

**STRATEGIC PLANNING,
SUSTAINABILITY AND
TRANSPORTATION COMMITTEE**

7 November 2017

CIL Administrative and Governance Arrangements

Final Decision-Maker	Strategic Planning, Sustainability and Transportation Committee
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Classification	Public
Wards affected	All

Executive Summary

This report introduces the key issues which will need to be addressed as the Council establishes its administrative and governance arrangements for the implementation of the CIL in Maidstone Borough. The report provides an opportunity for this Committee to consider and discuss these issues, and to agree how to take the arrangements forward, with a view to a subsequent report setting out the scope and timing of stakeholder engagement.

This report makes the following recommendation to this Committee:

1. That this Committee considers the key issues identified in this report and (a) instructs officers to commence preparatory work for the development and delivery of the administrative arrangements, and (b) requests a subsequent report setting out the scope and timing of stakeholder engagement.

Timetable

Meeting	Date
Strategic Planning, Sustainability and Transportation Committee	7 November 2017

CIL Administrative and Governance Arrangements

1. INTRODUCTION AND BACKGROUND

Context

1.1 Following consideration of the Examiner's Report and the modified Charging Schedule at this Committee's 12 September meeting, Council decided to approve the Maidstone Borough CIL Charging Schedule at the meeting on 25 October 2017. The Charging Schedule will come into effect on 1 October 2018.

1.2 As regards the development of arrangements for the administration and governance of CIL, this Committee also resolved on 12 September:

That a report to set out key issues for consideration be brought back to this Committee in November, including the involvement of Parish Councils and whether establishing a member working group or sub-committee may be appropriate given the range of issues to be addressed.

1.3 The Council's constitution sets out that this Committee is responsible for the development and implementation of the Council's CIL Charging Schedule, subject to the approval of Full Council. This report therefore marks the first stage in the process of developing proposed arrangements for the implementation of the CIL in Maidstone, which will ultimately be subject to the approval of Council.

1.4 Whilst there is clearly some potential for elements of administration and governance to overlap from time to time, the functions of the two sets of arrangements are manifestly distinct. In simple terms, administration relates to the collection of CIL receipts whilst governance relates to the spending of monies. More practically, administration will be required from the moment of CIL implementation (and in all likelihood in advance of this), whereas decisions on spend will only be required once a pot of monies is actually available for allocation.

1.5 Given this context, the operational complexities involved in establishing the administrative arrangements, and in view of the wider range of options and approaches available in respect of governance arrangements, it remains the view of officers that the Council's priority should be to develop effective administrative arrangements in time to facilitate a managed transition to the implementation of the CIL in Maidstone.

1.6 Section 1 of this report therefore outlines the key issues identified in respect of administrative and governance arrangements, as summarised in the table below, and provides some initial discussion of the key points for consideration within each of these issues.

1.7 Section 2 of the report sets out how it is considered these issues should be taken forward, with a view to a subsequent report setting out the scope and timing of stakeholder engagement

Key administration issues
A1: How responsibility for the day-to-day operational tasks of CIL implementation is distributed within Planning Department: whether to a single bespoke section, or whether some elements are allocated more widely for instance across validation, development management, enforcement or building control.
A2: Whether or not the CIL Additional Information Form should be added to Part 1 of the Local Validation List and whether the Assumption of Liability Form should be added to Part 2 of the List.
A3: How the Council should approach applications submitted during the transitional period, in the weeks and months leading up to 1 October 2018.
A4: How the Council should engage with infrastructure providers ahead of and during the transition, to ensure that requests for developer contributions are compliant with the CIL Regulations and the Council's Regulation 123 List.
A5: How the Council administers the neighbourhood portion within parish council areas.
Key governance issues
G1: The final decision making body, with responsibility for the allocation of CIL monies and the regularity of their decision making.
G2: The process by which recommendations on the allocation of CIL monies are reached, and the involvement of infrastructure providers, corporate leadership, members, officers and other stakeholders in this process.
G3: The extent to which the overall CIL "pot" is sub-divided in some predetermined manner, either between infrastructure types/projects, between geographical areas or between large/long term infrastructure and smaller/short term infrastructure.
G4: The nature of the delivery agreement with an infrastructure provider, on allocation, and the extent to which conditions and clawback mechanisms are imposed.
G5: How the Council works with Parish Councils to develop local infrastructure priorities for neighbourhood portion spend.
G6: How the Council works with local communities in non-parished areas to develop local infrastructure priorities for neighbourhood portion spend.

Administration Arrangements

- 1.8 It is well established that the administration of the CIL is complex and bureaucratic in nature. The Government commissioned CIL Review (December 2016) identified this as one of the key weaknesses of the system, and officers have discussed this with counterparts at other authorities who have emphasised the resource-intensive nature of CIL administration. To ameliorate this, CIL Regulations provide for Charging Authorities to retain up to 5% of receipts to cover such costs.
- 1.9 In regards to the collection of the Levy, the CIL Regulations and Planning Practice Guidance are highly prescriptive. Specific forms must be submitted to the Council at certain stages of the process. These must be processed by the Council and acknowledged where appropriate. The Council must send series of Notices at the appropriate times and monitor the commencement of development and payments. Failure to adhere to these requirements can

lead to surcharges being applied, enforcement action being taken and non-payment can actually result in a prison sentence. It is critical therefore that clear information is available to developers, landowners and Council officers to ensure that the requirements are understood and applied effectively.

1.10 The table below sets out the key stages in the process; the requirements for applicants (developers, landowners) and the Council in its new role as Charging Authority, and how this relates to the development management process.

Application Stage	Applicant	Council
Validation	Submit Additional Information Form; Or Notice of Chargeable Development (permitted development)	Process information as part of validation procedures; Send letter explaining that someone must assume CIL liability.
Determination	Submit Assumption of Liability Form	Request further information if required
Decision		Calculate liability and issue Liability Notice
Pre-commencement	Any withdrawal of assumption of liability must be received before commencement; Any claim for exemption or relief must be received before commencement.	Issue grant of exemption or relief where applicable.
Commencement	Submit Commencement Notice no later than the day before commencement.	Issue Default of Liability Notice if development has started and liability has not been assumed; Issue Deemed Commencement Date if applicable; Issue Demand Notice
Payment	Make payments in accordance with Demand Notice; Where Deemed Commencement Date has been issued the MBC Instalments Policy does not apply and immediate payment is required.	Issue receipts when payments are received
Appeal	Any written request to review chargeable amount must be received within 28 days of the Liability Notice	Issue decision within 14 days of the review start date.
Enforcement		Surcharges can be added to the liability in various instances where there is non-compliance

		with the CIL Regulations; In cases of non-payment, warning notices and then Stop Notices can be issued; If non-payment continues, the Council can apply to the Magistrates Court for a Liability Order; If recovery remains unsuccessful, the Council can apply to the Magistrates Court to send the liable party to prison for 3 months.
Reporting		Produce annual report setting out monitoring of CIL monies
Payment of Neighbourhood Portion		Payments made in accordance with locally agreed arrangements

Key Issue A1: How responsibility for the day-to-day operational tasks of CIL implementation is distributed across the Planning Department/Council: whether to a single bespoke section, or whether some elements are allocated more widely for instance across validation, development management, enforcement, building control or finance.

1.11 To deliver this wholly new regime will require new ways of working within the Planning Department, and with other parts of the Council, such as Legal and Finance. As set out in the September report, additional resources will be required and at least one additional officer will be recruited to deliver the day-to-day operational elements of the CIL. This is work over and above that which is currently undertaken within the Planning Department and it is anticipated that the Council will need to retain the full 5% of CIL receipts available to cover such costs.

1.12 With the overwhelming majority of tasks, and the timing of these, clearly prescribed in the CIL Regulations, there is little flexibility for the Council to determine any alternative methods of implementing CIL administration. How and by whom the various tasks are delivered by the Council as Charging Authority are however operational matters which will require further consideration.

Key Issue A2: Whether or not the CIL Additional Information Form should be added to Part 1 of the Local Validation List and whether the Assumption of Liability Form should be added to Part 2 of the List.

1.13 The Additional Information Form is the first step in the overall process of determining whether a development is liable for CIL. Due to its importance, national guidance enables Charging Authorities to refuse to validate a planning application if the information is not provided. To take advantage of this locally, the Council would need to add the Additional Information Form to the Local List. Any such amendment to the List would require public consultation for a six week period, so this would need to be factored into the timetable.

1.14 Before the Council can issue a Liability Notice, it is necessary for someone to assume liability by submitting an Assumption of Liability Form. If the form is not submitted at validation stage, the Council should write to the applicant to set out that someone must assume liability. Delays after the decision may affect the timing of commencement. Indeed, where the form is not submitted prior to commencement, the Council may need to serve a Default of Liability Notice on the landowner(s) which may lead to further complications. Clearly, the process can be expedited by the early submission of the Form and so the Council could also include the Assumption of Liability Form within Part 2 of the Local Validation List in cases where the Additional Information Form shows that the development will be CIL liable.

Key Issue A3: How the Council should approach applications submitted during the transitional period, in the weeks and months leading up to 1 October 2018.

1.15 On 1 October, planning applications which remain undetermined may become liable for the CIL. This could include modest proposals of one or two dwellings which, under the existing s106 regime, would not contribute towards strategic infrastructure provision, but could from 1 October face a liability of around £10,000 per dwelling. This would also include major applications either pending, or which have been considered by Planning Committee, with a resolution to grant and agreed Heads of Terms, but where the s106 has not been signed and the decision not yet issued. In these cases, the Heads of Terms may need to be revised to ensure compliance with the Regulation 123 List which would lead to further delays.

1.16 This is likely to create some pressure on the Council's development management function (and related teams such as Legal) to determine applications ahead of 1 October, and may see a peak in workload as some applicants may accelerate submissions to avoid being caught by the CIL charges.

1.17 Setting the 1 October date took account of this and is, in itself, a very reasonable measure which provides a substantive lead-in period to assist applicants in their decision making. For comparison, some authorities have provided as little as 2-3 weeks between CIL approval and implementation.

1.18 The Council may however adopt a more managed approach to the transition with a view to determining all applications within the statutory deadlines ahead of 1 October. Whilst this would clearly be preferable for applicants, it would further exacerbate the pressure on the development management function, which should also be seen against the wider context with the implementation of the Planning Review bringing new structures and ways of working within the team, and the clearing of the existing backlog in out-of-time applications.

1.19 In any event it is important that the Council takes a clear and early position on how it will approach applications submitted during this transitional period and that this is communicated effectively.

Key Issue A4: How the Council should engage with infrastructure providers ahead of and during the transition, to ensure that requests for developer contributions are compliant with the CIL Regulations and the Council's Regulation 123 List.

- 1.20 The introduction of the CIL will also have significant implications infrastructure providers, many of whom are also statutory consultees. Under the current s106 system, developer contributions towards strategic infrastructure projects such as highways, primary and secondary education, health and community infrastructure are sought via consultation responses to individual planning applications. In these responses, infrastructure providers will usually set out the total financial contribution requested, identify which projects the monies are to be applied to and confirm compliance with the CIL Regulations in terms of the statutory tests and pooling restrictions. Typically, these requests then form part of the Heads of Terms agreed by Planning Committee, for incorporation into the s106 agreement.
- 1.21 From 1 October however, infrastructure providers will no longer be able to seek funding through requests for s106 contributions for these types of projects. Strategic infrastructure measures are included within the Regulation 123 List to be funded wholly or partly through the CIL and it will not be lawful to secure new funding through s106 towards these projects. Where developments create the need for site specific mitigation such as transport measures or open space provision, such matters may still be addressed through s106 agreements.
- 1.22 It is therefore critical that infrastructure providers understand the implications of the CIL's implementation in advance of 1 October. Addressing this issue in an effective manner will also reduce the prospect of non-compliant s106 requests being made at application stage, which could create additional work for development management officers and lead to confusion at decision stage. It may also be prudent to seek alternative requests from infrastructure providers in the run up to 1 October, to provide both a pre- and post-CIL response to applications.

Key Issue A5: How the Council administers the neighbourhood portion within parish council areas.

- 1.23 The Council must allocate at least 15% (or max. £100 per existing council tax dwelling) of CIL monies to be spent on local infrastructure priorities. This rises to 25% (and no maximum cap) in areas where a Neighbourhood Development Plan is in place.
- 1.24 Charging authorities and parish councils are free to decide the timing and arrangements for any neighbourhood portion payments, which could include the Council holding the monies for neighbourhood portion purposes. Issues related to the spending of the neighbourhood monies are set out in the governance section of this report, however there is a clear overlap between the two sets of arrangements in respect of the neighbourhood portion.

Governance Arrangements

- 1.25 In contrast to administration arrangements, the CIL Regulations and national guidance provide very little prescription, and no clear framework, for how Charging Authorities should make decisions on spending CIL monies. Guidance in this area is limited effectively to what types of infrastructure CIL monies may or may not be spent on.
- 1.26 CIL monies must be spent on infrastructure needed to support the delivery of the Local Plan. This is why the Council's Infrastructure Delivery Plan (IDP) is a key supporting document for both the Local Plan and the CIL, as the individual infrastructure schemes required to deliver the Local Plan are identified, costed and have been tested through independent examination.
- 1.27 Through the introduction of the CIL in Maidstone, the Council will take on the role of Charging Authority, and therein the added responsibility to ensure that the best use is made of the available CIL funding, to support and secure the delivery of the infrastructure on which the delivery of the MBLP depends.
- 1.28 It is critical therefore, that the Council makes effective decisions on the allocation of CIL monies, to facilitate the delivery of infrastructure in a timely manner to support planned growth, and to ensure that infrastructure delivery does not become a constraint to planned development, or adversely affect the Council's five year housing land supply position.
- 1.29 In common with most authorities, there is a "funding gap" between the cost of infrastructure required to support the MBLP, and the amount of money available to deliver it. The presence of the gap confirms that there will be "competition" for CIL funds, and emphasises both that the release of CIL monies will need to be carefully considered, and that the Council will need to look for alternative sources of funding to address the gap over the lifetime of the MBLP.
- 1.30 Further, the overwhelming majority of infrastructure schemes identified in the IDP and Regulation 123 List as eligible to be funded wholly or partly through the CIL, already benefit from developer contributions either secured or held through s106 agreements associated with planning permissions issued in the first years of the MBLP period. It is clear therefore that the allocation of CIL receipts will need to be considered in the context of the monies already secured, both in terms of the level of CIL funding required to "top-up" funding pots, and the timing of allocation, taking account of relevant s106 trigger points.

Key Issue G1: The final decision making body, with responsibility for the allocation of CIL monies and the regularity of their decision making.

- 1.31 Given the above considerations, it is of critical importance that an effective decision making framework is put in place to ensure that the Council makes the best use of the available CIL funding to assist in the delivery of the MBLP. The decision making body will determine both which infrastructure schemes the Council should allocate CIL monies to (and on what basis) and when any monies are to be released. The decision making body will, for

instance, need to determine whether or not it is appropriate to spend CIL monies in the short term, given the wider context of longer term/higher cost infrastructure items, on which the delivery of the MBLP may depend.

- 1.32 The Council's constitution sets out that the Strategic Planning, Sustainability and Transportation Committee are responsible for the implementation of the Council's CIL Charging Schedule, subject to the approval of Full Council. The current constitution therefore suggests that this Committee would make recommendations on spend for approval at Council.
- 1.33 Given that this Committee is also responsible for the Local Plan and the IDP, and that the allocation of CIL monies is intertwined with the delivery of these plans, it may prove more efficient to seek delegated powers from Council to this Committee to cover decisions on the allocation of CIL funds. This more streamlined approach could assist in cases where quick decisions need to be made on the release of CIL funds, for instance to provide match-funding as part of a wider bid process.
- 1.34 Some Charging Authorities have taken the approach of establishing a wholly new Committee or Spending Board, purely to oversee the spending of CIL receipts. Although this could be a departure from the current constitution, it is still necessary to consider whether such an approach may have merit in a Maidstone context. In any event, the decision making body would assume significant responsibility for the delivery of the infrastructure required to deliver the Local Plan, and would, over time, oversee a multi-million pound budget.

Key Issue G2: The process by which recommendations on the allocation of CIL monies are reached, and the involvement of infrastructure providers, corporate leadership, members, officers and other stakeholders in this process.

- 1.35 Given the lack of prescription in this area, it is open to the Council to design its own bespoke framework for reaching recommendations on CIL spend. The broad established approach in operation across the country is for the infrastructure providers, who will ultimately deliver the infrastructure, to "bid" for funds from the CIL pot; identifying the proposed project and how and when they intend to deliver it. Whether the Council seeks to influence these bids at an early stage, how it then assesses the bids, and what criteria it chooses to prioritise are however entirely at the Council's discretion.
- 1.36 It may be the case, for instance, that the weighting of criteria alone can encourage infrastructure providers to develop bids which will support the Council's own priorities. As part of the annual reporting process, the Council could make clear its priority projects for the next financial year and these priorities could form part of the assessment. The Council may however take a more proactive approach to work collaboratively with infrastructure providers to develop joint priorities for different infrastructure types.
- 1.37 The Council's IDP provides a starting point as it identifies the schemes required to support the Local Plan, and outlines how and when these will be delivered. In reaching decisions on the most effective use of CIL funds

however, there is a clear need for a more detailed understanding of the delivery prospects of individual schemes.

1.38 In particular, many of the schemes have 50% - 75% funding already committed through existing s106 agreements, and in these cases the CIL would act as a "top up" to secure delivery. This Committee is therefore due to consider a report on the Infrastructure Delivery Roadmap, later this municipal year. The Roadmap will set out:

- Funding already secured towards individual schemes (e.g. through s106, Local Growth Fund, Capital Budget);
- Monies held, and the forecast timing of future funds being paid (e.g. through s106 trigger points);
- The delivery window in cases where "spend-by" dates apply;
- The level of design work already undertaken, and the need for further refinement of designs and/or costings;
- The status of the scheme within the infrastructure providers' own plans and strategies;
- The relationship between the delivery of the scheme and development which is completed or within the 5 year supply (including any implications of non-delivery); and
- Projections of annual CIL receipts over the lifetime of the Local Plan.

1.39 The preparation of the Roadmap will therefore provide a baseline understanding of progress on infrastructure delivery to draw out how (and when) CIL monies could be used most effectively to support the delivery of the Local Plan. Importantly, it will also provide a comprehensive and long term picture of infrastructure delivery to support the overall strategy for use of CIL funds and the bid assessment process.

1.40 Given the potential significance of decisions on allocation, an additional layer of governance could be put in place through the establishment of a CIL Steering Group or Spending Board. The membership of such a group would need to be determined, but could comprise of members, corporate leadership and officers so as to provide a meaningful forum within which the Council could assess or sift bids, before recommendations are presented to Committee.

1.41 Should the Council opt to take a more collaborative approach, working with infrastructure providers to prioritise and develop bids at the early stages, it may be necessary to establish working groups (or to use existing groups) to provide a forum to work directly with infrastructure providers themselves through the bidding process.

Key Issue G3: The extent to which the overall CIL "pot" is sub-divided in some predetermined manner, either between infrastructure types/projects, between geographical areas or between large/long term infrastructure and smaller/short term infrastructure.

1.42 Some Charging Authorities have elected to sub-divide the overall CIL pot and often in very different ways. This can be done fairly crudely by, in effect, ring-fencing a certain percentage for "transport", "education" and "health" for instance. The benefits of this type of approach are seen

primarily on the infrastructure providers' side of the equation as it can provide some certainty that a pot of monies will be available for a specific type of infrastructure i.e. bids for education infrastructure would not be competing against bids for transport or health infrastructure.

- 1.43 Where there are one or more "big ticket" items within IDPs, a similar approach can be adopted to effectively ring-fence a proportion of receipts for large infrastructure items (e.g. £2m+). For infrastructure providers promoting such schemes, this approach can also provide some certainty that the Council is indeed taking a long term approach to the use of CIL funds. Although uncommon, the Council may wish to consider taking a similar approach based on geographical areas.
- 1.44 From a Charging Authority's perspective however, whilst the pre-determined approach may provide a clearer framework, it also limits flexibility on the use of the overall CIL pot where this might be required to support development. Given that the overriding purpose of the CIL is to assist in the delivery of the Local Plan, the flexibility to direct monies towards specific schemes which are urgent and critical to its delivery is widely seen as the key benefit of the CIL.
- 1.45 For instance, in a scenario where the non-delivery of a piece of infrastructure is affecting the delivery of development sites which contribute to the Council's 5 year housing land supply, such flexibility could be critical to maintaining that supply. Similarly, taking the earlier example of providing match funding for a bid to government to deliver a key infrastructure scheme, the flexibility to use the monies from outside that specific pot may be required to secure the delivery of that scheme.
- 1.46 Clearly these options should be considered in the context of how recommendations on spend are reached, and the baseline information provided by the Roadmap. It is important however that consideration is given to whether the Council should take such an approach, or a hybrid of these approaches, in developing its governance arrangements.

Key Issue G4: The nature of the delivery agreement with an infrastructure provider, on allocation, and the extent to which conditions and clawback mechanisms are imposed.

- 1.47 Through assessment of submitted bids, the Council will be in a position to establish the delivery prospects of the proposals submitted by infrastructure providers. It may be the case for instance, that priority is afforded to proposals which are shown to be deliverable within a certain timeframe.
- 1.48 However, to ensure that any allocated CIL monies are indeed used for their intended purpose, the CIL Charging Schedule sets out that, on allocation of CIL funds, the Council will require an agreement, similar to a deed of obligation used with s106 agreements, setting out how the monies will be used.
- 1.49 It is important therefore to consider the scope and content of such agreements – whether these should impose conditions on the timing of delivery, on details of the scheme design or delivery and potentially whether

the monies can be recovered by the Charging Authority in the event of non-delivery. Such matters will also be of significance to infrastructure providers themselves and clearly the Council would not wish to discourage prospective bidders due to disproportionately restrictive or inflexible legal agreements.

1.50 Ultimately however, it is the Council's responsibility as Charging Authority to ensure that CIL funds are used effectively to support the delivery of the Local Plan and sufficient safeguards will be required to ensure that monies allocated are spent appropriately and in a timely manner to support planned development.

Key Issue G5: How the Council works with Parish Councils to develop local infrastructure priorities for neighbourhood portion spend.

1.51 As set out in the administration section, where CIL liable development takes place within a parished area, the Council must allocate either 15% (capped) or 25% (uncapped) of receipts for spend on local infrastructure priorities. It is important to recognise that the amount of neighbourhood portion raised in different parishes within the Borough will be affected by three key factors:

- The scale and type of growth allocated in the MBLP and any potential for windfall development;
- The level of planned growth which remains undetermined at 1 October 2018; and
- Whether or not a Neighbourhood Development Plan is in place.

1.52 Some parish areas are unlikely to see development of any significant scale over the lifetime of the Local Plan and therefore any neighbourhood portion monies are likely to be modest. Other areas are subject to higher levels of development however most or all of the residential development allocations have already received planning consent and have therefore made financial contributions towards strategic infrastructure provision through their section 106 agreements. Unless specific circumstances arise, such as the permission lapsing and subsequently being re-determined under the CIL regime, such sites will not provide funding through the CIL and therefore wouldn't provide neighbourhood portion funding.

1.53 In some areas however, and in particular at Lenham where the Broad Location for 1000 homes is due to commence after CIL implementation, the neighbourhood portion may provide a significant source of funding towards local infrastructure priorities.

1.54 The National Planning Practice Guidance sets out that charging authorities should work closely with parish councils to agree on local infrastructure spending priorities. Existing infrastructure schemes included within the IDP and any Neighbourhood Development Plans may provide a starting point in this respect. Through this process it is important that any schemes in the wider area are also considered: it may be the case that a primary school or GP surgery extension in one parish will support development in another parish.

1.55 The spending of neighbourhood portion monies must “support the development of the area” and it critical that a clear framework or protocol is in place to ensure that monies are spent in accordance with the legal requirements.

Key Issue G6: How the Council works with local communities in non-parished areas to develop local infrastructure priorities for neighbourhood portion spend.

1.56 In the absence of a town or parish council, Charging Authorities are required to engage with communities where development has taken place to develop local infrastructure priorities. Given that much of Maidstone Town falls outside of parish boundaries, and also that significant development is planned and expected in this area, the neighbourhood portion should provide a significant source of funding towards local infrastructure priorities in Maidstone Town.

1.57 Similarly to decisions on spending from the Charging Authority’s CIL pot however, the CIL Regulations and national guidance provide no clear framework or process by which Charging Authorities should undertake such engagement and reach decisions on spend.

1.58 One of the key issues to consider is the geography over which the “neighbourhood” is defined. The neighbourhood could be considered at the ward boundary level which would utilise existing boundaries and ensure that funding was indeed spent within an area local to the development itself. It may be the case however that some wards could work together to form a larger group with shared priorities and also larger pot of monies to deliver these. Indeed, this could be extended to cover the non-parished area as a whole. There is clearly a balance to be struck here between the benefits of pooling funding provided by the larger geographies and the need to ensure that the benefits of any spending are indeed felt at a local “neighbourhood” level.

1.59 Similarly to parished areas, infrastructure schemes in the IDP and in any Neighbourhood Development Plans may provide a starting point for identifying local infrastructure priorities. Where appropriate, this could be supplemented using established mechanisms such as the engagement undertaken for the Local Plan, Strategic Plan and Residents Survey. In some areas, specific groups may also provide valuable input such as town centre business groups and, of course, the role of Ward Members in the process will also need to be established.

1.60 The Council is required to set out clearly and transparently the approach to engaging with local communities and the framework by which decisions on spend will be reached. It is logical therefore, that this work is progressed as part of the overall CIL governance arrangements.

2. AVAILABLE OPTIONS

2.1 This report introduces the key issues which will need to be addressed as the Council establishes its administrative and governance arrangements for the implementation of the CIL in Maidstone Borough. As such, the report

provides an opportunity for this Committee to discuss these and any related issues and how to take the arrangements forward, ultimately for consideration at Council.

- 2.2 Given the complexity of the issues for consideration, and the relative urgency of the two sets of arrangements, it remains the view of officers that work to progress the administrative arrangements should be accelerated as the priority. The systems and resources required to facilitate the effective collection of the CIL must be developed, agreed by Council, and implemented, with any associated recruitment and training completed in time to facilitate the transition to the CIL system on 1 October 2018.
- 2.3 With the Charging Schedule now approved, it is therefore recommended that officers are instructed to commence preparatory work for the development and delivery of the administrative arrangements.
- 2.4 As referenced throughout the report, CIL implementation will have significant implications for a number of stakeholders. Whilst the statutory consultation requirements which relate to preparing the Charging Schedule do not extend to developing the administrative and governance arrangements, it is clear that effective stakeholder engagement must form a critical component of the process.
- 2.5 Following this Committee's consideration of the identified issues therefore, it is proposed to bring a subsequent report setting out the scope and timing of stakeholder engagement, and further consideration of the need and timing of the establishment of a member/officer working group to date the arrangements forward.
- 2.6 The following options have therefore been considered:

Option 1: Do nothing

- 2.7 The Committee could, in theory, decide not to develop administrative and governance arrangements to support the implementation of the CIL. There is however a clear and, in the case of administrative arrangements, urgent need to develop appropriate systems, approaches and frameworks to support the delivery of the CIL in Maidstone. The Council's constitution makes clear that this Committee is responsible for the implementation of the CIL and therefore this option is not recommended.

Option 2: That this Committee considers the key issues identified in this report and (a) instructs officers to commence preparatory work for the development and delivery of the administrative arrangements, and (b) requests a subsequent report setting out the scope and timing of stakeholder engagement.

- 2.8 As the first step in the process of developing administrative and governance arrangements, the Committee could consider the issues set out in this report. Given the largely operational nature of the administrative arrangements, and their urgency, this option would provide for officers to begin to develop the necessary systems and processes by which the prescribed elements of CIL administration will be delivered.

2.9 Following this Committee’s consideration of the identified issues, and any additional issues raised by Committee, this option would also provide for a subsequent report setting out the scope and timing of stakeholder engagement in order to progress both sets of arrangements. The need for and timing of any member/officer working group to support this process would also be addressed.

3. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

3.1 For the reasons set out in part 2 of this report, **Option 2** is recommended.

4. RISK

4.1 The risks associated with this proposal, including the risks if the Council does not act as recommended, have been considered in line with the Council’s Risk Management Framework. We are satisfied that the risks associated are within the Council’s risk appetite and will be managed as per the Policy.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 The CIL Charging Schedule and associated documents have been subject to statutory consultation and member decisions throughout their development.
- 5.2 This report responds to this Committee’s decision in September, as set out at paragraph 1.2. Committee has previously resolved that parish councils should be involved in the process of developing arrangements for the implementation of the CIL in Maidstone.
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6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

6.1 If Option 2 is selected, officers will undertake the preparatory work related to the systems and processes necessary to deliver the prescribed elements of CIL administration. Any Committee feedback on the identified issues will be considered as part of the subsequent report to address the scope and timing of stakeholder engagement.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	Accepting the recommendation will materially improve the Council’s ability to achieve	Head of Service or Manager

	<p>corporate priorities for the local economy and transport networks by beginning the process of establishing effective arrangements for the implementation of the Council’s approved CIL Charging Schedule. We set out the reasons other choices will be less effective in section 2.</p>	
Risk Management	<p>Already covered in the risk section – para 4.1</p>	<p>Head of Service or Manager</p>
Financial	<p>The report identifies a number of administrative tasks associated with CIL for which there is currently no budgetary provision. Accordingly the Council will need to retain 5% of CIL receipts as permitted by the regulations to fund administrative costs.</p>	<p>Section 151 Officer & Finance Team</p>
Staffing	<p>We will deliver the recommendations with our current staffing.</p> <p>The need to recruit at least one additional officer to ultimately deliver the arrangements is referenced within this report.</p>	<p>Head of Service</p>
Legal	<p>There are significant implications for MKLS in regard both administration and governance. MKLS should be involved from the outset in considering and determining legal mechanisms for clawback provisions to ensure these are robust as well as being included in discussion and/or consultation on administrative arrangements as these potentially impact resourcing.</p>	<p>Legal Team</p>

Privacy and Data Protection	Data will need to be managed in accordance with Data Protection procedures	Legal Team
Equalities	The recommendations do not propose a change in service therefore will not require an equalities impact assessment	Policy & Information Manager
Crime and Disorder	No implications	Head of Service or Manager
Procurement	No implications	Head of Service & Section 151 Officer

8. REPORT APPENDICES

None

9. BACKGROUND PAPERS

None