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| Report for: | Cabinet |
| Date of meeting: | 29th November 2016 |
| PART: | 1 |
| If Part II, reason: | |

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| Title of report: | Governance Arrangements for the Community Infrastructure Levy (CIL) |
| Contact: | <p>Cllr Graham Sutton, Portfolio Holder for Planning and Regeneration</p> <p>James Doe, Assistant Director (Planning, Development and Regeneration)</p> <p>Robert Freeman, Strategic Planning and Regeneration Officer (Infrastructure and Project Delivery)</p> |
| Purpose of report: | The report sets out proposals for the governance of the Community Infrastructure Levy (CIL) and seeks Council approval for them. |
| Recommendations: | <p>1) That Cabinet notes the information provided on CIL Income and Expenditure at Appendix 1 and agrees to its publication as required under Regulation 62 of the CIL Regulations 2010 (as amended)</p> <p>That Cabinet recommends to Council that:</p> <p>2) It approves the Terms of Reference to the Infrastructure Advisory Group as set out in Appendix 3 including the delegation to the Chairman of the Infrastructure Advisory Group to approve spending of CIL receipts of up to £50,000 on projects not identified in the Infrastructure Business Plan.</p> <p>3) It approves the allocations of CIL funds to those Infrastructure themes set out in Section 3 of this report</p> <p>4) That funding is allocated to these themes for use in</p> |

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| | <p>2018/19 and 2019/20</p> <p>5) That submissions for CIL funds are encouraged from April 2017 using the CIL submission forms at Appendix 4.</p> <p>6) It approves entry into the Memorandum of Understanding with Hertfordshire County Council as set out in Appendix 5</p> <p>7) To delegate authority to the Assistant Director (Planning, Development and Regeneration) to:</p> <p>(a) Finalise the wording of the CIL submission bid form and associated guidance notes; and</p> <p>(b) Finalise guidance notes for Town and Parish Councils and Ward Councillors.</p> |
| <p>Corporate objectives:</p> | <p><u>Affordable Housing</u> Some forms of affordable housing may claim exemption from the payment of CIL. It is not anticipated that CIL funds would be used to fund the provision of affordable housing although CIL funds could be utilised on infrastructure which would facilitate the delivery of housing sites.</p> <p><u>Safe and Clean Environment</u> Open space and green infrastructure improvements have been identified as possible recipients of CIL funding within the Council's Regulation 123 List. Such works would contribute to a safe and clean environment.</p> <p><u>Building Community Capacity</u> CIL revenues may be used on social enterprise and local community infrastructure which supports those in the most deprived areas. Local communities should feel empowered to carry out improvements within their neighbourhood by the delegated of a proportion of CIL funding to them under Regulation 59 of the CIL Regulations</p> <p><u>Dacorum Delivers</u> The purpose of this report is to explain how the Council will make decisions on the spending CIL receipts upon new items of infrastructure. Key stages in this process include determining which infrastructure projects are capable of delivery and on-going management to ensure that our infrastructure priorities are delivered in accordance with an agreed timetable.</p> |
| <p>Implications:</p> | <p><u>Financial</u> The cost of developing and implementing the Council's CIL Policies and Procedures was borne by the Local Development Framework (LDF) budget. We are now in the process of collecting CIL and have set aside 5% of CIL receipts to cover the costs above and on-going administration (including</p> |

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| | <p>Software costs and subscriptions) The costs are expected to be cost-neutral in the long term. Further information is set out in Appendix 1.</p> <p>The Council is responsible for collecting and allocating significant sums of money to the delivery of infrastructure and needs an appropriate framework for the consideration of such matters.</p> <p><u>Value for money</u> The Council will be responsible for allocating CIL money for spend, and thus will have a responsibility to ensure the efficient use of funds. Requests for CIL funding will be expected to demonstrate that the infrastructure project offers value for money with such matters being considered through the submission of projects.</p> <p><u>Staff</u> The Council now employs two full time officers to deal with the daily administration and management of CIL and S106. These officers will be responsible for the initial consideration of CIL project submissions, the evolution of the CIL Charging Schedule, supporting policies and strategies together with the wider infrastructure planning function of the Council. Other Council staff will be involved in individual projects relating to the spending of CIL funds as the need arises. Where possible such matters have been incorporated into existing work practices (for example; Resident Services are working closely with Ward Councillors and Neighbourhood Action Groups over the allocation of Neighbourhood CIL)</p> <p><u>Land</u> The Council has an adopted Payment in Kind policy which allows for land to be transferred to the Council upon which they can deliver infrastructure necessary to support growth. No requests have been made to date to pay CIL via this mechanism.</p> |
| Risk implications: | <p>CIL processes have recently been subject to an audit and officers are in the process of implementing a number of recommendations to ensure that the process for the collection of CIL funds is efficient and robust.</p> <p>In relation to CIL expenditure, the Council will, where possible, oversee the delivery of infrastructure projects to ensure that they are delivered on budget and in accordance with the timescales agreed by the Infrastructure Advisory Group. The Council may withhold CIL funds until delivery targets or conditions have been met.</p> |
| Equalities implications: | <p>The process for the submission and allocation of CIL funds should be open, fair and equitable for all applicants. The application process has been designed to be inclusive.</p> |

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| Health and safety implications: | N/a |
| Monitoring Officer/S.151 Officer comments: | <p><u>Monitoring Officer</u></p> <p>Robust governance procedures are essential to ensure that CIL funds can be allocated to appropriate infrastructure in a timely and efficient manner and that spend is properly monitored.</p> <p>This report, the annexed procedural guidance and associated documents demonstrate that an effective system of governance has been developed, however, the procedures should be kept under continuous review to ensure that they remain up to date and effective.</p> <p><u>Deputy Section 151 Officer</u></p> <p>The costs of CIL are factored into the Medium Term Financial Strategy and the income will be reviewed to ensure the forecast and actual income collected is monitored in line with Financial Regulations.</p> <p>The costs of projects will need to be submitted through the budget setting process and will require all the necessary approvals to be built into the ongoing capital programme.</p> |
| Consultees: | <p>The governance arrangements for CIL have been discussed in detail with members of the Infrastructure Advisory Group and other key Council staff at both Hertfordshire County Council and Dacorum Borough Council including:</p> <ul style="list-style-type: none"> • Mark Gaynor, Director for Planning and Housing • James Doe, Assistant Director for Planning, Development and Regeneration • Nathalie Bateman – Team Leader, Strategic Planning and Regeneration (Infrastructure and Project Delivery) • Laura Wood – Team Leader, Strategic Planning and Regeneration (Strategic Planning) • Heather Overhead – Assistant Team Leader, Strategic Planning and Regeneration (Strategic Planning) • Richard Baker – Group Manager Financial Services • Jacqueline Nixon – Herts County Council, Development Services (Property) <p>The Infrastructure Advisory Group includes representatives of the Hertfordshire Local Enterprise Partnership (LEP).</p> |

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| <p>Background papers:</p> | <ul style="list-style-type: none"> • Cabinet Report titled “Community Infrastructure Levy (CIL) – Adoption of Charging Schedule and associated documents” – 10th February 2015 • Cabinet Report titled “Governance Arrangements for the Community Infrastructure Levy (CIL)” – 25th November 2014 • Inspector’s Report on CIL Charging Schedule – October 2014. • Cabinet Report titled “Future Governance Arrangements for the Community Infrastructure Levy (CIL) – 29th March 2014. • CIL Regulations 2010 (as amended) • Infrastructure Delivery Plan Update 2016 • Hertfordshire Infrastructure Investment Strategy (HIIS) Update 2013 • CIL Regulation 123 List (April 2015) • CIL Instalments Policy (April 2015) • CIL Infrastructure Funding Gap Update 2014 <p>These documents may be viewed at www.dacorum.gov.uk</p> |
| <p>Glossary of acronyms and any other abbreviations used in this report:</p> | <p>BCIS – Building Cost Information Service CIL - Community Infrastructure Levy CRG – Corporate Regeneration Group GTP – Growth and Transport Plan IAG – Infrastructure Advisory Group IBP – Infrastructure Business Plan IDP – Infrastructure Delivery Plan LDF – Local Development Framework LEP – Local Enterprise Partnership MOU – Memorandum of Understanding NAG – Neighbourhood Action Group POS – Planning Officer Society TOR – Terms of Reference</p> |

BACKGROUND

1.0 Introduction

- 1.1 The Community Infrastructure Levy (CIL) is a mechanism for collecting financial contributions from new developments to help fund the provision of infrastructure required to support housing and commercial growth in the Borough. It is a tariff style system applied to the area of the development as a cost per square metre and may vary by both use and location.
- 1.2 The Borough Council is the Charging Authority for CIL. It is responsible for setting the proposed CIL rate, collecting the charges and spending the CIL income. The Council adopted its CIL Charging Schedule on the 25th February 2015 and started charging its CIL on all new developments receiving planning permission from the 1st July 2015.
- 1.3 The Borough Council CIL has been subject to an internal audit and a number of mechanisms are being introduced to improve its collection and administration. This report is concerned with the expenditure and aspects of the governance of CIL. Such matters were last considered by Cabinet on the 25th November 2014 where the broad principles of our governance structure were agreed.

2.0 Allocation of Funds

- 2.1 The Borough Council is required under Regulation 59 of the CIL Regulations 2010 (as amended) to allocate CIL funding to the local community (15%). They may also allocate funds for the purposes of administration (5%) under Regulation 61 where the release of these funds can be justified. The bulk of CIL funding (80%) sits in a further pot from where it may be allocated towards its infrastructure projects and priorities.

CIL Administration

- 2.2 The Borough Council has already committed 5% of its CIL receipts from its first year of collection towards the costs of establishing the CIL Charging Schedule and for its daily administration of CIL. This is the maximum amount permitted to be spent on this purpose under the CIL Regulations 2010 (as amended)
- 2.3 CIL is resource intensive and significant costs were incurred in establishing the charge and providing a system for administration and monitoring CIL. These set up costs including the cost of purchasing new software, staff training, providing expert technical advice and documents and holding the CIL examination, were met from the LDF budget. The cost of the project now includes employing two members of staff to administer the collection of CIL and to directly consider other infrastructure planning issues. The Council has annual costs associated with membership of the Planning Officers Society CIL Implementation group, software hosting and maintenance and subscriptions to Building Cost Information Service (BCIS) Online.
- 2.4 The CIL receipts from the first year are limited as set out in Appendix 1 and the proportion of funding allowed for administration is so far insufficient to cover the costs of establishing the CIL charge. This was anticipated and the

CIL forecasted receipts will be significantly higher for this year and future years.

- 2.5 The Council should continue to collect 5% for administration until the end of financial year 2017/18. The CIL Regulations 2010 (as amended) allows authorities to recuperate the set up costs over the first three years of charging and we are expecting the full costs of administration to be met by the end of this period, particularly if an upward trend in housing delivery continues over this period.

Local CIL

- 2.6 CIL is expected to incentivise communities to accept and encourage growth in their areas and as such Regulation 59 of the CIL Regulations 2010 (as amended) placed a duty upon the Council to pass 15% of the CIL receipts to Town and Parish Councils from developments that take place within their administrative areas. This figure increases to 25% of the CIL receipts in areas where a Neighbourhood Plan is adopted.
- 2.7 For the unparished area of Hemel Hempstead, the Council is bound by Regulation 59 of the CIL Regulations 2010 (as amended) to use the equivalent proportion of CIL receipts to support the development of the relevant area. Cabinet previously agreed that the 'relevant' area should reflect electoral wards and authority should be delegated to ward councillors to determine the use of the local proportion of CIL receipts in consultation with local residents.
- 2.8 The Council is required to transfer CIL bi-annually to the Town and Parish Councils and relevant areas under this regulation. An initial payment of the neighbourhood proportion of CIL received for the period 1st April 2015 to the 31st March 2016 was subsequently transferred to Markyate Parish Council in April 2016. The neighbourhood proportion of CIL was also made available for three wards in Hemel Hempstead in which CIL had been received over this period. Full details are set out at Appendix 1.
- 2.9 Town and Parish Councils are not constrained in the use of such sums to the provision of new infrastructure and may use funding broadly to support the needs arising from growth (though is not suited to long term revenue use as they are one-offs). Officers have produced advice notes for Town and Parish Councils and Ward Councillors regarding the use of the Neighbourhood Proportion of CIL which are included at Appendix 2.
- 2.10 The Town and Parish guidance notes provides background on CIL and highlights the relevant responsibilities of these authorities in relation to CIL funding. It includes a number of suggestions to encourage early preparation for the receipt and spending of CIL and suggestions on best practice for managing their CIL funds. It is clear that they are accountable for their CIL expenditure and any on-going costs associated with infrastructure they provide under CIL.
- 2.11 Officers will engage with Town and Parish Councils during the course of general infrastructure planning work including updates to the Infrastructure Delivery Plan (IDP) and works to support the development of a new single local plan. The long term objective of these discussions should be to develop

more settlement focused IDP's which incorporate statements from Town and Parish Council's over their priorities for the use of their neighbourhood proportion of CIL. A number of these local councils have already started to consider the development of local infrastructure lists including Berkhamsted Town Council and Tring Rural Parish Council. This message is to be reinforced through the Town and Parish conference on 25 November 2016.

- 2.12 The draft advice note for ward councillors provides general information on CIL and includes an application form for the release of CIL funds which have been set aside for them. This requires ward councillors to demonstrate that appropriate consultation has taken place with the local community regards the infrastructure project and that they have taken appropriate steps to ensure that projects are deliverable.
- 2.13 Ward councillors will be notified directly of the funds available within their area and encouraged to discuss the use of these funds with officers.
- 2.14 Ward councillors will be supported in the determination of appropriate infrastructure projects and their delivery by officers at both a Borough and County level. It is envisaged that initial discussions around developing an infrastructure project list will build on existing working relationships with the community and utilise existing forums such as the network of Neighbourhood Action Groups. Recent Neighbourhood Action Group (NAG) meetings have or will incorporate new infrastructure projects as a topic for discussion and councillors will be encouraged to take a leading role in discussions. A number of discussions between the ward councillors and the Infrastructure Officer have already taken place regards such matters and further training on CIL will be offered through the member training programme. The training will emphasize the need to consider preparing and review infrastructure project lists in consultation with local residents at the regular opportunities. It is likely that Council officers will lead on the delivery of the infrastructure project (depending on scale) including procurement and project management.
- 2.15 The autumn edition of Dacorum Digest included an article highlighting the CIL funds available in a number of areas and encouraging residents to suggest infrastructure projects to their ward councillors. We are not aware of any significant feedback to this article to date.

Core Funds

- 2.16 The remaining, or Core, CIL funds should be allocated by the Council towards the infrastructure requirements arising from the growth planned in the Council's Core Strategy. At a strategic level, these needs are identified in the IDP which sets out the infrastructure plans and funding arrangements of infrastructure providers. This plan is a "live" document and is subject to regular discussion and review. It is published annually on the website (<http://www.dacorum.gov.uk/home/planning-development/planning-strategic-planning/evidence-base/infrastructure-and-delivery>)
- 2.17 A strategy for the use of CIL and S106 funding was developed in advance of the examination into the CIL Charging Schedule and having regard to those projects under the IDP. The Council was required under the CIL Regulations 2010 (as amended) to set out a list of projects which would be wholly or partially funded by CIL (the Regulation 123 list) and by definition those which would not be subject to the receipt of planning obligations under S106 of the

Town and Country Planning Act 1990 (as amended). The purpose of this list is to avoid charging developers twice for the same or similar item of infrastructure.

- 2.18 The Infrastructure Advisory Group (IAG) has already met a number of times to discuss CIL governance arrangements and build on the framework established by Cabinet in November 2014. This group contains both officers and members of the County and Borough Councils, including the Planning Portfolio holder, together with representatives of the Hertfordshire LEP.
- 2.19 The Terms of Reference for the IAG are set out at Appendix 3. The primary objective of the IAG will make recommendations to Council on how the core CIL money is allocated and determine which submissions for CIL funding should be prioritised. The recommendations of the IAG will be made via an Infrastructure Business Plan (IBP), which will set out the Council's priorities for allocating CIL money on a short, medium and long term basis. This document will focus on the delivery of infrastructure and making the best use of CIL funds and should align with the IDP.
- 2.20 The IAG has considered the methodology for considering submissions for CIL funding and concluded that in order to make this process manageable that CIL submissions should only be encouraged for those items of infrastructure that fit within a select group of local themes. These themes have been developed having regard to those infrastructure issues emerging in the latest IDP and issues arising in the delivery of housing sites over the last 18 months. The IAG's recommended themes are explained in detail in Section 3.
- 2.21 'CIL project submissions' for the use of CIL funds will initially be assessed by officers for suitability for CIL funding. This process will remove any bids which cannot be funded through CIL and those which fall outside our chosen CIL themes/budgets/timescales. The IAG and applicants will be advised of the reasons why bids fail to progress beyond this stage. The submissions which pass this stage will be referred to the IAG for more detailed consideration.
- 2.22 CIL funding will be collected over the course of a financial year with bids being considered and allocated over the next financial year. This means that there will be a significant lead in time before funds are released for infrastructure projects.

3.0 Themes for CIL Expenditure

- 3.1 The concept of having CIL submission themes emerged via the IAG and was considered to be the most appropriate mechanism for targeting CIL funding to on infrastructure in areas in which we know significant growth is expected (geographic themes) or for types of infrastructure which we know are necessary for growth to occur and where improvements would be visible and/or expected by the local community (subject themes).
- 3.2 Such measures seek to restrict bids for CIL funding so that the process is manageable to those involved and reinforces the links between infrastructure planning and growth established in the IDP.
- 3.3 The key findings of the IDP have been presented to the IAG through the refinement of our CIL governance work. The group are also aware of significant planning applications and proposals (both current and in the

forward programme) through close liaison with the Strategic Planning and Development Management services.

- 3.4 Having considered the available technical work and other relevant information, it is considered that the bulk of CIL funding should be targeted to two themes, one geographic and one subject theme, for the bidding years 2017/18 and 2018/19. A further theme for other projects would be available, so as not to exclude others from the submission process, with a cap introduced on individual bids. A limited proportion of CIL would be set aside as a contingency for use on projects arising outside of the CIL submission process, for example infrastructure works to accelerate or intervene in the delivery of housing sites. The percentage of CIL allocated to each theme is expected to be a broad indication of the funds to be used and not a precise figure.
- 3.5 The themes that the IAG would recommend to Cabinet are those covering:
- a) Infrastructure for East Hemel Hempstead – 50%
 - b) Transport Infrastructure - 40%
 - c) Other projects - 7%
 - d) Contingency - 3%

Infrastructure for East Hemel Hempstead

- 3.6 It is considered that a significant proportion of CIL funding (50%) should be allocated to the delivery of infrastructure to support developments occurring on the eastern side of Hemel Hempstead.
- 3.7 Significant levels of new residential development are already under construction within the heart of Maylands and at Spencer's Park and both of these sites are anticipated to have second phases of development being delivered from 2017/18. In addition, residential development is being promoted within the boundaries of St. Albans City and District Council and on the boundary of Hemel Hempstead by the Crown Estates both through the local plan process and through the planning application process¹ Upgrades to local infrastructure will be required to accommodate this growth.
- 3.8 Both Hertfordshire County Council and the Herts Valley Clinical Commissioning group have expressed concerns with regards to the fast pace of residential growth within the area and the associated impact upon social infrastructure. For the County Council, this has heightened the need to provide further secondary education facilities within Hemel Hempstead, as reflected in the latest IDP.
- 3.9 Although the majority of infrastructure needs emerge from residential developments it is also important to note that additional infrastructure requirements are generated from commercial developments. These are likely to be concentrated at Maylands and through the Enterprise Zone and should be supported by CIL funds where applicable.

¹ The Crown Estate held a public exhibition of proposals for land to the east of Hemel Hempstead on the 20th, 24th and 27th October 2016. The site being promoted is considered to be capable of providing 2,500 homes and up to 8000 new jobs. We are advised that an application for planning permission is likely to be pursued in 2017/18.

Transport

- 3.10 It is also recommended that significant funds are also committed to transport infrastructure (40%) as evidence suggests that this is the most emotive, visible and most widespread of all new infrastructure requirements. A significant proportion of the projects incorporated in the IDP are related to highway and transport matters and this is likely to increase as further technical studies are due to report their findings later this year.
- 3.11 Hertfordshire County Council is consulting on the draft Transport Vision for Hertfordshire to 2050 and is in the early stages of producing both a new Local Transport Plan (LTP4)² and the South West Hertfordshire Growth and Transport Plan (GTP). The GTP is expected to be adopted mid 2017 with LTP4 expected to be adopted in late 2017. GTP and LTP4 will provide a new generation of major and minor transport projects for inclusion in the IDP.
- 3.12 The draft Transport Vision 2050 has identified several objectives for locations in our area including projects MS1 – Sustainable Towns (£5-10m per settlement), MS2 – Access Improvements to East Hemel Hempstead (£50-70m), and MS5 – Hertfordshire Bus Rapid Transit (£3-7m per km).
- 3.13 The IAG is aware that significant transport interventions are crucial to facilitating the development of key housing sites including any potential housing being encouraged through the development of the Two Waters Masterplan and those identified in the Core Strategy and Site Allocations Development Policy Document (DPD). The range of improvements needed to transport infrastructure covers the breadth of Dacorum with significant works required to facilitate movements between and within its three key towns.

Other Projects and Contingency

- 3.14 Officers initially recommended that the IAG split the remaining core CIL funds equally between other projects (5%) and a contingency pot (5%). The IAG however were concerned that this did not strike an appropriate balance between the need to fund other types of infrastructure (for example, school expansions, open spaces or community buildings) and respond directly to infrastructure issues as they emerge over the funding year. As a consequence of these discussions the IAG have suggested that the Council withhold only 3% of CIL funds for infrastructure emergencies or projects not identified in the IBP and increases the allocation towards other types of infrastructure to some 7% of the core funds.
- 3.15 It is anticipated that bids for other projects will be modest in scale given the limited funds available under this heading; further consideration will need to be given to any restrictions placed upon bids. This will be clarified once the full extent of CIL funds available is known.

4.0 The CIL Project Submission Process

- 4.1 The CIL project submission process will normally run in accordance with the timetable set out in Table 1. The initial bidding process will run from April 2017 with funds being released from April 2018.

² The Transport Vision for Hertfordshire 2050 will sit as evidence in support of the policy document LTP4.

- 4.2 The Borough Council will encourage bids for the core CIL funds collected between the 1st July 2015 and the 31st March 2017 and thereafter for funds received annually. It is anticipated that the extent of CIL funds that will be available from the 31st March 2017 will become clear by the start of Q4 of financial year 2016/17 with most Demand Notices being payable in single instalments and within 90 days of commencement. At present we do not have sufficient information to make long term income projections.
- 4.3 Officers intend to notify infrastructure providers of the likely sums to be made available under this process in January 2017 to enable them to plan and discuss with officers their likely submissions in advance of the submission process, and to provide guidance through the first round of CIL project submissions. This is considered important in view of the tight timetable between inviting CIL bids and the submission deadline (6 weeks).

Table 1 – CIL Submission Timetable

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| April | <i>Invite CIL project submissions -</i> |
| May | <i>Deadline for receipt of CIL project submissions</i> |
| July | <i>First consideration of CIL project submissions by IAG</i> |
| September | <i>Final consideration of CIL project submissions by IAG</i> |
| October | <i>IAG agree IBP for submission to the Council's Overview and Scrutiny Committees and Cabinet by email</i> |
| November – January | <i>IBP considered by Council's Overview and Scrutiny Committees and Cabinet</i> |
| February | <i>IBP approved by Council and successful project submissions included in budget setting process</i> |
| April | <i>Release of funds in accordance with project timescales</i> |

- 4.4 A draft project submission form has been developed and is included in Appendix 4 of this report. The submission form is designed to enable officers and then members of the IAG to extract information about the need, nature, costs and delivery of a particular infrastructure project. The submissions will be screened prior to consideration by the IAG for conformity with the CIL Regulations and our general policies. Submissions for CIL funding will also be ranked using a series of essential and weighted criteria with the highest scoring bids, or a combination of high and lower ranking submissions covering the extent of funding available, being taken forward. A scoring framework is being developed in consultation with the LEP and wider IAG. The reasons why projects are not carried forward for consideration by the IAG will be incorporated into the Infrastructure Business Plan.
- 4.5 The IAG will consider the remaining bids and the extent to which they:
- a) Support the development of Dacorum;
 - b) Secure the best value for money and
 - c) Optimise the use of other funding sources where applicable.
- 4.6 The timetable for the consideration of projects also includes a session for the IAG to question and challenge those people or organisations submitting CIL bids about their projects before drawing conclusions over those to support through the allocation of funds.

- 4.7 The ranking system will be utilised to limit the number of bids to be considered by the IAG and will be only one factor that the IAG consider when looking at CIL submission. It may not necessarily follow that the highest ranking CIL submissions will be those that are recipients of CIL funding.

5.0 Memorandum of Understanding (MOU)

- 5.1 The provision of infrastructure requires a high level of cooperation and coordination between the Borough Council and statutory providers of infrastructure. Historically, the County Council that has taken the lead in such matters using monies secured under S106 of the Town and Country Planning Act 1990 (as amended) towards the provision of education, transport and community infrastructure, e.g. libraries & youth services. This relationship has changed with the introduction of CIL.

- 5.2 The strategic planning service has an excellent relationship with its County Council counterpart that deals with developer contributions, and will seek to build working relationships with officers directly responsible for the delivery of new infrastructure. The County Council has employed a Principal Infrastructure Officer to collate information on infrastructure from individual departments within the County and identify priorities for service delivery.

- 5.3 The Borough Council's working relationship with the County on CIL will be governed by a Memorandum of Understanding between the County Council and ourselves as to how each will act to facilitate the smooth running of the CIL process and governance framework. This is included at Appendix 5 of this report.

- 5.4 The County Council understands that a successful project submissions will be expected to include the timetable for delivery of individual items of infrastructure with key milestones provided in all cases. These milestones will be monitored and may be triggers for payment. The County Council will undertake infrastructure works on the understanding that they will fund infrastructure projects upfront and receive payment on the basis of an agreed commitment in the IBP and in accordance with the project timetable. A declaration on the application form for CIL funding ties the applicant to spending any funds received on the project in question.

- 5.5 In other cases, there may be a need for more formal legal agreements covering the transfer of CIL funds and implementation to other organisations or third parties.

6.0 Recommendations

- 6.1 The specific recommendations for Cabinet are set out at on the cover page of this report.