

Rother District Council

Report to:	Community Infrastructure Levy Steering Group
Date:	8 February 2021
Title:	Strategic Community Infrastructure Levy (CIL) – Proposal for apportionment of funds and membership of the Strategic CIL Allocations Panel
Report of:	Head of Strategy and Planning
Purpose of Report:	To set out the proposal for apportionment of Strategic CIL funds and membership of the Strategic CIL Allocations Panel

Officer Recommendation(s): It be **RESOLVED:** That Members' views be sought on:

- 1) the new proposal as set out in paragraph 4 of this report and visualised in Appendix 1 regarding the apportionment of Strategic CIL to differing funds;
- 2) the composition of the Strategic CIL Allocations Panel; and
- 3) if points 1 & 2 above are agreed, that these proposals be incorporated into new draft CIL Governance arrangements for consideration at the next meeting of the CIL Steering Group.

Introduction

1. At its meeting on the 5 October 2020, Members of the Community Infrastructure Levy Steering Group (CILSG) were presented with a report regarding the current governance arrangements and Funding Decision Protocol for the allocation of funds from Strategic CIL (that which is retained by Rother District Council [RDC]). It was resolved at the meeting that officers considered the Chairman's proposals and reconsidered the composition of the CIL Officer Group to include Members and report back at the next meeting.

Strategic CIL Allocations Panel

2. At the last meeting, it was suggested that the composition of the CIL Officer Group consist of no more than seven members. It is proposed that the make-up of the Strategic CIL Allocations Panel (formerly the CIL Officer Group), consist of five Members to represent Bexhill and rural Rother and five non-voting advisory officers as follows:
 - Portfolio holder for Strategic Planning – Councillor Vine-Hall (rural Rother)
 - Portfolio holder for Finance and Performance Management – Councillor Dixon (rural Rother)
 - Portfolio holder for Economic Development and Regeneration – Councillor Bayliss (Bexhill)
 - Chairman of Overview and Scrutiny Committee – Councillor Osborne (rural Rother)

- Chairman of the Council – Councillor Drayson (Bexhill)
- Invited advisory Members (as and when, required) (non-voting)

And the following (advisory only):

- Head of Service Strategy and Planning – advisory
- Planning Policy Manager – advisory
- Assistant Director Resources – advisory
- Principal CIL Officer – advisory
- Environment and Policy Manager – advisory
- Any other officers as and when required

Strategic CIL Funding Apportionment Proposal

3. Strategic CIL (that which is retained by RDC) can be used to fund a wide range of infrastructure such as transport, flood defences, schools, hospitals and other health and social care facilities. However, charging authorities (RDC) may not use the levy to fund affordable housing. Local authorities must spend the levy on infrastructure needed to support the development of their area, and they will decide what infrastructure is needed and this is informed by the [Infrastructure Delivery Plan \(IDP\) – March 2019](#) and subsequent reviews of the IDP.
4. Attached at Appendix 1 is a diagram illustrating the new proposal for the sub-division of the Strategic CIL funds into four¹ specific allocation areas as follows:
 - **Special Projects Fund** – RDC to apportion 55% of the Strategic CIL to fund projects within Bexhill and rural Rother (those areas outside the parish of Bexhill) where RDC considers an infrastructure improvement or project. Those applying for funding from the Special Projects Fund (SPF) will be required to demonstrate how their infrastructure scheme proposal meets the Local Plan objectives, Corporate Plan objectives and be identified as critical infrastructure in the IDP. The SPF will be split into two sub funds – one for Bexhill and one for rural Rother, each fund representing the actual CIL funds generated in those two areas and to fund infrastructure in each area.
 - **Distribution Fund** – RDC to apportion 40% of the Strategic CIL to fund projects within Bexhill and rural Rother (e.g. anywhere outside of the parish of Bexhill in the Rother district) and the amount requested from the Distribution Fund (DF) should be match-funded and can only be used in towns and parishes where housing is allocated, as the purpose of CIL is to offset the impact of development. In addition, those projects with a wider impact could be funded between 75% and 100% from the DF depending on whether and to what extent the project can truly demonstrate a wider infrastructure impact. The DF will also be split into two sub funds – one for Bexhill and one for rural Rother, each fund representing the actual CIL funds generated in those two areas and to fund infrastructure in both areas. Funding from the distribution fund is not automatic, is dependent on a parish or town having a prioritised infrastructure plan and will need to be applied for by application. When allocating funding funds allocated to

¹ The Residual Fund as set out below will only be used if there are left over funds from the Distribution Fund

an area will not be greater than the total strategic CIL generated by the parish or town.

- **Climate Change Fund** – RDC to apportion 5% of Strategic CIL in support of the Council's commitment to be a carbon neutral district by 2030 as set out in the Environment Strategy and this fund will support climate change projects across the district.
 - Where there are monies that have not been allocated from the DF (over a given time period to be agreed), these monies will be transferred to a **Residual Fund** (RF), which again will be split into two sub funds – one for Bexhill and one for rural Rother. It is proposed that these RF be apportioned for use in areas where large Community Land Trusts (CLTs), Exception Sites or solely Affordable Housing Schemes have been developed as these types of development are exempt from CIL. In addition, the RF may allocate monies that would normally be eligible for funding from the Community Grant Scheme (CGS) if they are considered within the Strategic CIL infrastructure definition and cannot be funded through Local CIL or other local funding sources (Public Works Loan Board (PWLB), parish or town reserves etc.). Bids can then be invited from these areas for infrastructure schemes for consideration by the Panel.
5. It is proposed that both the SPF and DFs are only used against agreed prioritised infrastructure projects, as per the section on the Infrastructure List below and that firm commitments of funding are only to be made against actual funds received by the District Council. Commitments in principle would be made where funds have a high likelihood of coming forward and the minimum allocation will be £30,000, which is that maximum grant awarded from the CGS. This will ensure that RDC does not need to take out loans to fund CIL projects against reserves.

Infrastructure List

6. An Infrastructure List is a statement of the infrastructure projects or types of infrastructure which the charging authority intends will be, or may be, wholly or partly funded by CIL. This is a requirement of the Infrastructure Funding Statement (IFS) and is reviewed annually, with the next one being produced for publication in December 2021. The most up-to-date list of infrastructure requirements to support development identified through the Local Plan is set out in the IDP (March 2019).
7. It is important to clearly identify what infrastructure is needed to deliver the development set out within the Local Plan. Much of the infrastructure will be within the district boundary but other elements may cross boundaries, such as High-Speed Rail and be deliverable by several providers and benefit development in more than one planning authority.
8. The IDP Schedule identifies infrastructure fundamental to the delivery of the objectives and spatial strategy of the Core Strategy. It identifies both the infrastructure required to support the level and distribution of development proposed in the Local Plan and also those infrastructure improvements that are required to resolve existing deficiencies and promote sustainable communities.

9. It is proposed to ask parish and town councils (where housing is allocated) and other infrastructure providers to provide a list of proposed infrastructure needed to support development proposed through the new Local Plan and early discussions on this will start later in 2021 (note: parishes and towns will be given training to support them in understanding infrastructure funding through CIL). This list should identify whether any identified infrastructure needs proposed is of local impact only or can be demonstrated to have a wider strategic impact in Rother (e.g. building a local exercise facility might be local only, whereas road improvements on an A or B road may have broader impact).
10. It is proposed that the priorities in the Infrastructure list may comprise of:
 - Long term maintenance/repair of Rother owned assets.
 - New infrastructure to support development.
 - Projects with outside organisations where the projects are jointly funded, deliver a direct benefit and can be demonstrated to offset the impact of development or make Rother more accessible or promote economic growth or to protect our environment.

New CIL Governance arrangements

11. Should the new Strategic CIL funding apportionment arrangements set out above be agreeable with Members then officers will prepare the following documents for the next meeting of the CIL Steering Group:
 - **New Governance arrangements** – to provide clarity, transparency and consistency in the collection, allocation and spending of CIL receipts.
 - **New Funding Decision Protocol** – explaining how RDC as the Charging Authority will engage with infrastructure providers, invite funding bids and make funding decisions.
 - **New Bid Pro-Forma** – setting out how applications for CIL funding will be accepted and processed.
 - **New Assessment Criteria** – providing guidance to applicants and the Strategic CIL Allocations Panel on how such bid applications will be considered.

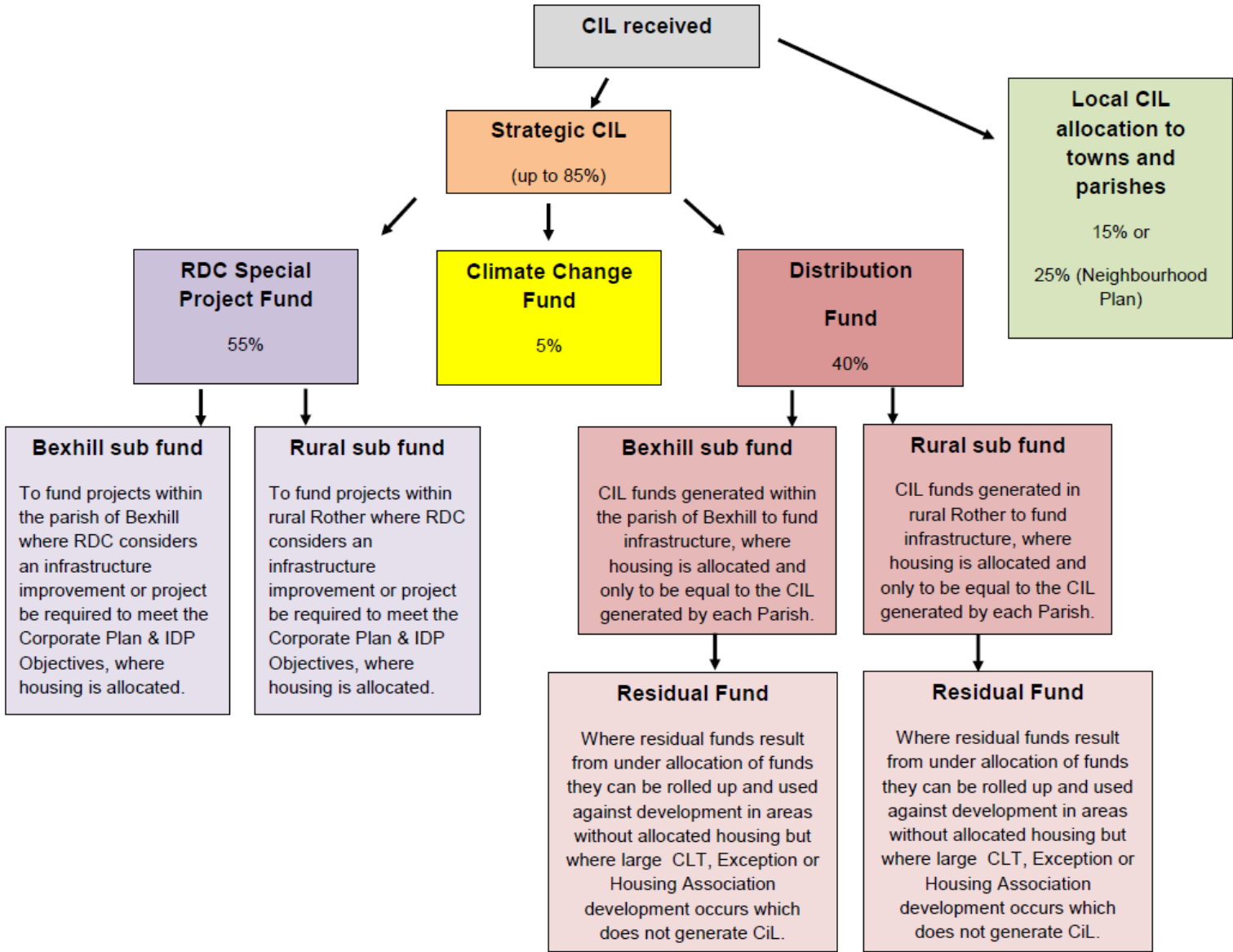
Conclusion

12. Members' views are sought on the Strategic CIL Funding Apportionment Proposals set out in this report and attached at Appendix 1 and whether they wish to make any amendments and if so, what kind of changes need to be made so that new protocols or procedures can be established and presented to the next meeting of the CIL Steering Group for onward recommendation to Cabinet and then full Council.

Implications

Financial Implications

13. While there is no time limit on the spending of Strategic CIL. There is an expectation that CIL monies will be spent on identified strategic infrastructure needs.



“Rural” – covers anywhere outside of the parish of Bexhill in the Rother district.