



Community Infrastructure Levy (CIL) – Governance and Procedural Arrangements for CIL Ward spend (October 2022)





Introduction

The following guidance has been prepared to assist ward councillors for Maidstone Borough over the use and administration of CIL.

What is CIL?

CIL is a 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 based on scheme viability.

What are the CIL Charges?

The Borough Council is the Charging Authority for CIL and has set the following charges in Maidstone:

<u>Development Type / Location</u>	<u>CIL charge per square metre</u>
Residential (Within the Urban Boundary)	£93
Residential (Outside the Urban Boundary)	£99
Site H1 (11) Springfield, Royal Engineers Road, Maidstone	£77
Retirement and extra care housing	£45
Retail - wholly or mainly convenience	£150
Retail - wholly or mainly comparison (Outside the Town Centre Boundary)	£75
All other forms of CIL liable floorspace	£0

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 (Maidstone Borough Council) to pass on the neighbourhood proportion of CIL (15% or 25% with a Neighbourhood Made Plan) to parishes, forums, and town councils. The Borough Council is required to retain levy receipts and engage with communities over the use of the neighbourhood proportion where no parish, forum or town 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.

CIL Collection

The Borough Council undertakes the collection of CIL and a neighbourhood proportion for each CIL receipt will be set aside for individual parishes and wards 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 neighbourhood funds available from development within their areas on an annual basis.

How much CIL has been collected from development in wards?

Ward	CIL Collected
Boxley	2,761.07
Bridge	19,355.36
Detling & Thurnham	1,135.31
East	13,163.73
Fant	12,923.84
High Street	30,273.78
North	29,643.22
Park Wood	1,692.29
Shepway North	10,411.96
Shepway South	1,634.78
TOTAL	£ 122,995.34

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 gives 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 as identified in the Councils Infrastructure Delivery Plan (IDP). 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.

Projects should match the priorities expressed by the local community. They should strive to mitigate the impact of development in the area by supporting the demands development places on the area. They should either be in the IDP which includes priorities and smaller non-strategic schemes. Or smaller schemes that the local community wish to see that have not been identified in the IDP which may be a priority to the community or may have evolved as a direct consequence of the new development. These can be a locally consulted upon and publicly supported scheme. This support can be evidenced by surveys, petitions, consultation, or other agreed plans.

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 would not be borne by the Borough Council, although they are a legitimate use of one-off CIL funding.

- Examples of types of projects:

These 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, cycleways, community hall improvements, open land improvement and enhancement, CCTV camera, youth worker/ play scheme, hanging baskets, Changing Places accessible toilets, shop front and high street improvements, park benches, improved sport and play equipment and pitches. This does not extend to feasibility studies for items of infrastructure for which funds are not already available.

- 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 spending 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/community groups as a forum for discussing the use of the “neighbourhood proportion” of CIL funds. This may also help to identify infrastructure projects based upon their experiences and interactions with the local community.

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, a third-party infrastructure provider for example Kent County Council, through to a formal vote for a preferred project within a local community building or at a public meeting. Advertisements could be placed within the Borough Insight magazine, MBC Facebook, and Twitter pages as well as ward councillor’s resident newsletters 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 (Appendix B).

- 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 Council 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, and any other funding and community grants which could all contribute to the delivery of the infrastructure project or be used as an alternative to CIL.

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 and to advise ward councillors when the next Strategic CIL bidding round arrangements would be taking place to encourage them to prepare or match CIL bids for core CIL funding where appropriate infrastructure projects are identified within their wards and the Council’s Infrastructure Delivery Plan.

Release of CIL- Funding Criteria

Following local community consultation, ward councillors will be invited to submit formal CIL funding applications to the Council’s CIL team.

Applications should state why the project has been chosen, who would deliver it and the timescale for commencement. Evidence of local community consultation must be included. Project ideas must be deliverable, achievable, and maintainable. They must be good value for money, with any matched funding sources being identified.

Submissions should clearly show whether further approvals are needed for example if land needs to be purchased, planning consent or licenses sought etc. It should explain how it

represents good value for money with cost estimates provided if known and matched funding being identified where possible. Any known future on going costs should be highlighted in the application. If this is a scheme on Council land or is ultimately going to be the responsibility of the Council to maintain, then these on-going maintenance costs will need to form part of the Councils usual budget setting procedures under the remit of the Councils Policy and Resource committee.

Depending on the nature of the contribution sought the Council will expect projects of low value under £10,000 to have procured one written quotation and above this up to £75,000 in value to procure 3 written quotes in accordance with the Council's procurement services.

-Assessment of submissions

Applications will be checked and signed off by the Head of Development Management and other relevant staff for compliance with the CIL Regulations. Applications may be submitted at any time during the year provided CIL funds are available for that ward. Funds will be released to those responsible for the delivery of the item of infrastructure requested.

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 application submission.

Dependent on the scale of the sums involved, third parties **may** be expected to enter into a legal agreement 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.

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

EXAMPLE – A local ward football club 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. An application for funds is submitted with relevant evidence and agreed by the Council. 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 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 CIL teams record claims for their proportion of CIL and properly account for expenditure. Such matters will be reported annually through the Council's Infrastructure Funding Statement before the 31st December following the reporting year (1st April to 31st March).

For further information please contact Carole Williams, CIL & S106 Team Leader on 01622 602074 or by using the email cil@maidstone.gov.uk