

CIL Strategic Bidding Prospectus

Final Decision-Maker	Strategic Planning and Infrastructure Committee
Lead Head of Service	<i>Rob Jarman</i>
Lead Officer and Report Author	William Cornall, Rob Jarman and Carole Williams
Classification	Public
Wards affected	<i>All</i>

Executive Summary

The CIL Governance Report dated 8 January 2019 set out the arrangements for the process to allocate the strategic portion of CIL receipts. It was agreed that there is a single annual bidding process whereby infrastructure providers will submit a standardised application to the Council stating the amount of CIL they wish to secure and the project they are proposing to deliver.

Purpose of Report

For noting and endorsement so that the CIL Strategic Bidding Prospectus can be published on the Council's website prior to the opening of the bidding.

This report makes the following recommendations to this Committee:

The Report is for noting

Timetable

Meeting	Date
Strategic Planning and Infrastructure	11 January 2022

CIL Strategic Bidding Prospectus

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p>The four Strategic Plan objectives are:</p> <ul style="list-style-type: none"> • Embracing Growth and Enabling Infrastructure • Safe, Clean and Green • Homes and Communities • A Thriving Place <p>• We do not expect the recommendations will by themselves materially affect achievement of corporate priorities. However, they will support the Council's overall achievement of its aim of enabling infrastructure by providing a position statement.</p>	Rob Jarman
Cross Cutting Objectives	NA	Rob Jarman
Risk Management		Rob Jarman
Financial		[Section 151 Officer & Finance Team]
Staffing		Rob Jarman
Legal		Russell Fitzpatrick (MKLS (Planning))
Privacy and Data Protection		Rob Jarman
Equalities		Rob Jarman
Public Health	NA	Rob Jarman

Crime and Disorder	NA	Rob Jarman
Procurement	NA	Rob Jarman

1. INTRODUCTION AND BACKGROUND

Strategic CIL

- 1.1 The Council's Infrastructure Delivery Plan (IDP) is a key supporting document for both the Local Plan and the CIL, as it identifies the individual infrastructure schemes required to sustainably deliver the Local Plan. The IDP is a 'living' document and will be reviewed on an annual basis as new projects come forward to support the current Local Plan and those projects identified in the document are delivered. It acts as a tool for identifying the appropriate funding mechanism, as it states what CIL will be expected to contribute towards and what other funding sources, such as S106 will pay for.
- 1.2 Strategic CIL can only be spent on infrastructure as identified in the 2008 Planning Act, which defines infrastructure as:
- Roads and other transport facilities
 - Flood defences
 - Schools and other educational facilities
 - Medical facilities
 - Sporting and recreational facilities
 - Open spaces
- 1.3 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.
- 1.4 In common with most authorities, there is a "funding gap" between the cost of infrastructure required to support the Local Plan, 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 infrastructure providers will need to look for alternative sources of funding to address the gap over the lifetime of the plan.

2. Governance process for strategic CIL

- 2.1 The Community Infrastructure Regulations (2010) 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.
- 2.2 Strategic CIL is the largest portion of CIL. It will be either 70% or 80% of the total CIL receipt depending on how much is taken for the neighbourhood area, which is dependent on whether the parishes have a plan or not. It must be spent on infrastructure across the Borough which is needed to support the delivery of the adopted Maidstone Borough Local Plan as set out in the Infrastructure Delivery Plan (IDP) and infrastructure projects or types of infrastructure which the charging authority intends will be, or may be, wholly or partly funded by CIL as identified on the Infrastructure Funded Statement.
- 2.3 On 8th January 2019, SPI Committee received a CIL Governance Report focusing on the governance arrangements for CIL and recommendations of how decisions regarding the Strategic portion of CIL could be made.
- 2.4 The SPI Committee agreed that a CIL steering group be established for assessing bids which will make recommendations to SPI for approval as the final decision-making body and that there is an annual bidding and decision making process (subject to sufficient CIL funds being available). Part of the governance arrangements for assessing bids is the submission of a comprehensive bidding form from prospective infrastructure providers.
- 2.5 The report was endorsed by Full Council on 27 February 2019 and delegated responsibility was given to the Strategic Planning, and Infrastructure Committee to be the final decision maker for spending strategic CIL funds.

The Bidding Prospectus

- 2.6 The Bidding Prospectus is a document which introduces the prospective bidder to Maidstone Council's commitment to use the Strategic CIL funds to achieve planned growth and enabling infrastructure.
- 2.7 Since CIL was implemented on 1 October 2018 Maidstone Council has accrued from April 2019 to 31 March 2021 a total of £1.4 million in Strategic CIL receipts towards the delivery of infrastructure across the Borough.

- 2.8 The Council forecasts that circa £12m of CIL will have been collected by the Council by 31st March 2025 (see Appendix C). The Council intends to allocate provisionally it's predicted CIL income for the period 2022-25 in this bidding round. This would assist developers in forward planning for larger and priority infrastructure projects, but ultimate final allocations will be subject to actual annual receipts.
- 2.9 The prospectus gives a comprehensive guide on the bidding application process, with a programme of when and how to apply for the CIL funds. For transparency, it also contains how the Council will score the bids they receive and identifies who the final decision-making body will be.

Grant Agreement

- 2.10 To ensure the Council has a degree of control over how the CIL money is spent and the timely delivery of the projects or schemes, the Council will expect the successful bidder to enter into a legal grant agreement with the Council to safeguard that the CIL funds will be used for the purpose for which it was awarded.
- 2.11 It will place responsibility on the recipient to report on the milestones agreed for the development. Importantly, it also includes provision for the money to be clawed back in the event the funds are not used in accordance with the agreement.
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3. AVAILABLE OPTIONS

- 3.1 This report is for noting only and endorsement so that the bidding prospectus can be published.
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4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 NA
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5. RISK

- 5.1 This report is presented for information only and has no risk management implications
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6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 The Bidding Prospectus 2022/25 will be uploaded onto this Council's web site preceding the opening bidding date of 1 April 2022.
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7. REPORT APPENDICES

- 7.1 The following document is to be published with this report and form part of the report:

Appendix 1: Strategic Community Infrastructure Levy Bidding Prospectus
2022-2025
