

## APPENDIX 2b – GUIDANCE NOTE FOR WARD COUNCILLORS



### Community Infrastructure Levy (CIL) - Guidance Note for Ward Councillors (November 2016)

The following guidance note has been prepared to assist ward councillors for Hemel Hempstead over the use and administration of CIL. A separate note is available for Town and Parish Councils.

#### What is CIL?

CIL is a new way of collecting contributions from developments towards the provision of infrastructure required to support growth within the Borough. It is a tariff that will be applied per square metre of new development and varies by scale, use and geography. Different CIL charges for settlements and zones within the Borough have been established on the basis of scheme viability.

#### What are the CIL Charges?

The Borough Council is the Charging Authority for CIL and has set the following charges in Hemel Hempstead<sup>1</sup>

Residential - £100 per square metre

Large Supermarkets, Superstores and Retail Warehousing - £150 per square metre

Affordable housing, self-build housing, residential annexes and residential extensions are exempt from payment of CIL, but may need to claim an exemption.

#### CIL Process and the Neighbourhood Proportion of CIL

The CIL Regulations (Regulation 59) require the Charging Authority (Dacorum Borough Council) to pass on a meaningful proportion (15%<sup>2</sup>) of CIL to town, parish and neighbourhood areas. The Borough Council is required to retain levy receipts and engage with communities over the use of the meaningful proportion where no Parish, Town or Community Council is in place. The Borough Council has concluded that local ward councillors should, in these situations, engage with local communities directly and agree how best to spend the neighbourhood funds.

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<sup>1</sup> Excludes land at West Hemel Hempstead and Spencer's Park which are zero rated.

<sup>2</sup> This fund may rise to 25% where a Neighbourhood Plan is adopted.

## CIL Collection

The Borough Council will undertake the collection of CIL and a meaningful proportion for each CIL receipt will be set aside within individual Town, Parish and Neighbourhood (Ward) accounts in accordance with the CIL Regulations (as amended). It should be noted that the payment of CIL receipts may be subject to Instalments. Officers will advise ward councillors of the funds available under the “meaningful proportion” on an annual basis.

## Spending CIL Receipts

The neighbourhood proportion of the CIL can be spent on a wide range of items required to “support the development of an area including:

- a) The provision, improvement, replacement, operation or maintenance of infrastructure; or
- b) anything else that is concerned with addressing the demands that development places on an area”

This could include, for example, environmental improvements (one-off litter clearances, landscaping or open space works) new play equipment, new library equipment, street furniture, additional parking spaces or pedestrian crossing facilities. This **does not** extend to feasibility studies for items of infrastructure for which funds are not already available.

This CIL Regulations give ward councillor’s considerable freedom to spend their allocated proportion of CIL on the items which address the impacts of development upon their area. Notwithstanding this freedom the use of neighbourhood funds must be identified in consultation with the local community and reflect their priorities. There are a number of factors that should be considered when developing a CIL spending plan.

### - *What are the Infrastructure Needs?*

Ward Councillors should carefully consider whether the expenditure addresses the demand on infrastructure and services that are caused by development within their area and be clear on the links between infrastructure and growth. These priorities should not be considered in isolation noting that there may be a number of town-wide infrastructure priorities which may be outside the ward boundaries but supported by local residents.

Active community groups, including Neighbourhood Action Groups, should consider producing a statement identifying community infrastructure projects to act as a useful starting point for the distribution of neighbourhood funds by their ward councillor. Individual ward councillors would be encouraged to lead the production of such plans.

### - *Using CIL Funds Effectively*

Neighbourhood expenditure should be agreed in the full knowledge of both the needs of a local area and, in so far as it is possible, an understanding of

where other strategic investment will be made in the area by the Council and its partners. Ward councillors should be clear that there may be on going operational and maintenance costs associated with the provision of new infrastructure and will need to be clear how any costs will be met for the life of the infrastructure. Maintenance costs are unlikely to be borne by the Borough Council, although they are a legitimate use of CIL funding.

- *How can we engage with the local community to determine their infrastructure needs?*

The Council is expected to allocate neighbourhood funding to infrastructure projects in consultation with the local community.

Ward Councillors will need to consider the capacity of existing groups and local residents to engage in the CIL process and to ensure that such processes are inclusive. All members of the community should have the opportunity to contribute to determining how local CIL may be spent, including those who are least vocal and most vulnerable. Ward Councillors should build on relationships and networks with existing community groups and are encouraged to utilise existing Neighbourhood Action Groups as a forum for discussing the use of the “neighbourhood proportion” of CIL funds. This process will be supported by the Borough Councils Neighbourhood Action team who may also help to identify infrastructure projects based upon their experiences and interactions with the local community. There may be clear links between CIL projects and those requirements identified in Neighbourhood Plans.

Any public consultation on the use of CIL funds should be proportionate to the scale of funds identified to be spent, such consultation could range from discussions with neighbouring parties to a particular application site through to a formal vote for a preferred project within a local community building or at a public meeting. Advertisements will be placed within the Dacorum Digest highlighting the relevant CIL sums and encouraging members of the public to suggest appropriate projects to their ward councillors. Ward councillors may also be aware of projects which may benefit from funding through the daily interaction with members of the community and would be encouraged to assist in the delivery of these projects where appropriate. Ward Councillors should clearly identify the extent of consultation and mechanisms employed for consulting with the local community and document this process when requesting the releasing of CIL funds. Such applications should be made on the appended form.

- *How can CIL funds be maximised?*

Although ward councillors will not be required to spend their neighbourhood funds in accordance with the Charging Authorities priorities, it would be good practice for ward councillors to work closely with the CIL Officer to agree priorities for spending the neighbourhood funding. This will also allow other funding sources to be explored including the potential use of S.106 funds, HCC Locality budgets, LEP funding and community grants which could all contribute to the delivery of the infrastructure project or be used as an

alternative to CIL. It will also allow the Infrastructure Officer to determine whether the project has wider implications which would justify the use of some of the core CIL funds.

The Council recognises that infrastructure projects are not constrained to electoral wards and where appropriate would encourage councillors to work jointly with councillors in adjoining electoral wards where there is a perceived benefit (either financial or otherwise) to the delivery of infrastructure items including those infrastructure issues which effect the whole town.

The Borough Council is committed to advising ward councillors of the CIL sums secured within a financial year at regular intervals and would encourage them to prepare or match CIL bids for core CIL funding where appropriate large scale infrastructure projects are identified within their wards. These bids will be prepared and considered in accordance with the Council's governance arrangements and should be received by the CIL Officer in May each year.

### **Release of CIL Funding**

Upon agreement between them, ward councillors will be invited to submit formal CIL funding bids to the Council's Infrastructure Officer (See Appendix A) These will be Director for Finance or Group Manager (Finance services) and other relevant staff for compliance with the CIL Regulations. These may be submitted at any time within the year.

Funds will be released to those responsible for the delivery of the item of infrastructure requested. Depending on the nature of the contribution sought the infrastructure will generally be provided via four routes:

#### **1) Implementation by DBC/HCC (Small Project)**

The Council will expect projects under £50,000 in value to be undertaken by a relevant responsible officer within the Borough or County Council<sup>3</sup>. The responsible officer should be aware of the request prior to the bid being submitted and his/her capacity to undertake the implementation of the project should be discussed in advance of its submission. The responsible officers will make the necessary arrangements for the procurement of the associated infrastructure in accordance with the Councils adopted Commissioning & Procurement Standing Orders.

*EXAMPLE - A group of local residents have expressed concerns with regards to the lack of parking within their neighbourhood and have raised this at the local neighbourhood action group meeting. It is considered that there is scope to provide a modest parking area upon an area of highways verge and at a cost of £5000. The project is considered small scale and as the Council employs a verge hardening officer it is agreed to include this project within the scope of her works. She discusses the project with HCC who have no objections to the proposals. Funds are released to her for implementation of the project.*

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<sup>3</sup> This includes infrastructure works or services which may be undertaken by the County Council. For example highway works

## 2) Implementation by DBC (Medium or Large Project)

Larger projects or those exceeding £50,000 in value will normally be expected to be registered as an infrastructure project(s) upon CorVu<sup>4</sup>, where a senior officer can project manage its delivery. These projects may be undertaken in partnership with HCC depending on their nature. These projects are subject to greater scrutiny and are reported to the Corporate Management Team on a monthly basis. Again such projects should be discussed directly with those responsible for its delivery and if appropriate with the project board or relevant portfolio holder prior to submission.

## 3) Implementation by HCC (Medium or Large Projects)

Larger projects or those exceeding £50,000 in value, where delivered by HCC, will be required to provide progress reports at key milestones in their delivery. They are likely to report such matters back through the regular IAG meetings and at the request of the infrastructure officer. For long term projects funding will be held in reserve by DBC and released upon implementation or invoice. HCC will normally be expected to forward fund projects and then claim in arrears however the Council may phase payments for the delivery of infrastructure projects in accordance with an approved timetable.

## 4) Implementation by the Voluntary Sector or Third Party (Grant Applications)

CIL funding is allocated to a third party infrastructure provider, on the proviso that the CIL funding can only be used to deliver the agreed infrastructure set out within the bid submission. Third parties would be expected to enter into legal agreements with the Council prior to the transfer of funds. These would cover the specifics of the project, timescales for release of money, the deadlines for the delivery of the project, the submission of reports and evidence of delivery and any repercussions for non-compliance with an agreement. Funds will then be released directly into the account of the third party who will normally be expected to produce receipts relating to the procurement of the infrastructure within 3 months of delivery. The level of individual scrutiny will be dependent on the scale of the sums involved. Organisations may be required to provide the Council with a copy of the following documents in support of an application:

- a copy of the group's constitution
- insurance certificates
- a full set of most recent accounts, audited or otherwise certified
- planning or building regulation consents (if appropriate)
- Quotes for works (if the application involves purchasing goods or services)
- Equalities policy or statement

Every effort will be made to avoid duplicating requests for information provided in relation to the Council's Community Grant Scheme.

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<sup>4</sup> Infrastructure projects may be incorporated within existing projects, for example the play area programme, or subject to a new PID.

*EXAMPLE – Hemel Hempstead FC would like to install a 3G synthetic pitch within the grounds of the football club and have asked for some CIL funding to be provided to assist in the cost of its provision. The pitch would be available to hire and local ward councillors agree that it would support the local community as a whole. The project is supported by the local primary school. An alternative project is suggested for the use of CIL funds by a nursery group within the locality. The councillors for the area decide that it would be appropriate to consult local residents via a newsletter. The responses favour the football club. A bid for funds is submitted and agreed by the Infrastructure officer. The football club enter into a legal agreement covering the use of the funds, together with a recent planning approval for a pitch and copy of the club accounts. Funds are released and the project commence on site. The project takes 5 months to complete. The Council is provided with a receipt for payment the following month by the football club.*

### **Monitoring CIL Expenditure**

The Borough Council are required to report on all its CIL expenditure, including the neighbourhood funding held and spent on behalf of the local community. As such there will be an obligation on ward councillors to assist the Council's finance section record claims for their meaningful proportion of CIL and properly account for expenditure. Such matters will be reported annually on the Council website before the 31<sup>st</sup> December following the reporting year (1<sup>st</sup> April to 31<sup>st</sup> March). CIL funds should be recorded on the CIL Fund release form in Appendix A and copies should be sent to both the CIL/Infrastructure Officer and the Finance sections of the Council.

## Appendix A - CIL Neighbourhood Proportion Fund Release Form

<b>Section A: Application Details</b>		
Ward Councillor(s):		
Lead Council Officer (where applicable):		
Details of Organisation funded (where applicable)  Name: Address: Contact Number: Email:		
Project Title:		
Funds Requested:		
<b>Section B: Project Details</b>		
Project Summary (max 500 words):		

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<p>Please explain how this project supports the development of the ward or meets the needs arising as a result of development (max 500 words):</p>		

<p>Please provide details of any additional funding secured for this project and any details of on-going management and maintenance costs associated with the project.(max 300 word)</p>		

**Section C – Consultation and Engagement**

Please explain how you became aware of the need to carry out this project (max 300 words)

Please provide details of any

<p>public consultation carried out in relation to this project and its outcomes (max 1000 words).</p>		
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<b>Administration (FOR OFFICE USE ONLY)</b>	
Name: Robert Freeman	Name: James Deane/David Skinner/Richard Baker
Role: Strategic Planning and Regeneration (Infrastructure) Officer	Role: Corporate Director (Finance and Operations)/Assistant Director (Finance)/Group Manager (Financial Services)
Signature:	Signature:
<b>Administration (FOR OFFICE USE ONLY)</b>	
Name: <b>(RESPONSIBLE OFFICER)</b>	<b>NOTES</b>
Role:	
Signature:	

**APPENDIX B – DECISION FLOW CHART**

