



Community Infrastructure Levy (CIL) Spending Arrangements

June 2019

1. Introduction

- 1.1 Stratford-on-Avon District Council is responsible for making the final decision on the allocation of funding raised through the Community Infrastructure Levy (CIL). The aim of the Protocol is to ensure that the decision making process is transparent. Through it the Council will identify and agree priorities for the use of CIL and the allocation of funds on an annual basis.
- 1.2 CIL collected will be used to provide infrastructure to support growth within the District. Of this:
 - 5% of CIL receipts will be used within the Planning budget to provide a dedicated resource for the annual monitoring and management required by the CIL Regulations;
 - 95% of CIL receipts will be allocated by the Council for investment in infrastructure for the District, in accordance with this Spending Protocol;
 - Either 15% or 25% of receipts accruing from development within their Parish will be allocated to the relevant Parish Council.
- 1.3 Parishes that have a 'made' Neighbourhood Plan will receive 25% of receipts accruing from development within their parish. Parishes without a 'made' plan including those where a plan is in preparation will receive 15%, capped at £100 per dwelling in accordance with the CIL Regulations. It will be for individual parish councils to determine how their portion of CIL receipts is spent although the District Council urges them to prioritise those projects listed on the Infrastructure Delivery Plan (IDP).
- 1.4 Other key principles include:
 - Funds to be targeted so that they address identified infrastructure priorities and address the impacts of development;
 - Procedures and timetable should run on an annual basis and include a review of the Regulation 123 List;
 - Opportunities for joint funding of schemes will be considered where these reflect shared priorities and attract additional sources of funding e.g. through grants via the C&W LEP.
- 1.5 The District Council must spend its CIL funds on the provision, improvement, replacement, operation or maintenance of infrastructure¹ needed to support the development of the area. There is more freedom regarding the use of the Neighbourhood Portion which can also be applied to 'anything else that is concerned with addressing the demands that development places on an area'.

¹ Infrastructure is defined as including roads and other transport facilities, flood defences, schools and other educational facilities, medical facilities, sporting and recreational facilities, and open spaces (S216, Planning Act 2008, as amended by Regulation 63).

- 1.6 Importantly, it is intended to focus on the provision of new infrastructure and should not be used to remedy pre-existing deficiencies unless they will be made more severe by new development. It is important to recognise that CIL receipts can only be spent on capital projects, although associated revenue spending to maintain those capital items is also permissible. It can be used to increase the capacity of existing infrastructure or to repair failing infrastructure if that is necessary to support development. Funds may be released for project development work in advance of funds for specific projects if necessary.

2. Process Timetable

- 2.1 The amount of CIL funds will be reviewed on 1st April each year. Where there is at least £750,000 available CIL receipts for allocation and spend the following process timetable will be followed with reports to meetings of The Cabinet:
- **Update IDP (Spring)** – the Council will update the IDP following a 4 week consultation with stakeholders. The Council will invite submissions for new infrastructure projects to be included in the IDP and set out/update any associated cost information;
 - **Invite Funding Bids (Summer)** – the Council will publish its revised IDP following the consultation with stakeholders. The Council will also confirm the level of CIL funds available and then invite organisations to submit bids for CIL funding (using the CIL Bid Forms – see Appendix 1) for a period of 4 weeks;
 - **Allocate Funding (Autumn)** – the Council will assess the bids received based on the bidding criteria and confirm how it will spend the CIL receipts.
- 2.2 A second bidding round may also take place during Autumn, Winter and Spring if not all of the available CIL funds were allocated in Round 1. The Cabinet and Council may also choose to defer full allocation in order to hold a second bidding round.
- 2.3 The Cabinet and Council will also be asked to confirm the Regulation 123 List, which may be amended if necessary, subject to appropriate consultation.

3. Prioritisation of CIL funds

- 3.1 The Regulation 123 List (Appendix 2) identifies what types of infrastructure the Council will fund/or part fund through CIL rather than through S106 Obligations. The list refers to the types of infrastructure but is not specific regarding particular schemes or projects. Reference back to the Infrastructure Delivery Plan will therefore be necessary. The Council's Infrastructure Delivery Plan (IDP) lists the infrastructure projects necessary to support the development set out in the Core Strategy. It can be viewed at www.stratford.gov.uk/cil. It identifies how and when the project will be delivered as well as giving an indication of the likely costs.
- 3.2 Because the total infrastructure costs are in excess of the amount of funding likely to be available through CIL, the IDP seeks to prioritise the projects in order to assist decisions about where CIL funds should be spent. Three categories of

prioritisation are used and are defined as follows:

- (1) **Critical** - Infrastructure that must happen to enable growth i.e. required to unlock any future works, and without it development cannot proceed. These infrastructure items may be referred to as “showstoppers” and are usually linked to triggers controlling the commencement of development activity e.g. transport to access the site, major utilities infrastructure. These projects are usually required before a development can commence.
- (2) **Essential** - Infrastructure that is essential and considered necessary to support and/or mitigate impact arising from the development. These are projects which are usually identified as required mitigation in Sustainability Appraisal, Habitats Regulations Assessment, Environmental Impact Assessment or Traffic Impact Assessment. The timing and phasing of these infrastructure projects e.g. school places, health requirements and public transport (service) projects, is less critical and their provision is usually linked to triggers related to the occupation of development sites. These projects are essential but may be provided after development commences.
- (3) **Desirable** - Infrastructure that is required to support wider strategic objectives, often aligned to placemaking and to build sustainable communities, but would not necessarily prevent development from occurring. This type of infrastructure is more influenced by whether a person chooses to use this facility or service e.g. community facilities, libraries and sports facilities. The timing of this infrastructure is not critical over the plan period and is usually linked to triggers controlling the completion of development sites.

3.3 In addition to understanding the infrastructure needs to support the planned growth within the District, as well as the costs and funding requirements, it will be important to understand the phasing of growth as well as the need for phased funding and delivery of infrastructure. The housing development trajectory will therefore be key evidence to assist with prioritisation. The trajectory will be updated annually in conjunction with the Authority Monitoring Report so that the anticipated levels of growth can be fed into the CIL spending review process.

4. Bidding for CIL Funds

4.1 It is expected that Stratford-on-Avon District Council and Warwickshire County Council will be the main bidders for CIL funds, given that CIL will be used to help fund strategic infrastructure. Bids can also be made by Stratford-on-Avon District Ward Councillors on behalf of the communities and local voluntary groups in their areas. Ward Councillors will be able to make one funding bid for Council funds on behalf of their community per funding round. For more local projects, for example that will solely benefit residents within a single parish, it is expected that bids will be made to the relevant Town or Parish Council for funding via the neighborhood portion of CIL.

4.2 It is expected that publishing the level of CIL funds available will encourage realistic bids for CIL funds.

4.3 Bids must be made using the CIL Bid Form (attached at Appendix 1). Bids for the

funding of schemes and projects should be supported by robust evidence of the cost and practicality of delivering the scheme or project, including an exploration of alternative or match sources of funding.

- 4.4 Bids should include evidence of existing demands, additional demands likely to arise from proposed development, the extent to which relevant existing infrastructure or services are capable, in terms of location, capacity and suitability, of meeting those additional demands and the estimated costs of providing new infrastructure or improving existing infrastructure to meet these additional demands. The bid should set out the full costs of the scheme and the timescales for implementation.
- 4.5 Bids are unlikely to be successful unless it can be reasonably demonstrated that there are no other funding mechanisms or streams available that could deliver the scheme being proposed. For example for transport or education matters, this will require transparency in looking at agreed capital programmes and a reasonable exploration and assessment by Warwickshire County Council of other potential resource and funding sources.

5. Preparing the Draft Spending Programme

- 5.1 Assessment of the proposals is then undertaken in light of available funds and final draft spending programme(s) are prepared. These will be presented to The Cabinet for decision. The Cabinet will be asked to agree the allocation of funding for the identified projects in the forthcoming financial year and if necessary for business reasons, projects for funding beyond this timescale alongside the approval of the Council's budget.
- 5.2 Once the infrastructure projects have been checked against the Infrastructure Delivery Plan and R123 List the next stage is to assign time frames to those projects based on their expected start and completion dates. The time frames would be set out as short term (within 3 years), medium term (within 7 years) or long term projects (in excess of 7 years).
- 5.3 To guide decisions a table will be set out, providing at a glance comparison of the projects (see Appendix 3). The progress column may also be used to note the status of projects, for example whether project plans or feasibility studies have been carried out.
- 5.4 It should be noted that there is no requirement to tie the expenditure of any particular CIL receipt to a particular location or development.
- 5.5 When recommendations for spending are made, the decision could also be taken not to allocate any/all funds, instead deciding to save funds with a view to future expenditure on larger infrastructure projects.
- 5.6 In summary, to be given consideration, schemes should meet a number of criteria:
 - **Contribute to the delivery of key development sites in the District**
 - **Be included in the Regulation 123 List**

- Be included in the Infrastructure Delivery Plan
- Where it can be satisfactorily demonstrated that the infrastructure would not otherwise be delivered, i.e. that all other possible funding sources are insufficient
- Leverage in other funds that would not otherwise be available, e.g. needed to match or draw grant funding
- Offer wider as well as local benefits
- Address a specific impact of new development beyond that which has been secured through a S106 Obligation or S278 Agreement.

5.7 It is expected that the number of bids received will exceed the funding available. The Draft Spending Programme prepared by Officers in consultation with the Portfolio Holder, will in essence, be a shortlist of those bids considered to best meet the Council's priorities. As all relevant information will be included within the bid forms, the shortlisting will be a 'paper exercise' and there is no expectation that bidders should attend Cabinet/Council to make further representation.

6. Payment of Funds

6.1 The Council will ensure timely release of funds when invoices are received for satisfactorily completed works.

7. Town and Parish Councils

7.1 In accordance with the Regulations², the Council as the charging authority will make payments to the relevant Town and Parish Council as follows:

- Payment by 28th October in respect of CIL receipts between 1st April and 30th September.
- Payment by 28th April in respect of CIL receipts 1st October and 31st March.

7.2 As outlined above, Town and Parish Councils may spend their portion of CIL receipts on a wider range of things (other than infrastructure) than the rest of the levy, provided that it meets the requirement to 'support the development of the area'. For example, the pot could be used to fund affordable housing where it would support the development of the area by addressing the demands that development places on the area.

7.3 The Infrastructure Delivery Plan (IDP) identifies a large infrastructure gap in Stratford-on-Avon District. As part of the prioritization process, through the IDP, the Council has identified which infrastructure projects it expects Town and Parishes to fund. Typically, these include those projects that relate to a single community or parish as opposed to those projects that will deliver a wider (e.g. district) benefit.

² The Community Infrastructure Levy (Amendment) Regulations 2013, Regulation 59D

7.4 Each year when they have received funds through the levy, Town and Parish Councils must publish the required information³ on its website and send a copy to the Council no later than 31st December following the reported year. Where a

Town or Parish Council has not received any money they do not have to publish a report, but may want to publish some information to this effect in the interests of transparency.

- 7.5 Whilst all of Stratford-on-Avon District is parished, not all parishes have formal elected Parish Councils. In such areas, Stratford-on-Avon District Council will act as spending authority on behalf of the community. It will engage with the local community and agree with them, via the Ward Councillor how the funds should best be spent.
- 7.6 Where development straddles a parish boundary, payment to each council receives a share of the levy which is proportionate to the gross internal area of the development within their administrative area.

8. Monitoring

- 8.1 CIL Income will be reported quarterly. The Council will set out in the Authority Monitoring Report the amount of CIL that has been received, spent (and on what) and the sum remaining in the fund in the reporting year. The progress of spends will be monitored and reported to The Cabinet.
- 8.2 It should be noted that, in accordance with the Regulations⁴, if a Parish or Town Council does not spend its levy share within 5 years of receipt, or does not spend it on initiatives that support the development of the area, the Council may require it to repay some or all of those funds to the Council.
- 8.3 Some Town or Parish Councils may wish for the Council to hold and spends its CIL funds on its behalf. In such cases, the Council should report this separately.
- 8.4 The Spending Arrangements will be kept under review to ensure its effective operation.

³ The Community Infrastructure Levy (Amendment) Regulations 2013, Regulation 62A

⁴ The Community Infrastructure Levy (Amendment) Regulations 2013, Regulation 59E