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Key Decision:	No
Report Track:	Cabinet: 16/11/17

CABINET
16 NOVEMBER 2017
UPDATE ON CANNOCK CHASE COMMUNITY INFRASTRUCTURE LEVY (CIL)
FINANCIAL YEAR REPORT

1 Purpose of Report

- 1.1 To note the Community Infrastructure Levy (CIL) financial year report 2016/17 and to note the current position in relation to the allocation of CIL funds.

2 Recommendations

- 2.1 That the CIL financial year report 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). This is the second financial report since the adoption of CIL and it provides a summary of CIL receipts and expenditure for the financial 2016-17.

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 CIL financial year report is provided at Appendix 1. It reports on the period from 1st April 2016-31st March 2017. 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 31st December following the end of the reporting year.
- 5.2 The financial year report outlines that £91,728 in CIL receipts was collected in 2016/17. This level of receipts reflects that CIL is still in its infancy; however it is a notable increase on the level of CIL receipts for 2015-16 (£9,000). Schemes are only liable to pay CIL once they have commenced development. Of the £91,728 in 2016/17 collected the Council has retained £66,753 (this totals £73,803 when neighbourhood funds applicable to the non parish areas are included) in 2016/17.
- 5.3 CIL expenditure on infrastructure totals £6,630 in 2016/17 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 A total of £6,709 has been passed to Parish Council's in 2016/17, representing 15% of the CIL receipts received in those Parishes (Bridgtown, Heath Hayes and Wimblebury, Hednesford Town and Rugeley Town). This is required under Regulation 59A of the CIL Regulations.
- 5.5 £7,050 has been retained as neighbourhood funds for non-parish areas in 2016/17 pending further consultation with the local community regarding its spend (Cannock East Ward- £6,427 and Cannock South Ward -£623). This represents 15% of CIL receipts received within those Wards. This is in accordance with Regulation 59F of the CIL Regulations and the Council's approved CIL allocations process (see Cabinet Report 23/07/15).
- 5.6 There has been £4,586 expenditure on CIL administrative expenses in this financial year (representing 5% of the total CIL receipts as permitted in the CIL Regulations).
- 5.7 Taking into account receipts retained from 2015/16, the total CIL receipts retained by the Council as at end of 2016/17 is £73,298 (note this figure is £80,966 if the neighbourhood funds for the non-parish areas retained at present are included).
- 5.8 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).
- 5.9 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 to date 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, neighbourhood fund allocations for parishes, and administrative expenses as set out above) for future spending.
- 5.10 An update (via letter and/or email) will be 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 2017/18 given the level of receipts retained to date. Contact will also be made with the relevant Ward Members for the non parish areas in receipt of CIL neighbourhood funds to ascertain how those communities wish to see the CIL receipts allocated (as per the Council's approved allocations process- see Cabinet Report 23/07/15).
- 5.11 The level of receipts for 2017-18 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.

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 2016-17

Previous Consideration

Update on Cannock Chase Community Infrastructure Levy (CIL) Financial Year Report and Local CIL Guidance	Cabinet	15/12/16
Local Plan (Part 1) Authority Monitoring Report	Cabinet	21/04/16
Cannock Chase Community Infrastructure Levy Funding Decisions Protocol	Cabinet	23/07/15
Cannock Chase Community Infrastructure Levy Charging Schedule	Council	15/04/15
Cannock Chase Special Area of Conservation Partnership Memorandum of Understanding and Permission to Spend on Mitigation Projects	Cabinet	20/11/14
Interim Planning Policy on Planning Obligations Relating to Impact of New Residential Development on the Cannock Chase Special Area of Conservation	Cabinet	25/07/13

Background Papers

Planning Act 2008

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

ITEM NO. 10.

Appendix 1**Community Infrastructure Levy (CIL) Annual Financial Report (2016/17) to be published by 31st December 2017**

Cannock Chase Council (CCDC- the charging authority) introduced its CIL charging schedule on the 1st 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 1st April 2016-31st March 2017. *Note-amounts are rounded to the nearest £1.*

CIL Regulation Reference	Reporting Criteria	Value (£)/ Project (see also explanatory notes)
62(4)(a)	Total CIL receipts for the reported year	£91,728
62(4)(b)	Total CIL expenditure for the reported year	£6,630
62(4)(c)	<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>	
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	£6,630
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	£4,586

CIL Regulation Reference	Reporting Criteria	Value (£)/ Project (see also explanatory notes)
62(4)(ca)	<i>The amount of CIL passed to:</i>	
62(4)(ca)(i)	Any local council under regulation 59A or 59B	£6,709
62(4)(ca)(ii)	Any person under regulation 59(4)	£0
62(4)(cb)	<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>	
62(4)(cb)(i)	The total CIL receipts that regulations 59E and 59F applied to.	£7,050
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
62(4)(cc)	<i>Summary details of any notices served in accordance with regulation 59E (recovery of funding passed to parishes), including:</i>	
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
62(4)(d)	<i>The total amount of:</i>	
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	£66,753
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	£6,545
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	£7,050
62(4)(d)(iv)	CIL receipts from previous years to which regulation 59E and 59F applied retained at the end of the reported year	£618

CIL Regulation Reference	Reporting Criteria	Value (£)/ Project (see also explanatory notes)
62(4)(e)	<i>In relation to any infrastructure payments accepted by the charging authority</i>	
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

CIL receipts for 2016/17 total £91,728. 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 £6,630 for Regulation 123 list projects.

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 (£6,630). 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.
- £4,586 of CIL funds have been utilised for administrative expenses in 2016/17 (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. Funds have been transferred to Bridgtown Parish Council, Heath Hayes and Wimblebury Parish Council, Hednesford Town Council and Rugeley Town Council in this reporting year. These funds total £6,709. The non parish allocations for Cannock East Ward of £6,427 and for Cannock South Ward of £623 have been retained and 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 funds retained from 2016/17 receipts is £66,753 (note this figure is £73,803 if the £7,050 neighbourhood funds for the non-parish areas retained at present are included). Taking into account 2015/16 receipts, the total amount of CIL receipts retained by the Council is £73,298 (note this figure is £80,966 if the £7,668 neighbourhood funds for the non-parish areas retained at present are 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.