-6 (including Cabinet spend in December 2020):

CIL Expenditure	Total	2018/19	2019/20	2020/21
Total CIL expenditure in Bid round 1 (May 2018)		£75,217.55	N/A	N/A
Total CIL expenditure in Bid round 2 (October 2018)		£341,887.00	N/A	N/A
Total CIL expenditure in Bid round 3 (May 2019)		N/A	£289,163.48	N/A
Total CIL expenditure in Bid round 4 (October 2019)		N/A	£237,333.00	N/A
Total CIL expenditure in Bid round 5 (May 2020)		N/A	N/A	£312,849.90
Total CIL expenditure in Bid round 6 (October 2020 including Cabinet spend in December 2020)		N/A	N/A	£337,974.83
TOTAL EXPENDITURE	£1,594,425.76			

Total allocated expenditure for Mid Suffolk for Bids rounds 1-6 (including Cabinet spend in December 2020):

CIL Expenditure	Total	2018/19	2019/20	2020/21
Total CIL expenditure in Bid round 1 (May 2018)		£156,979.84	N/A	N/A
Total CIL expenditure in Bid round 2 (October 2018)		£78,297.15	N/A	N/A
Total CIL expenditure in Bid round 3 (May 2019)		N/A	£9,996.26	N/A
Total CIL expenditure in Bid round 4 (October 2019)		N/A	£3,637,779.00	N/A
Total CIL expenditure in Bid round 5 (May 2020)		N/A	N/A	£227,402.60
Total CIL expenditure in Bid round 6 (October 2020 including Cabinet spend December 2020)		N/A	N/A	£451,746.00
TOTAL EXPENDITURE	£4,562,200.85			

7. LEGAL IMPLICATIONS

- 7.1 Both the original and amended CIL Expenditure Framework are legally sound and robust and were designed including a legal representative from the Councils Shared Legal Service (who also attended the Joint Member workshop sessions). This representative agreed the adopted CIL Expenditure Framework documents prior to adoption in April 2018 and amended (through the first review) in March 2019.
- 7.2 The same legal representative has also attended the workshop sessions for the Joint Member Panel in respect of this second review and has agreed that these amendments (adopted in April 2020) are legally sound and robust.
- 7.3 Regular monitoring reports required by the CIL Regulations have been produced for each year for both Councils on CIL expenditure as follows:-

Year 2016/17

Babergh

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

Mid Suffolk

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

Year 2017/18

Babergh

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

Mid Suffolk

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

Year 2018/19

Babergh

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

Mid Suffolk

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

- 7.4 Under the CIL Regulations of 2019 it is necessary for each Council to produce an Infrastructure Funding Statement (IFS) containing monitoring information in relation to income and expenditure of CIL and s106 and allocation and expenditure of neighbourhood CIL by Parishes on a yearly basis. This information can be seen using the following hyperlink for both Districts. In addition the IFS contains an Infrastructure List. These documents constitute Appendices E and F to this report.

Babergh

<https://baberghmidsuffolk.moderngov.co.uk/documents/s20601/Appendix%20A%20-%20Monitoring%20Report.pdf>

Mid Suffolk

<https://baberghmidsuffolk.moderngov.co.uk/documents/s20609/Appendix%20A%20-%20Monitoring%20Report.pdf>

8. RISK MANAGEMENT

- 8.1 This report is most closely linked with the Strategic Risk 3 – Housing Delivery. If we do not secure satisfactory investment in infrastructure (schools, health, public transport improvements etc) then development is stifled and /or unsustainable.
- 8.2 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).

<p>then development is stifled and/or unsustainable.</p> <p>Current Risk Score: 6</p>			<p>Creating the Joint Corporate Plan, the Joint Local Plan with the Infrastructure Delivery Plan and the Infrastructure Funding Statement for both Councils (as part of the associated Infrastructure strategy) will ensure that infrastructure across both Councils is addressed, New Anglia LEP Economic Strategy, draft created together with the Councils Open for Business Strategy are also relevant.</p>
<p>Failure to produce a yearly Infrastructure Funding Statement (including the Infrastructure List) would result in non-compliance with the CIL Regulations and may mean that Members and the public are not aware of CIL income and expenditure activities.</p> <p>Each Council's annual Infrastructure Funding Statement (IFS) is required to address CIL and s106 developer contributions and allocation and expenditure Of Neighbourhood CIL by Parishes and this must be produced. The first IFS for each Council must be in place by December 2020. Failure to meet this yearly requirement will result in non-compliance with the CIL Regulations</p>	Highly Unlikely (1)	Noticeable /Minor (2)	<p>The Infrastructure Team produces the 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 previous Regulation 62 Monitoring reports (now replaced by the Infrastructure Funding Statements) 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>	Unlikely (2)	Bad (3)	<p>The software which supports CIL collection will be used to support CIL expenditure. In addition, it is envisaged that at least twice yearly the CIL Expenditure Programme 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>

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.	Unlikely (2)	Bad (3)	The Infrastructure Team will continue to monitor all allocations of CIL Funds. The CIL Expenditure Framework regular reviews will include this risk as a key element of the review to ensure the level set remains appropriate.
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.	Unlikely (2)	Bad (3)	The Infrastructure Team will continue to monitor all allocations of Neighbourhood CIL and other CIL Funds. 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.
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.	Unlikely (2)	Disaster (4)	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.

Assurances (for collection of CIL monies)

- 8.3 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

	Operation of controls	Recommended action
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 .

- 8.4 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. 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).
- 8.5 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)
- 8.6 In September 2018 Internal Audit conducted a review of CIL 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. Both these matters have been addressed. The first point by including further explanation about Best Value in Appendix A; the second point through resource adjustments.
- 8.7 Within the first review process, information was captured from a wide array of sources and all feedback was shared with the Joint Member Panel including the recommendations of Overview and Scrutiny who met to discuss and review the operation of the CIL Expenditure Framework on the 19th November 2018. Their recommendations were considered as part of the first review of the CIL Expenditure Framework process by the Joint Member Panel.

8.8 On the 19th 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 worked to inform the second review of the CIL Expenditure Framework. Joint Overview asked questions of the witnesses and concluded the following:-

- Joint Overview and Scrutiny Committee endorses the work of the CIL team (and the CIL Member Working Group) and notes that a fit and proper process is in place in respect of the bidding and allocation of CIL funds

8.9 In line with the second review, both Councils agreed for the Joint Member Panel to inform a third review during Bid round 6 (in October 2020) so that any changes could be in place before Bid round 7 commences in May 2021. This report captures the work of the Joint Member Panel on the third review.

9. CONSULTATIONS

9.1 The amended CIL Expenditure Communications Strategy continues the requirement for both Councils to consult the following bodies or organisations (14 days) where Valid Bids for their Wards or Parish have been submitted: -

- Division County Councillor
- District Member(s)
- Parish Council

9.2 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.

9.3 Regular Parish events (including Parish Liaison) and Member briefings will continue to be held to familiarise all with the CIL Expenditure Framework including amendments and how we can continue to work together to provide infrastructure for the benefit of both Districts communities.

10. EQUALITY ANALYSIS

10.1. Please see attached screening report

11. ENVIRONMENTAL IMPLICATIONS

11.1 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. The CIL Expenditure Framework requires two Bid rounds per year supported by the provision of a CIL Expenditure Programme for each Bid round and Council report. The twice yearly CIL Expenditure Programme for Babergh and Mid Suffolk contains the CIL Bid decisions for each Bid round together with updates on progress of delivery on CIL Bids and details of emerging infrastructure projects. There is no EIA Assessment required.

12. APPENDICES

Title	Location
(A) Amended CIL Expenditure Framework – March 2021	Attached
(B) Amended CIL Expenditure Framework Communications Strategy – March 2021	Attached
(C) Key Dates for CIL Calendar 2021/2022	Attached
(D) EQIA Screening report for Equality Analysis	Attached
(E) Infrastructure Funding Statement (Infrastructure List) for Babergh	Attached
(F) Infrastructure Funding Statement (Infrastructure List) for Mid Suffolk	Attached

13. BACKGROUND DOCUMENTS

13.1 The CIL Expenditure Framework (April 2020) the CIL Expenditure Framework Communications Strategy (April 2020), Key dates for the CIL Calendar 2020/21 all constitute background papers for this report. These are as follows: -

- **The CIL Expenditure Framework (adopted April 2020):**
<https://www.midsuffolk.gov.uk/assets/CIL-and-S106-Documents/CIL-Expenditure-Framework.pdf>
- **The CIL Expenditure Framework Communications Strategy (adopted April 2020)**
<https://www.midsuffolk.gov.uk/assets/CIL-and-S106-Documents/CIL-Expenditure-Framework-Communication-Strategy.pdf>
- **Key Dates in CIL Calendar 2020/21**
<https://www.midsuffolk.gov.uk/assets/CIL-and-S106-Documents/Key-CIL-Calendar-Dates-2020.pdf>
- **Infrastructure Funding Statement – Babergh (Monitoring report only) - Infrastructure List comprises Appendix E to this report)**
<https://baberghmidsuffolk.moderngov.co.uk/documents/s20601/Appendix%20A%20-%20Monitoring%20Report.pdf>
- **Infrastructure Funding Statement – Mid Suffolk (Monitoring report only) - Infrastructure List comprises Appendix F to this report)**
<https://baberghmidsuffolk.moderngov.co.uk/documents/s20609/Appendix%20A%20-%20Monitoring%20Report.pdf>

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