

# **The Community Infrastructure Levy Expenditure Framework**

## Babergh and Mid Suffolk District Councils

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### **1. Background**

- 1.1 The development of a detailed framework for Community Infrastructure Levy (CIL) expenditure for consideration and adoption by both Councils is required as there is no set approach for CIL expenditure prescribed either by Central Government or through the CIL Regulations 2010 (as amended).
- 1.2 As such all Councils across the country where a CIL charging regime has been adopted and is being implemented have brought in their own schemes for how CIL monies are spent.
- 1.1 The CIL Regulations stipulate that CIL monies which are collected must be spent on infrastructure. Each Council is required to publish a list of infrastructure types that will be funded wholly or partially through CIL. These lists, known as the “Regulation 123 Lists”, were adopted by Babergh and Mid Suffolk and published in January 2016. These documents (which are slightly different for each Council) constitute appendices to this document and should be read in conjunction with it.
- 1.3 This CIL Expenditure Framework was agreed by Cabinet of both Councils (5<sup>th</sup> and 8<sup>th</sup> March 2018) and adopted by both Full Councils (24<sup>th</sup> and 26<sup>th</sup> April 2018) and constitutes the Community Infrastructure Levy Expenditure Framework for both Councils.
- 1.6 This document should also be read in conjunction with Babergh and Mid Suffolk’s CIL Expenditure Framework Communications Strategy which was also agreed by Cabinet of both Councils (on 5<sup>th</sup> March and 8<sup>th</sup> March 2018) and adopted by full Council of both Councils (on 24<sup>th</sup> and 26<sup>th</sup> April 2018).
- 1.7 This CIL Expenditure Framework will be kept under periodic review.
- 1.8 This document sets out the key elements and information relating to the CIL Expenditure Framework in a clear and concise format under the following headings: -
  - Key principles of the CIL Expenditure Framework
  - Processes of the CIL Expenditure Framework
  - Validation and screening of bids and prioritisation criteria of bids under the CIL Expenditure Framework (to allow bids to be considered and determined)
  - Governance of the CIL Expenditure Framework

## 2. Key principles of the CIL Expenditure Framework

### 2.1 These are: -

- The process should encourage openness and transparency of decision taking;
- CIL data must be 100% accurate and software database must have integrity and be “trusted”;
- Decisions must be compliant with the CIL Regulations 2010 (as amended) and expenditure must follow the CIL Regulation 123 Lists for each Council;
- The expenditure approach must be legally sound;
- Deliverability and Timeliness – a “can do” approach towards delivery of infrastructure to be employed;
- CIL expenditure should support The Joint Strategic Plan and The Joint Local Plan objectives and the Infrastructure Delivery Plan (which will underpin the Joint Local Plan) and link to other Council strategies including the Infrastructure Strategy;
- The apportionment of CIL Regulation 123 monies into two separate funds, Local Infrastructure, and Strategic Infrastructure Funds, would allow saving of monies towards strategic infrastructure projects for the betterment of either or both Districts and facilitate the prospect of collaborative spend with other funding organisations and or funding streams to achieve strategic infrastructure. The amount to be saved into the Strategic Infrastructure Fund would occur after the 5% administrative costs are removed and then the Neighbourhood portion of monies is taken out (either 15% for Parishes with no made Neighbourhood Plan or 25% where a Neighbourhood Plan is made). Following this 20% of the remaining CIL Regulation 123 monies would be saved into the Strategic Infrastructure Fund leaving the remaining 80% to go into the Local Infrastructure Fund
- Planning decisions to approve housing/employment development which carry Infrastructure to be provided by CIL and necessary for an approved growth project (those with planning permission and considered by Planning Committee) shall be supported and considered a priority so that the approved development which is ultimately carried out is sustainable.
- Publication of all expenditure, the CIL Business Plan and the CIL Expenditure Update document on the website, meaning information is readily accessible and transparent. A list of all Bids for CIL monies from either the Strategic Infrastructure Fund or from the Local Infrastructure fund will be published after each Bid round;
- CIL expenditure to be regularly audited, including The CIL Expenditure Framework Review;

- A Communications Strategy for the CIL Expenditure Framework is necessary and constitutes an appendix to this document;
- Infrastructure projects that are funded by each Council's CIL Regulation 123 funds (whether Strategic or Local) shall be carried out on publicly owned or controlled land/buildings or where public access is guaranteed unless exceptional circumstances apply;
- Spending outside each Councils geographical boundaries is acceptable where appropriate to the circumstances of the infrastructure to be provided and where there is clear benefit to the residents;
- No Member referral of cases to Cabinet for decision taking;
- Costs which will not be eligible for CIL expenditure are as follows;
  - Feasibility studies for infrastructure projects
  - Maintenance costs of infrastructure projects (except for that listed in the CIL Regulation 123 lists)
  - Interests on loans for projects
- No public speaking at Cabinet where decisions are either to be noted or made, and;
- Where offers of CIL Regulation 123 funds are made to authors of Bids the monies will be allocated to the infrastructure project for a period of no longer than 2 years whereupon the support for the Bid would be withdrawn and it would be necessary to reapply through the Bid process to secure CIL Regulation 123 funds to that project.

### 3. Processes of the CIL Expenditure Framework

3.1 The CIL Expenditure Framework will operate with the following approach:

- Use of the Councils' existing software
- The process is centred upon a bidding round with consideration on a bi-annual basis, with email submission of bids by Infrastructure Providers (including officers of Babergh and Mid Suffolk where appropriate) and all Parishes including Community Groups.
- The bi annual bid round cycle will be as follows:

Bid Round 1		
	May	Open 1 <sup>st</sup> – 28 <sup>th</sup> May

	June/July	Bids validated screened and assessed against prioritisation criteria
	August	Information collated for production of CIL Business Plan ready for presentation to Cabinet
	September	Consideration of CIL Business Plan by Cabinet. Letters issued confirming outcome of bids to applicants
Bid Round 2		
	October	Open 1 <sup>st</sup> – 28 <sup>th</sup> October
	November /December	Bids validated screened and assessed against prioritisation criteria
	January	Information collated for production of CIL Business Plan ready for presentation to Cabinet
	February	Consideration of CIL Business Plan Update by Cabinet. Letters issued confirming outcome of bids to applicants

- Full documentation of the process for lodging, consideration, and determination of the bids with supporting guidance documents for bid submission, bid application forms and prioritisation criteria to be used for assessment of the bids will be made available on the Councils' websites.
- The timetable for the bi yearly bid process will be clearly documented on the Councils' websites together with the inclusion of a flow chart and appropriate early notification of bid submission timescales (to facilitate bid submission) to all Infrastructure Providers (including officers of Babergh and Mid Suffolk where appropriate) and all Parish/Town Councils. Bids from Community Groups may also be received.
- **Distribution of CIL income** - The Councils will retain up to 5% of the CIL income received within each District (for administrative costs). This will be apportioned at the same time as the Neighbourhood CIL allocation to Parishes. The Neighbourhood CIL allocation to Parish/Town councils (either 15% or 25% subject to a cap\*) occurs in April and October each year. On the same 6 monthly basis, the CIL Regulation 123 funds will be saved into two funding streams with the following apportionment and definitions:
  - **Strategic Infrastructure fund – 20 % of the CIL Regulation 123 fund will be held in this account**
  - **Local Infrastructure fund – 80% of the CIL Regulation 123 fund will be held in this account**

- **Definitions of Strategic and Local Infrastructure:**
  - **One or more of these elements constitute Strategic infrastructure:**
    - is of strategic economic or social importance to the local Authority Areas or region in which it would be located;
    - would contribute substantially to the fulfilment of any of the objectives of the Joint Strategic Plan, Joint Local Plan, Infrastructure Delivery Plan, The Joint BMSDC Economic ‘Open for Business’ Strategy, the Suffolk Framework for Growth, the Government’s Industrial Strategy or Local Enterprise Partnership (LEP) New Economic Strategy for Norfolk and Suffolk objectives or in any regional spatial and economic strategy in respect of the area or areas in which the development would be located;
    - would have a significant effect on the area of more than one planning authority;
    - requires authorisation at Cabinet level
    - will routinely be the subject of collaborative spend
  - Illustrated Examples include: strategic flood defence; hospitals and new rail infrastructure
  - **One or more of these elements constitute Local infrastructure:**
    - Local infrastructure is infrastructure types detailed on the Regulation 123 List which has been identified as being required to support granted planning permissions in order to make the development sustainable in planning terms – (this is allocated CIL 123 spend);
    - Local infrastructure relates to infrastructure projects which are meeting need at a local level, can easily be identified as compliant with the Regulation 123 List infrastructure types and which support the expansion, improvement, provision of local services for the people living or visiting within the local area
  - Illustrated examples include: extensions to early years, primary, secondary, or further education; bus stops and Real Time Passenger Information notice boards (RTPI); expansion of libraries or enhancement of the mobile library service; expansion to GP practices (where approved by NHS England); provision of leisure and community facilities, such as extensions to community buildings and leisure centres, provision of play equipment and areas, sports facilities and open space; and waste recycling facilities.

- The apportionment of CIL Regulation 123 monies into two pots, Local Infrastructure and Strategic Infrastructure Funds, would allow saving of monies towards strategic infrastructure projects for the betterment of either or both Districts and facilitate the prospect of collaborative spend with other funding organisations and or funding streams to achieve strategic infrastructure. The division of monies between the two funds will occur in April and October each year.
- Current 6 monthly allocations to Parish/Town Councils (which occur in April and October) continue, and where CIL is received use a proactive approach to encourage collaborative spend using Parish Infrastructure Investment Plans document and approach (PIIPs) The Parishes apportionment of CIL monies will remain at 15% (where there is no Neighbourhood Plan) and 25% where a Neighbourhood Plan is made for two reasons;
  - to safeguard the ability to secure strategic infrastructure and make the 20% saving from the CIL 123 funds into the Strategic Infrastructure Fund
  - to ensure that the CIL infrastructure requirements on the growth projects are met such that development is therefore sustainable
- Collaborative approach towards expenditure working with Infrastructure Providers and Parishes to get projects delivered and to “add value” is important and supported
- Explore and secure funding from other funding streams (LEP and Government funding) to spend alongside CIL where appropriate, especially in connection with strategic infrastructure projects. Proactive work will be needed to identify and secure strategic infrastructure projects for both Districts.
- Proactive work will also need to occur around CIL infrastructure such that the Infrastructure to be provided by CIL from the Local Infrastructure Fund (together with the s106 items) are known (and can be understood in terms of viability and the level of affordable housing to be provided). This work will provide clarity around Bids which are likely to come forward for growth projects in the future.
- Funding bids must provide adequate evidence/information to provide necessary certainty on timely delivery – “oven ready” schemes will be given priority
- The production and publication of an annual CIL Business Plan (with an Update document during the second 6 months)
- CIL monies can be spent flexibly alongside s106 monies but expenditure of s106 monies must be in accordance with the terms of the s106 agreement
- Tiered approach to decision-taking involving some officer delegation and larger decisions by Cabinet

- All decisions to be final.
- No appeals process
- No Member referrals
- Only one Bid per project per bidding round
- After a refusal – no more Bids for this project unless funding circumstances are materially different – or a time period passes of not less than 1 year.
- Where Bids to be submitted, evidence of Community support shall be required (From Division County Councillor Ward District Member and Parish Council)
- Once Bids are validated and screened (see below) Officers will direct any appropriate Bids towards other funding streams where this is considered to be more appropriate (each Councils unspent s106 monies – where the terms of the Legal Obligation would allow that spend to occur
- Yearly Report on collections and expenditure required by Regulation 62 of the CIL Regulations 2010 (as amended) in addition to the yearly CIL Business Plan and 6 monthly up date
- Payment of successful bids to be in accordance with guidance to be published on the Councils' websites.

**4. Validation and Screening of Bids and Prioritisation Criteria of Bids under the CIL Expenditure Framework (to allow Bids to be considered and determined)**

4.1 Each Bid will be validated, screened, and prioritised as follows: -

4.2 **Validation criteria** is as follows: -

- All the questions the Bid application form must be fully completed (where information known)
- Valid Bids on Bid Submission template to new email address including the following:
  - Description of infrastructure, location, purpose?
  - Need /Justification?
  - Costs and funding streams for provision?
  - Quotations for works
  - How much financial support is sought from BMSDC and for what?



- Collaborative spend – yes/no and if yes give details?
- Who is leading on delivery?
- Delivery proposal and timescales?
- Will the Infrastructure be provided on Public or Private land? – has the Bidder obtained all the necessary permissions to implement the infrastructure?
- If the infrastructure needs planning permission - has this been sought and obtained?
- has any State Aid already been received or offered from other government sources?
- Consideration of future funding/maintenance once project is complete

**4.3 Screening process** is as follows: -

- Must follow the CIL Regulation 123 Lists for each Council where infrastructure to be provided
- Could this infrastructure bid be provided using other funding streams that the Councils have available? (e.g. s106? – if so can it be delivered using this without reliance on CIL funds)
- Any incomplete bids will be considered, and effort will be made to get the bid fully complete and capable of then being assessed against the priority criteria.
- Where appropriate, information will be checked or sought to verify the information within the bid
- Where there are CIL “asks” under Development Management decisions on major projects using delegated powers, these will be given automatic priority

**4.4 Prioritisation criteria** is as follows: -

- Infrastructure necessary for an approved growth project (those with planning permission) in order that development carried out is sustainable
- Positively scores against provisions /objectives of Joint Strategic Plan and/or Joint Local Plan and/ or Infrastructure Strategies or other BMSDC Strategies or external strategies BMSDC support and/or input into
- It represents key infrastructure (essential)
- Value for money
- Clear community benefits
- Community support
- Deliverability (“oven ready” schemes)
- Affordability (from CIL Funds)

- Timeliness
- By releasing CIL money can we achieve infrastructure provision through collaborative spend? (i.e. Infrastructure providers, Parish/Town Councils, BMSDC infrastructure provision, or LEP/Government funding)
- Supports housing and employment growth
- Have a package of measures been proposed and submitted which allow for ongoing maintenance of the infrastructure such that its longevity can be assured
- Must be based on the developing/adopted Infrastructure Delivery Plan unless circumstances dictate otherwise
- Does the provision of this infrastructure address a current inadequacy in infrastructure terms?
- By releasing funds, it would allow infrastructure to be realised such that our funds are like the last piece of the jigsaw puzzle
- Will the infrastructure be capable of being used by the wider community
- By provision of infrastructure it would unlock further opportunities within the District for housing and employment growth

## **5. Governance of the CIL Expenditure Framework**

5.1 All decisions once validated screened and assessed and considered against the priority criteria will be collated and presented to Cabinet in the yearly CIL Business Plan which will be updated in the second 6 months of that year.

5.2 There will be tiered approach to decision taking in respect of bids submitted for Strategic Infrastructure Funds or Local Infrastructure Funds as follows: -

- **Delegated Decisions (to Assistant Director – Growth)**
  - a) Decisions to approve Infrastructure to be provided by CIL and necessary for an approved growth project (those with planning permission and considered by Planning Committee) in order that development which is ultimately carried out is sustainable. (Cabinet to note these decisions because of the likely amount of expenditure involved – over £150K)
  - b) Decisions to approve infrastructure projects the subject of bids where the amount of monies sought from the Local Infrastructure Fund is £10,000 or less
  - c) Decisions to refuse infrastructure projects the subject of bids where the amount of monies sought from the Local Infrastructure Fund is £10,000 or less
  - d) Decisions to carry forward Infrastructure projects the subject of bids to the next Bid Round where the amount of monies sought from the Local Infrastructure Fund is £10,000 or less

- e) Any decision which Officers consider may be of such significance or of a controversial nature such that Cabinet should take the decision in respect of the bid

**Cabinet decisions**

- a) Decisions to approve or refuse all Strategic Infrastructure Fund bids
- b) All other decisions to approve or refuse all other Local Infrastructure Fund bids which are not covered by the delegated decision taking outlined above under the delegated decisions listed above
- c) Noting of all decisions on bids where delegated decisions are taken.

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