

BABERGH DISTRICT COUNCIL and MID SUFFOLK DISTRICT COUNCIL

TO: BDC Council MSDC Council	REPORT NUMBER: BC/23/43
FROM: Cllr Sallie Davies, Cabinet Member for Planning Cllr Andrew Stringer, Cabinet Member for Heritage Planning and Infrastructure	DATE OF MEETINGS: 19 March 2024 (Babergh) 20 March 2024 (Mid Suffolk)
OFFICER: Tom Barker, Director Planning and Building Control. Interim Director Communities and Wellbeing	KEY DECISION REF NO. N/A

COMMUNITY INFRASTRUCTURE LEVY (CIL) – CIL EXPENDITURE FRAMEWORK SIXTH REVIEW – MARCH 2024

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). Second and third reviews took place in the winter 2019/20 and 2020/21 and a fourth review occurred in May 2022. Changes were agreed and adopted by both Councils in April 2020, March 2021 and July 2022 (Mid Suffolk) and October 2022 (Babergh). A fifth review occurred in January 2023 and was adopted by both Councils in March 2023. Both Councils agreed that they wished to keep the CIL Expenditure Framework under review and agreed the need for a sixth review which would take place during winter 2023/24 with any amendments being adopted and in place before Bid round 13 (May 2024). The sixth review was carried out in January 2024 and this report sets out the changes being proposed through this review (Background Documents refer)
- 1.2 It was also agreed that the Joint Member Panel who informed the content of the original CIL Expenditure Framework and successive reviews would remain to inform the sixth CIL Expenditure Framework review (accompanied by some new Members)
- 1.3 This sixth review process has now taken place as follows: -
- The involvement of the Joint Member Panel comprising the following Members: Leigh Jamieson, Mary McLaren, Lee Parker, Sarah Mansel, Keith Scarff, David Bradbury and James Caston.
 - Joint Member Panel meetings took place on the 3rd 4th 8th 10th 11th and 15th January 2024 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, (CIL Expenditure Framework Communications Strategy) C, (Key CIL Dates Calendar for 2024/25) represent the conclusions and outcomes of the sixth 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 provision within the CIL Regulations of 2019 has taken effect and an annual Infrastructure Funding Statement (IFS - including an Infrastructure List) for each Council has been produced each year. These were agreed for both Councils in November 2020 to 2022 (inclusive) and December 2023. These documents have replaced the CIL Position Statements for each Council which were abolished (under this new legislation). The Councils published their Infrastructure Funding Statements (including the Infrastructure List) on the Councils website in December 2020, November 2021, November 2022 and December 2023. These documents (to be reviewed each year for each Council) are key documents that the CIL Expenditure Framework rest on. (The current IFS documents for both Councils can be accessed by the hyperlinks (Background Documents refer)
- 1.6 A further recommendation under cover of this report involves the need for a further (seventh) CIL Expenditure Framework review (to be informed by the Joint Member Panel) whilst Bid round 14 is taking place (October 2024) so that any amended scheme is in place before Bid round 15 opens (May 2024).

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. Five 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 which were adopted by both Councils in March 2019, April 2020, March 2021 and July 2022 (Mid Suffolk) and October 2022 (Babergh) and March 2023.

3. RECOMMENDATIONS

Babergh District Council only

- 3.1 That Babergh District Council approve the amendments to the CIL Expenditure Framework – March 2024 (arising from the sixth review) - (Appendix A) and the CIL Expenditure Framework Communications Strategy – March 2024 (Appendix B).
- 3.2 That Babergh District Council agree that the CIL Expenditure Framework and the CIL Expenditure Framework Communications Strategy be reviewed again whilst Bid round 14 is being considered (October 2024) so that any amended scheme can be in place before Bid round 15 occurs (May 2025).
- 3.3 That Babergh District Council agree that the Joint Member Panel be retained to inform this (seventh) review.

Mid Suffolk District Council only

- 3.4 That Mid Suffolk Council approve the amendments to the CIL Expenditure Framework – March 2024 (arising from the sixth review) - (Appendix A) and the CIL Expenditure Framework Communications Strategy – March 2024 (Appendix B).
- 3.5 That Mid Suffolk District Council agree that the CIL Expenditure Framework and the CIL Expenditure Framework Communications Strategy be reviewed again whilst Bid round 14 is being considered (October 2024) so that any amended scheme can be in place before Bid round 15 occurs (May 2025).
- 3.6 That Mid Suffolk Council agree that the Joint Member Panel be retained to inform this (seventh) review.

Both Babergh and Mid Suffolk District Councils

(Appendix C comprises the yearly Key CIL Dates Calendar which is produced under delegated powers (to the Director of Planning and Building Control/Interim Director Communities and Wellbeing in consultation with the Cabinet Members for Planning and Heritage Planning and Infrastructure and the Cabinet Members for People and Place (West) and East) and Cabinet Member for Thriving Towns and Rural Communities each year (as part of the outcomes of the first review of the CIL Expenditure Framework) and is for reference purposes only.

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 must 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 3rd 4th 8th 10th 11th and 15th January 2024.
- 4.2 Since the first review of the CIL Expenditure Framework, the Infrastructure Delivery Plan (IDP) has been produced and updated in 2020 and is 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. This document is currently under review and work is taking place to update it.
- 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 current Infrastructure Funding Statements for both Councils were produced in November 2023 and the separate IFS documents for Babergh and Mid Suffolk were published on the Councils web site in December 2023. (These documents are capable of being read using the hyperlinks in Background Papers - see below).
- 4.5 For the sixth review, the Joint Member Panel discussed revisions and have made the following suggestions for changes to the CIL Expenditure Framework (Appendix A) and the CIL Expenditure Framework Communication Strategy (Appendix B) as follows:

CIL EXPENDITURE FRAMEWORK (Appendix A)

Key recommended changes: -

- **Clarity around funding investment through District CIL for new pavilions and extensions to Sports clubs, Tennis and Cricket clubs who charge admittance fees for usage.** The Joint Member Panel agreed that the use of District CIL would be appropriate for Sports clubs, Tennis and Cricket Clubs subject to the prevailing community threshold limitations of £100,000 (maximum) and not more than 75% of total eligible project costs of the project. **The Joint Member Panel also requested that a Community User Agreement be signed by the Sports/Tennis/Cricket Club which should be secured before any CIL Bid is determined. This should be based on a statement in the CIL Bid application form on the community usage benefits that would accrue from any such CIL Bid. Joint Member Panel Members also agreed that it would not be appropriate to use District CIL for Golf facilities** as these are normally run as businesses for profit and it would be inappropriate for a private business to benefit from District CIL investment.
- **Clarity around use of District CIL for community led infrastructure projects involving community shops and cafes run by a properly constituted organisation for non for profit.** The Joint Member Panel agreed it would be appropriate for District CIL to be used for extension/alteration or improvement (for environmental purposes) of publicly owned buildings (Parish Council or Village Hall Management organisations) or such buildings which are the subject of a lease for no shorter period than 25 years subject to the following additional limitations/caveats :-
 - All the criteria and the prevailing community threshold limitations of £100,000 (maximum) and not more than 75% of total eligible project costs of the project
 - the submission of a business case (for the non for profit project) for a three year period (going forward) containing details of:
 - how the organisation proposing the CIL Bid is properly constituted for non for profit,

- how the non for profit community shop or café will operate including all expected expenditure for staff /management,
 - how much investment there will be on a yearly basis going forward for repairs and maintenance of the building (to be improved)
 - Where the non for profit asset elements of the community shop or café operation will be invested and what they will be used for such that the community receives maximum benefit from the operation
 - Submission of financial accounts for all the previous years if the use is already in existence.
- **In respect of such a non for profit community shop or café project, Joint Member Panel Members also considered the following caveats were appropriate given that it would be inappropriate for a private business to benefit from District CIL investment:-**
 - Any successful CIL Bid offer letter for such a CIL Bid will specify there would be no business (for profit) element within the floorspace affected by the CIL Bid.
 - There would also be no sublets for any other business purposes going forward.
- **Clarity around use of District CIL for community pubs – as community pubs are not classed as infrastructure and given the risks around these operations, the Joint Member Panel recommend that District CIL should not be used for such projects and that any such proposals would be termed to fall outside the terms of the CIL Expenditure Framework and not be considered eligible for funding.**
 - **With all car park proposals/projects, the Joint Member Panel recommend that the CIL bid forms be altered to allow for statements to be made (at the time of the CIL Bid) about the use of EV charging points and cycle provision (cycle parking/racks)**
 - **Review of continued District CIL funding for Churches where capital projects are proposed. The Joint Member Panel recommend that Churches can continue to apply for District CIL if there is strong evidence of community involvement through a statement of community involvement which would need to be submitted and assessed with the CIL Bid.** Such cases would be considered on a case-by-case basis and in accordance with all other provisions of the CIL Expenditure Framework (including being subject to community led infrastructure project financial thresholds - -£100K maximum and not more than 75% of the total eligible project costs). Repairs and maintenance would continue to be classed as not eligible for District CIL expenditure.
 - **Review of Approved and Implemented CIL Bid Projects – The Joint Member Panel recommend that Infrastructure Officers carry out a review of completed CIL Bid projects which would also ensure they are being satisfactorily used in accordance with any Community User Agreement which is in place.** The Joint Member Panel recommended trailing this review process for a one year period (to determine its effectiveness and to gain feedback for the next CIL Expenditure Framework) as follows;-

- Recommend review comprises a questionnaire and a follow up meeting with the CIL Bidder a year after the completion of the project.
 - Where any problems are identified (such as any projects community benefits having not yet been realised), the Joint Member Panel recommend Infrastructure Officers work with the CIL Bidder, the Ward Member, and the Town/Parish Council so that any problems can be resolved in a positive and constructive way (rather than in any financially punitive way).
- **Delivery of Library improvements/extensions – continuation of current District CIL funding position such that these can be supported through CIL Bids where there is proven evidenced need for improvement /expansion.** Such proposals for funding would be treated in the same way both Councils treat education proposals (wrapping up design costs in the final funding application). **Library projects must continue to be linked to business case based on housing growth and all CIL Bids and their funding strategies to be agreed prior to submission through the emerging CIL Bid process.** Design costs will not be claimed by SCC if there is ultimately no intention by SCC to deliver that library project. **However, in all cases projects for a new Library provision would need to be sought through s106 funding (rather than District CIL).**
- **CIL Bid Offers and Claims for payment (mainly Community Led development). Following some experiences of changes made to projects before financial claims are made, the Joint Member Panel recommend that:-**
 - Infrastructure Officers amend practices and procedures and strengthen communication with CIL Bidders.
 - Infrastructure Officers review the CIL Bid Offer letter (including list of eligible and non-eligible costs).
 - Infrastructure Officers Improve the formal briefings to Members and Parishes to highlight and address identified issues.
- **Clarity around use of District CIL for District Council infrastructure projects - The Joint Member Panel recommend the following:-**
 - **Continue with the current agreed position on District CIL usage for District Council infrastructure projects (i.e. that projects can be funded 100%).**
 - **Review the Councils Capital programme so that capital projects where District CIL could be used for infrastructure are identified such that District CIL becomes part of the funding strategy for those projects.**
- **Clarity around the use of District CIL for early years settings –** Given the likely impact of new reforms (the increase to 30 hours of free childcare for children aged 9 months to 4 years old, the Joint Member Panel recommend the following in respect of District CIL expenditure:-

- S106 contributions will need to be sought for new buildings.
 - District CIL can support extensions of existing schools where early years settings are part of the school.
 - District CIL cannot be used for business purposes so is not expected to be used to support privately run ventures.
 - In view of the three funding caveats above, this situation which is evolving should be kept under regular (yearly) review as there could be significant implications for the use of District CIL and the Infrastructure Delivery Plan (IDP).
- **Continuing review of the current £100,000 threshold (maximum) and not more than 75% of the total eligible costs of the project for Infrastructure Bids submitted by the Community** – agreed retention of current thresholds of maximum £100,000 and not more than 75% of total eligible project costs.
 - **Continued funding for Walking/Cycling and footpaths – projects in the LCWIP, ISPA, Infrastructure Delivery Plan (IDP) and Infrastructure Funding Statements (IFS) – Continuation of the pilot period/scheme with 100% District CIL funding for another one year period.** Continuation of the current proactive work for bringing LCWIP schemes forward. **Position on this pilot scheme /period to be reviewed again at next review (seventh) CIL Expenditure Framework.** This review would measure progress, methodology and outcomes for deliverability of schemes and consider options for District CIL funding going forward.
 - **CIL monies collected need to be spent. Encourage greater spending of CIL (including Neighbourhood CIL).** Continue with current proactive approaches towards expenditure and progression of CIL Bids as follows-, produce capital project workplans (for next 5 years) with other infrastructure providers (Health, SCC Waste etc). Continue with review alongside the IFS where Neighbourhood CIL spend is occurring and if necessary, carry out focused discussion with the Parish about capital CIL projects that are underway. Better targeted website advice with specific guidance note to aid project development as well as PIIPs (Parish Investment Infrastructure Plans) development. Look at the “chipping in” of Neighbourhood CIL – on a case-by-case basis and keep this matter under review for the next (seventh) review of CIL Expenditure Framework.
 - **Agreement to keep CIL Expenditure Framework under review.** Suggested that another CIL Expenditure Framework review (seventh) should occur whilst Bid round 14 is underway (October 2024) so that any revisions are adopted before Bid round 15 occurs in May 2025.
 - **Agreed the Joint Member Panel remain to inform the next seventh CIL Expenditure Framework and Communication Strategy review.**

CIL EXPENDITURE FRAMEWORK COMMUNICATION STRATEGY (Appendix B)

Key recommended changes: -

- **Continuation of three briefings each year to be given to Members and Parishes on CIL collection/processes of CIL expenditure/project development/use of Exacom** – to improve knowledge and facilitate expenditure of District and Neighbourhood CIL. This will allow Members to attend with their Parish/Town Council if desired. The Joint Member Panel suggested that any training of Exacom with Parishes be held on a “cluster of parishes” basis so that maximum reach to parishes can be enabled as effectively as possible.
- **The Joint Member Panel recommend that one Member training session be held in the forthcoming year as a joint briefing session with officers of SCC and Infrastructure Officers so that the roles and responsibilities for SCC for pupil placement and the role of Academies together with the changes coming forward to Early Years settings can be more fully understood by Members.** (SCC Officers have agreed to this suggestion.)
- **Inclusion of Parish Investment Infrastructure Plans – (PIIPs) and People and Place Plans (PPPs) into the subject matter for Member and Parish briefings each year**

KEY OUTCOMES FROM THE CHANGES SUGGESTED BY THE JOINT MEMBER PANEL

4.6 The key outcomes would be as follows: -

- Clarity around use of District CIL so as to allow sports clubs, tennis and cricket clubs to apply for District CIL thereby affording another opportunity for community infrastructure to take place. However, golf facilities (normally run as a private business) are specifically excluded as it would be inappropriate for a private business to benefit from District CIL investment.
- Clarity around use of District CIL so as to allow non for profit community shops and cafes to apply for District CIL thereby allowing another opportunity for community infrastructure to take place (whilst specifically excluding any business use of District CIL)
- District CIL is specifically excluded for community public house projects as any such proposals would not be regarded as infrastructure and fall outside the terms of the CIL Expenditure Framework (and not be considered eligible for funding).
- For all CIL Bid car parking projects consideration will need to be given to EV charging points and also the provision of cycle parking.
- Greater use of Community User Agreements and Statements of Community involvement for some community development proposals to ensure that maximum community benefit is derived from these CIL Bids.

- A suggested review of completed CIL Bid projects after a year (on a trial basis) so that all stated community benefits are fully realised and if any problems are identified it is suggested that these can be constructively resolved locally.
- Clarity around new library provision being funded through s106 rather than District CIL (with the latter being used for library expansion /improvement and alteration) where there is a proven business case linked to housing growth.
- Continuation of use of District CIL for District Council infrastructure projects alongside a review of the Councils Capital programme so that proposed capital projects (where District CIL could be used for infrastructure) are identified such that District CIL becomes part of the funding strategy to aid delivery of those projects.
- Regular (yearly) review of Early years setting provision (given the government reforms) as this could have a significant impact on District CIL expenditure.
- Continuation of the current pilot period/scheme for CIL funding for Walking and cycling schemes (from the LCWIP for each District) to be operated for a one year period with 100% District CIL funding. The success of the pilot scheme/period to be evaluated at the next (seventh) CIL Expenditure Framework review.
- Continue with current proactive approaches towards expenditure and progression of CIL Bids and in addition, produce capital project workplans (for next 5 years) with other infrastructure providers (Health, SCC Waste etc). This will ensure that a programme of infrastructure to be delivered by the Infrastructure providers can be developed. This will provide for a planned investment programme of infrastructure which will allow for budgeting and forecasting of CIL funds (subject to fluctuating levels of housing growth). Proactive measures for expenditure of CIL and Neighbourhood CIL suggested to assist with expenditure and delivery of infrastructure.
- Continue to improve communication around CIL particularly for Members and Parishes by continuation of three briefing sessions each year (to improve knowledge and facilitate expenditure of both District and Neighbourhood CIL). A further training session to be undertaken jointly with SCC in 2024 so that Members understand more about the roles of SCC as education pupil place provider and Academies and the impact of new reforms around Early years settings.
- Continue to keep the CIL Expenditure Framework and the CIL Expenditure Framework Communication Strategy under regular yearly review. Continue the work of the Joint Member Panel to inform changes through the yearly reviews.

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

5. LINKS TO OUR PLAN FOR BABERGH AND TO THE MID SUFFOLK PLAN

- 5.1 The effective spending of CIL monies will contribute to four of the five priority areas in the Our Plan for Babergh and the Mid Suffolk Plan which both set out a vision approach and strategic priorities for each Council for the period 2023-2031(Climate Change, Lack of Infrastructure, Transport and Communities and Well Being).

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 of 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 subsequent yearly 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 indexed linked) 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 Neighbourhood CIL 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. 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 of allocated/expenditure of CIL funding for Babergh District Council

BDC Year	Total of CIL allocated to projects	Total of CIL Expenditure for projects	Total of CIL allocated not spent returned to the District Reserve
2018/19	£417,104.54	£12,575.85	£0.00
2019/20	£526,496.48	£296,675.19	£11,110.25
2020/21	£782,064.09	£249,247.96	£138,662.01
2021/22	£702,109.99	£960,894.28	£52,975.14
2022/23	£839,945.93	£402,726.12	£111.63
2023/24 to end of quarter 3	£209,647.15	£984,108.31	£54,372.86
TOTAL	£3,477,368.18	£2,906,227.71	£257,231.89

Total Expenditure as at the 31st December 2023 for Babergh District Council

Infrastructure Type	No of CIL Bids	Amount Allocated	Amount Spent to the 31 st December 2023
COMMUNITY BIDS	55	£2,836,142.18	£2,286,829.21
EDUCATION BIDS	2	£583,110.00	£583,110.00
HEALTH BIDS	1	£3,526.00	£3,526.00
WASTE BIDS	1	£50,000.00	£32,762.50
WALKING AND CYCLING BIDS	1	£4,590.00	£0.00
TOTAL	60	£3,477,368.18	£2,906,227.71

Number of completed projects and ongoing projects funded by CIL for Babergh District Council

DISTRICT CIL FUNDED PROJECTS	NUMBER OF COMPLETED PROJECTS	NUMBER OF ONGOING PROJECTS
COMMUNITY INFRASTRUCTURE	43	12
EDUCATION INFRASTRUCTURE	2	0
HEALTH INFRASTRUCTURE	1	0
WASTE INFRASTRUCTURE	1	0

DISTRICT CIL FUNDED PROJECTS	NUMBER OF COMPLETED PROJECTS	NUMBER OF ONGOING PROJECTS
WALKING AND CYCLING INFRASTRUCTURE	1	0
TOTAL	48	12

Total of allocated/expenditure of CIL funding for Mid Suffolk District Council

MSDC Year	Total of CIL allocated to projects	Total of CIL Expenditure for projects	Total of CIL allocated not spent returned to the District Reserve
2018/19	£235,276.99	£13,240.10	£0.00
2019/20	£3,647,775.26	£314,297.46	£1,372.37
2020/21	£1,049,474.70	£2,025,900.00	£51,819.10
2021/22	£3,849,927.97	£2,443,749.02	£67,806.25
2022/23	£2,267,990.89	£796,045.96	£115,476.62
2023/24 to end of quarter 3	£510,163.22	£4,199,614.56	£1,020,597.12
TOTAL	£11,560,609.03	£9,792,847.10	£1,257,071.46

Total Expenditure as at the 31st December 2023 for Mid Suffolk District Council

Infrastructure Type	No of CIL Bids	Amount Allocated	Amount Spent to the 31 st December 2023
COMMUNITY INFRASTRUCTURE	42	£1,867,867.46	£1,518,836.06
EDUCATION INFRASTRUCTURE	6	£7,354,355.21	£7,354,355.21
HEALTH INFRASTRUCTURE	3	£367,170.34	£353,058.34
WASTE INFRASTRUCTURE	1	£26,762.50	£26,762.50
RAIL INFRASTRUCTURE	1	£100,000.00	£72,961.93
WALKING AND CYCLING INFRASTRUCTURE	5	£120,509.00	£0.00
GREEN INFRASTRUCTURE	1	£10,263.00	£10,263.00
BUS PASSENGER TRANSPORT INFRASTRUCTURE	4	£24,870.06	£24,870.06
EMERGENCY SERVICES INFRASTRUCTURE	1	£431,740.00	£431,740.00
TOTAL	64	£10,303,537.57	£9,792,847.10

Number of completed projects and ongoing projects funded by CIL for

Mid Suffolk District Council

DISTRICT CIL FUNDED PROJECTS	NUMBER OF COMPLETED PROJECTS	NUMBER OF ONGOING PROJECTS
COMMUNITY INFRASTRUCTURE	30	12
EDUCATION INFRASTRUCTURE	6	0
HEALTH INFRASTRUCTURE	2	1
WASTE INFRASTRUCTURE	1	0
RAIL INFRASTRUCTURE	0	1
WALKING AND CYCLING INFRASTRUCTURE	0	5
BUS PASSENGER TRANSPORT INFRASTRUCTURE	4	0
GREEN INFRASTRUCTURE	1	0
EMERGENCY SERVICES INFRASTRUCTURE	1	0
TOTAL	45	19

7. LEGAL IMPLICATIONS

7.1 Both the original and amended CIL Expenditure Frameworks are legally sound and robust. A legal representative from the Councils Shared Legal Service has been directly involved in the majority of the reviews and has reviewed the documentation and changes in this review and is satisfied that the proposed amendments are legally sound and robust.

7.2 Regular monitoring reports required by the CIL Regulations have been produced for each year for both Councils on CIL expenditure between the years 2016-2019 inclusive. The reports for both Councils are different and are published on the Councils website which can be accessed using the following hyperlink as follows: -

[CIL Collection & Spending - Mid Suffolk District Council - Babergh & Mid Suffolk District Councils - Working Together](#)

7.3 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. In addition, the IFS for each Council contains an Infrastructure List. All this information is different for both Councils and for the years 2019/20 2020/21, and 2021/22 the information can be accessed using the following hyperlinks:-

[CIL Collection & Spending - Mid Suffolk District Council - Babergh & Mid Suffolk District Councils - Working Together](#)

7.4 The current Infrastructure Funding Statement (including the Infrastructure List) for both Councils for the year 2022/23 are different for both Councils and can be accessed using the hyperlink:-

Year 2022/23 – Babergh

<https://www.midsuffolk.gov.uk/documents/d/asset-library-54706/bdc-infrastructure-funding-statement-22-23>

<https://www.babergh.gov.uk/documents/d/asset-library-54706/appendix-b-bdc-ifs-22-23-infrastructure-list>

Year 2022/23 - Mid Suffolk

<https://www.midsuffolk.gov.uk/documents/d/asset-library-54706/msdc-infrastructure-funding-statement-22-23>

<https://www.babergh.gov.uk/documents/d/asset-library-54706/appendix-b-msdc-ifs-22-23-infrastructure-list>

8. RISK MANAGEMENT

8.1 Key risks are set out below (taken from the Strategic Planning Operational Risk Register) as follows:-

Key Risk Description	Likelihood 1-4	Impact 1-4	Key Mitigation Measures	Risk Register and Reference*
Development may be unsustainable if we do not secure investment in infrastructure. Here is a risk that Infrastructure is not delivered where it is needed.	3	2	Infrastructure needs are detailed through a published Infrastructure Delivery Plan (IDP), which is updated periodically.	Strategic Planning Operational Risk register 18
Level of Community Infrastructure Levy (CIL) being charged is low. There is a risk that insufficient funds would be available for critical and essential infrastructure.	3	3	Publish revised CIL Charging Schedules for consultation.	Strategic Planning Operational Risk register 19
Unable to progress CIL Charging Schedules to Examination and Adoption. There is a risk that insufficient funds would be available for critical and essential infrastructure.	2	3	Be clear on the purpose and content of the CIL Charging Schedules prior to consultation.	Strategic Planning Operational Risk register 20

Non-payment of CIL or non-collection of s106 payments. There is a risk that Insufficient funds would be available for infrastructure.	3	3	Appointment of a Debt recovery officer in 2021 to ensure improved recovery of CIL and s106 debt.	Strategic Planning Operational Risk register 21
Planning reforms meaning changes to the development plan system and infrastructure delivery resulting in different approaches needing to be followed. There are risks that Changes to the plan-making process and the replacement of CIL with an Infrastructure Levy.	3	3	Ensure prepared for any forthcoming changes.	Strategic Planning Operational Risk register 22
Absence of clarity on where expenditure is to be made as a result of plans and strategies being incomplete or out-of-date. There is a risk that Failure to allocate expenditure such that if we do not secure investment in infrastructure (schools, health, public transport improvements etc.), then development is stifled and/or unsustainable.	2	3	Adopted Community Infrastructure Levy (CIL), secures investment on infrastructure via the planning process (which includes S106). Creating the Joint Corporate Plan, the emerging Joint Local Plan with associated Infrastructure strategy and Infrastructure Delivery Plan and Infrastructure Funding Statement will ensure that infrastructure across both Councils is addressed.	Strategic Planning Operational Risk register 33
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. Under the CIL Regulations 2019 an annual Funding Statement is required to address CIL and s106 developer contributions and a list of infrastructure projects ("Infrastructure List"). Failure to so will also result in non-compliance with the CIL Regulations (as amended).	1	2	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 Infrastructure Funding Statement (IFS) is laid out in the CIL Regulations, so there is no risk in relation to the way the information is presented	Strategic Planning Operational Risk register 34

<p>Failure to monitor due to an absence of staff undertaking this task. There is a risk that failure to monitor expenditure may result in CIL expenditure not being effective.</p>	<p>2</p>	<p>3</p>	<p>The software which supports CIL collection will be used to support CIL expenditure. In addition, it is envisaged that a twice yearly (at least) 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>	<p>Strategic Planning Operational Risk register 35</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>2</p>	<p>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>	<p>Strategic Planning Operational Risk register 36</p>
<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>	<p>2</p>	<p>3</p>	<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>Strategic Planning Operational Risk register 37</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.	2	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.	Strategic Planning Operational Risk register 38
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Assurances (for collection of CIL monies)

8.2 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.

8.3 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).

8.4 In May 2018 the results of an investigation by Internal Audit on behalf of the Director Planning and Building Control 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 pro-actively looking for ways to improve where possible.”

“The audit opinion is therefore high standard” – (paragraph 8.3 Table 5 defines)

8.5 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.

8.6 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.

8.7 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

8.8 In line with the fifth review, both Councils agreed for the Joint Member Panel to inform a sixth review during Bid round 12 (in October 2023) so that any changes could be in place before Bid round 13 commences in May 2024. This report captures the work of the Joint Member Panel on the sixth 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 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, Public Realm, Development Management and Environmental Protection.

9.3 Regular Parish events 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 2024	Attached
(b) Amended CIL Expenditure Framework Communications Strategy – March 2024	Attached
(c) Key Dates for CIL Calendar 2024/2025	Attached
(d) EQIA Screening report for Equality Analysis	Attached

13. BACKGROUND DOCUMENTS

13.1 The CIL Expenditure Framework (March 2023) the CIL Expenditure Framework Communications Strategy (March 2023), Key dates for the CIL Calendar 2023/24 all constitute background papers for this report. These are as follows: -

- **The CIL Expenditure Framework (adopted March 2023 (by bpth Councils))**

https://www.midsuffolk.gov.uk/documents/54707/115216/Appendix+A+The+CIL+Expenditure+Framework+Babergh+and+Mid+Suffolk+Final+amended+March+2023_.pdf/66c1b676-37fe-2acf-516f-61db9b627937?t=1684840147720

- **The CIL Expenditure Framework Communications Strategy (adopted by both Councils in March 2023)**

<https://www.midsuffolk.gov.uk/documents/54707/115216/Appendix+B+CIL+Expenditure+Framework+Communication+Strategy+Final+March+2023.pdf/8e6cf5c7-7388-6aa9-8c0f-c575e097a5ef?t=1684840148421>

- **Key Dates in CIL Calendar 2023/24**

<https://www.midsuffolk.gov.uk/documents/54707/115216/Appendix+C+CIL+Expenditure+Calender+Key+dates+2023-24.pdf/6940d595-3511-6b24-4147-59f376f1c94c?t=1684840148988>

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