

<b>Report of:</b>	<b>Head of Economic Development</b>
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<b>Portfolio Leader:</b>	<b>Economic Development and Planning</b>
<b>Key Decision:</b>	<b>No</b>
<b>Report Track:</b>	<b>Cabinet: 15/12/16</b>

**CABINET****15 DECEMBER 2016****UPDATE ON CANNOCK CHASE COMMUNITY INFRASTRUCTURE LEVY (CIL)  
FINANCIAL YEAR REPORT AND LOCAL CIL GUIDANCE****1 Purpose of Report**

- 1.1 To note the CIL financial year report 2015/16 and to note the current position in relation to the allocation of CIL funds.
- 1.2 To note that the CIL Guidance for Developers and Applicants will be updated to reflect national legislation and regulations.

**2 Recommendations**

- 2.1 That the CIL financial year report be noted.
- 2.2. That the intention to update the CIL Guidance for Developers and Applicants be noted.

**3 Key Issues and Reasons for Recommendation**

- 3.1 The Council approved the CIL Charging Schedule and Regulation 123 List of infrastructure projects eligible to receive funding at its meeting on 15/04/2015. CIL came into effect in relation to relevant chargeable development on 01/06/2015.
- 3.2 CIL is intended to provide a funding stream for infrastructure needed to support the policies and proposals in the adopted Local Plan. It will partly replace funding previously obtained via Planning Obligations (Section 106 agreements

and Unilateral Undertakings) which have become more limited in scope in relation to pooling of funds from 5 or more obligations as a result of Regulations.

- 3.3 The Council is legally required to produce a financial year report on CIL receipts and spend in accordance with the Community Infrastructure Levy Regulations 2010 (as amended) (the CIL Regulations). The report provides a summary of the first CIL financial year report for 2015-16.
- 3.4 The Council has produced a CIL Guidance for Developers and Applicants. Updates to this document are considered necessary to keep it in line with national legislation.

## **4 Relationship to Corporate Priorities**

4.1 This report supports the Council's Corporate Priorities as follows:

- **Better Jobs and Skills:** CIL supports investment in infrastructure which in turn encourages investment in better jobs and skills in the district
- **More and better housing:** housing developments need to be supported by appropriate investment in infrastructure such as education and transport and CIL is key to this investment
- **Cleaner and Safer Environments:** CIL receipts can be used to invest in infrastructure which contributes to safer and cleaner environments
- **Better Health Outcomes:** CIL can help to deliver infrastructure which can enable people to live healthier lives for example walking and cycling routes.

Accurate monitoring and recording of the CIL receipts received ensures benefits of the funds are maximised. Providing an up to date guidance document to planning applicants and developers also supports the 'Customers' priority area.

## **5 Report Detail**

- 5.1 The Council's first CIL financial year report is provided at Annex 1. It reports on the period from 1<sup>st</sup> June 2015 (date of CIL adoption)-31<sup>st</sup> March 2016. In accordance with the CIL Regulations the Council must report on a stipulated set of figures. Regulation 62A sets these out in detail and they include the level of CIL receipts collected; the level of CIL expenditure within the reporting year; the items to which that expenditure has been allocated to; levels of neighbourhood fund expenditure; and the total amount of CIL receipts retained following expenditure. The Council should publish this information by the 31<sup>st</sup> December following the end of the reporting year.
- 5.2 The financial year report outlines that £9,000 in CIL receipts was collected in 2015-16. This level of receipts reflects that CIL was only introduced part way

through the financial year and that it is still in its infancy. Schemes are only liable to pay CIL once they have commenced development. Of the £9,000 collected the Council has retained £6,545 (this totals £7,163 when neighbourhood funds collected within the non parish area of Cannock East Ward are included).

- 5.3 CIL expenditure totals £1,105 which has been allocated to the Cannock Chase Special Area of Conservation (SAC) Mitigation Measures- a project identified on the CIL Regulation 123 list (which identifies a range projects eligible to receive CIL funding). The Cannock Chase SAC is an internationally protected ecological site and the approach to 'top slicing' of CIL funds to contribute towards projects that ensure no harm arises to this protected site as a result of additional housing development has been previously agreed by Cabinet (see 25/07/13 and 20/11/14). There is a package of measures which will ensure no harm arises to the SAC as a result of additional recreational pressures from the residents of new housing developments within the District and to ensure compliance with Conservation of Habitats and Species Regulations 2010.
- 5.4 £732 has been passed to Rugeley Town Council, representing 15% of £4,880 of CIL receipts received within that Parish. This is required under Regulation 59A of the CIL Regulations.
- 5.5 £618 has been retained as neighbourhood funds for non-parish areas pending further consultation with the local community regarding it's spend. This £618 applies to Cannock East Ward and represents 15% of £4,120 of CIL receipts received within this Ward.
- 5.6 There has been no expenditure on CIL administrative expenses in this financial year.
- 5.7 This CIL financial year report will be incorporated into the Council's wider Annual Monitoring Report for the Local Plan (Part 1), for which there is already delegated authority to publish with the agreement of the Head of Economic Development and Portfolio Leader for Economic Development and Planning (Cabinet Report 21/04/16).
- 5.8 A previous report on the funding decisions protocol (Cabinet Report 23/07/15) set out that the allocation of CIL funds process would not begin until a sufficient level of receipts had been received. Given the overall level of receipts received this financial year it is not considered appropriate to commence the allocation of funds process at present. Instead the funds have been retained (minus Cannock Chase SAC mitigation measures expenditure and neighbourhood fund allocations, as set out above) for future spending.
- 5.9 In July 2015, an update (via letter and/or email) was sent to all District Councillors and potential infrastructure providers of items on the current Regulation 123 list (including for example the Environment Agency, Staffordshire County Council) advising them of the CIL receipts received to date and the intention not to undertake the allocation of CIL funds in 2016/17 given the level of receipts.

- 5.10 The level of receipts for 2016-17 will be kept under review and the timing of the commencement of the allocations process will be considered in view of the level of receipts received. Further updates will be provided to Cabinet advising of the latest position.
- 5.11 The Council has provided a CIL Guidance for Applicants and Developers (July 2015) in order to set out clear advice on the national legislative requirements and obligations relating to CIL and the local charging schedule. This is not a policy document- it provides technical guidance only. It is considered necessary to undertake some minor updates to the guidance document to reflect national legislative requirements e.g. the process for prior approval applications and CIL, which slightly differs from the process for full planning applications. Cabinet is asked to note that this work is being undertaken.

## **6 Implications**

### **6.1 Financial**

The CIL receipts referred to in the body of the report are held in the Council reserves pending future allocation to Regulation 123 list projects.

### **6.2 Legal**

Regulation 62 of the CIL Regulations requires the Council to prepare an annual financial report detailing its CIL receipts and expenditure and thereafter to publish the report on the Council's website.

### **6.3 Human Resources**

None.

### **6.4 Section 17 (Crime Prevention)**

None.

### **6.5 Human Rights Act**

None.

### **6.6 Data Protection**

None.

### **6.7 Risk Management**

A risk assessment has been undertaken. The main area of risk relates to non compliance with the CIL Regulations, however this has been minimised through the production of this annual report and guidance which has been produced in fulfilment of the Council's Duty in that regard.

**6.8 Equality & Diversity**

None.

**6.9 Best Value**

None.

**7 Appendices to the Report**

Appendix 1 CIL Financial Report 2015-16

**Previous Consideration**

Cabinet	21 April, 2016
Cabinet	23 July, 2015
Council	15 April, 2015
Cabinet	20 November, 2014
Cabinet	25 July, 2013

**Background Papers**

Planning Act 2008

Community Infrastructure Levy Regulations 2010,2011, 2012, 2014, 2015

Cannock Chase DC CIL Guidance for Applicants and Developers (2015)

**Community Infrastructure Levy (CIL) Annual Financial Report (2015/16) to be published by 31<sup>st</sup> December 2016**

Cannock Chase Council (CCDC- the charging authority) introduced its CIL charging schedule on the 1<sup>st</sup> June 2015. Regulation 62 of the Community Infrastructure Levy Regulations 2010 (as amended) (CIL Regulations) requires the Council to produce an annual report for each financial year setting out the amount of CIL receipts received; spending of CIL receipts; and the amount of CIL retained by the Council for future spend. This report covers the period from 1<sup>st</sup> June 2015-31<sup>st</sup> March 2016, given the CCDC CIL adoption date.

CIL Regulation Reference	Reporting Criteria	Value (£)/ Project (see also explanatory notes)
62(4)(a)	Total CIL receipts for the reported year	£9,000
62(4)(b)	Total CIL expenditure for the reported year	£1,105
<b>62(4)(c)</b>	<b><i>Summary details of CIL expenditure during the reported year other than in relation to CIL to which regulation 59E or 59F applied ( i.e. excludes funding for local priorities passed to local councils or in unparished areas) including:</i></b>	
62(4)(c)(i)	The items of infrastructure to which CIL (including land payments) has been applied.	Cannock Chase SAC
62(4)(c)(ii)	The amount of CIL expenditure on each item	£1,105
62(4)(c)(iii)	The amount of CIL applied to repay money borrowed, including any interest, with details of the infrastructure items which that money was used to provide including any interest, with details of the infrastructure items which that money was used to provide (wholly or in part)	£0
62(4)(c)(iv)	The amount of CIL applied to administrative expenses pursuant to regulation 61, and that amount expressed as a percentage of CIL collected in that year in accordance with that regulation	£0
<b>62(4)(ca)</b>	<b><i>The amount of CIL passed to:</i></b>	
62(4)(ca)(i)	Any local council under regulation 59A or 59B	£732
62(4)(ca)(ii)	Any person under regulation 59(4)	£0
<b>62(4)(cb)</b>	<b><i>Summary details of the receipt and expenditure of CIL to which regulation 59E or 59F applied during the reported year (i.e. funding for local priorities passed to local councils and recovered or funding for unparished areas) including:</i></b>	

62(4)(cb)(i)	The total CIL receipts that regulations 59E and 59F applied to.	£618
62(4)(cb)(ii)	The items to which the CIL receipts to which regulations 59E and 59F applied have been applied including the amount of expenditure on each item ( (cb)((iii) )	£0 N/A
<b>62(4)(cc)</b>	<b><i>Summary details of any notices served in accordance with regulation 59E (recovery of funding passed to parishes), including:</i></b>	
62(4)(cc)(i)	The total value of CIL receipts requested from each local council	£0
62(4)(cc)(ii)	Any funds not yet recovered from each local council at the end of the reported year	£0
<b>62(4)(d)</b>	<b><i>The total amount of:</i></b>	
62(4)(d)(i)	CIL receipts for the reported year retained at the end of the reported year other than those to which regulation 59E and 59F applied	£6,545
62(4)(d)(ii)	CIL receipts from previous years retained at the end of the reported year other than those to which regulation 59E or 59F applied	£0
62(4)(d)(iii)	CIL receipts for the reported year to which regulation 59E and 59F applied retained at the end of the reported year	£618
62(4)(d)(iv)	CIL receipts from previous years to which regulation 59E and 59F applied retained at the end of the reported year	£0
<b>62(4)(e)</b>	<b><i>In relation to any infrastructure payments accepted by the charging authority</i></b>	
62(4)(e)(i)	The items of infrastructure to which the infrastructure payments relate	N/A
62(4)(e)(ii)	The amount of CIL to which each item of infrastructure relates	£0

## Explanatory notes

### Regulation 62(4) (a) Total CIL receipts

The total CIL receipts collected of £9,000 reflect the fact that CIL was only introduced part way through the reporting year. CIL receipts are only collected upon commencement of the development. Many of the District's larger schemes which are currently under construction were approved prior to the introduction of the CIL charging schedule and were instead subject to financial contributions via Section 106 agreements. The Council did not receive any CIL payments in land in the reporting year.

### Regulation 62(4) (b) Total CIL Expenditure

Total CIL expenditure for the reporting year is £1,105 for Regulation 123 list projects (see below).

### Regulation 62(4) (c) Summary details of CIL expenditure

- The only CIL expenditure in this reporting year on Regulation 123 list items has been on Cannock Chase Special Area of Conservation (SAC) mitigation measures (£1,105). As per the locally agreed approach to the funding of this item, 'top slicing' of all CIL receipts related to residential development within the District automatically takes place to be allocated against this project.
- No CIL funds have been utilised for administrative expenses in 2015/16 (up to 5% is allowed as per Regulations).
- CIL expenditure in relation to neighbourhood funds takes place automatically, as per CIL Regulations. This stipulates that 15% of CIL receipts from local areas (with no neighbourhood plan) should be transferred to the relevant parish/town council or in non parish areas consultation undertaken with the local community. This increases to 25% in areas with a neighbourhood plan. Only one transfer of funds to Rugeley Town Council has been made in 2015/16 for £732 (15% allocation of £4,880 CIL receipts in this parish). The non parish allocation for Cannock East Ward of £618 (15% of £4,120 CIL receipts in this ward) has been retained and its spending is subject to further consultation with the relevant local community.
- Cannock Chase Council has not made any requests for the recovery of neighbourhood funds from local Councils within the reporting year.

### Regulation 62(4) (d) Total amount of CIL receipts retained

The total amount of CIL receipts retained is £6,545 (note this figure is £7,163 if the £618 neighbourhood fund for the non-parish area retained at present is included). These receipts have not been allocated to any Regulation 123 list projects at this



time. The Council will retain these funds and keep under review the level of receipts received to inform a decision on when to begin the process of allocating funds to specific Regulation 123 list projects.

**Regulation 62(4) (e) Infrastructure payments accepted**

No payments 'in kind' of infrastructure have been accepted in this reporting year.

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