

Report to Cabinet

28th November 2019

By the Cabinet Member for Planning & Development

DECISION REQUIRED



Not Exempt

Community Infrastructure Levy Governance Arrangements

Executive Summary

Horsham District Council has introduced a Community Infrastructure Levy (CIL) to allow funds to be raised from developers to pay for infrastructure that is needed to support growth. The Council adopted its Charging Schedule for CIL on 26 April 2017 and implementation of the levy commenced on 1 October 2017. The Council has overarching responsibility for the allocation of CIL monies and reporting the amount of money collected and spent.

The Council needs to establish a clear CIL Governance Structure to oversee the collection, auditing and spending of CIL monies. The report proposes the key governance arrangements for the delivery of infrastructure through CIL to achieve the following aims:

1. To provide clarity, transparency and consistency in the collection, allocation and spending of CIL receipts;
2. To set out the relationship between the Council as charging authority and key stakeholders and infrastructure providers (internal and external);
3. To ensure CIL receipts are spent on infrastructure required to support development, in accordance with the CIL Regulations 2010 as amended ('the CIL Regulations');
4. To ensure CIL serves its purpose of contributing to the delivery of the infrastructure necessary to support the Horsham District Planning Framework.

Recommendations

That the Cabinet is recommended:

- i) To agree to the arrangements set out in this report for the future governance of the receipts from the Community Infrastructure Levy
- ii) To establish a Joint Officer Working Group to prioritise infrastructure projects seeking funding from the Community Infrastructure Levy and provide recommendations to the Director of Place regarding which projects should receive such funding
- iii) To establish an Infrastructure Projects Working Group (IPWG) to receive the recommendations of the Director of Place on prioritised schemes which shall be funded from the Community Infrastructure Levy
- iv) To delegate to the Director of Place in consultation with the Director of Community Services and the Infrastructure Projects Working Group the prioritisation of and collection and monitoring of CIL spend on behalf of the Council as charging authority

- v) To dissolve the Planning Obligations Panel and to delegate to the Director of Place in consultation with the Director of Community Services the prioritisation, collection and monitoring of any financial contributions arising from agreements made under Section 106 of the Town and Country Planning Act 1990

Reasons for Recommendations

- i) To provide clarity, transparency and consistency in the collection, allocation and spending of CIL receipts.
- ii) To set out the relationship between the Council as charging authority and key stakeholders and infrastructure providers (internal and external).
- iii) To ensure CIL receipts are spent on infrastructure required to support development, in accordance with the CIL Regulations 2010 as amended ('the CIL Regulations').
- iv) To ensure CIL serves its purpose of contributing to the delivery of the infrastructure necessary to support the Horsham District Planning Framework.

Background Papers

Draft Memorandum of Understanding with West Sussex County Council

Wards affected:

All

Contact: Suzanne Shaw, Planning Obligations Officer, 01403 215075

Background Information

1 Introduction and Background

- 1.1 The Community Infrastructure Levy is the main way in which the Council collects contributions from developers for infrastructure provision to support development. It largely replaces the use of Section 106 planning obligations with the exception of affordable housing provision and some site specific matters (usually in relation to the more significant developments in the District).
- 1.2 This report recommends an approach which would see clear and robust governance arrangements and ensure the Council is in the position to prioritise projects and allocate CIL money.
- 1.3 The Council has the responsibility for prioritising the spending of CIL. The overarching rule is that CIL must be spent on infrastructure to support the overall development of the area. Infrastructure includes transport improvements, roads, pedestrian and cycle routes, sports and community facilities, libraries, schools and flood defences. CIL can be spent on both capital projects and revenue projects such as the maintenance of infrastructure.
- 1.4 Under the S106 regime contributions towards certain infrastructure types such as education and transport, were paid directly to the County Council and/or the provider of the relevant services. This is not the case with CIL, as funds will be distributed from a centralised pot held by the District Council. This arrangement will therefore require closer working relationships with partners, and in particular, with West Sussex County Council to agree the prioritisation and delivery of infrastructure improvements.
- 1.5 The Community Infrastructure Levy was introduced by the Planning Act 2008 and is subject to the detailed requirements of the Community Infrastructure Levy regulations 2010 as amended, and the Planning Practice Guidance which sets out the most suitable governance arrangements, including for the neighbourhood portion of the CIL.

2 Relevant Council policy

- 2.1 Draft Corporate Plan 2019-23: A Great Place to Live - Work with central government and key partners to identify the strategic infrastructure necessary to support sustainable development.
- 2.2 Draft Corporate Plan 2019-23: A Great Place to Live – Provide new community facilities that can be used by all residents.

3 Details

3.1 TREATMENT OF COMMUNITY INFRASTRUCTURE LEVY RECEIPTS

On receipt, CIL payments will be divided into three parts in line with the CIL regulations:

Neighbourhood Portion:

15% of CIL receipts will be passed twice a year to those Parish Councils where development has taken place to be spent on local priorities (up to a maximum of £100 (index linked) per existing council tax dwelling).

Communities with a 'made' Neighbourhood Plan (or in areas where there is a Neighbourhood Development Order) will received 25% of the levy revenues arising from the development that takes place in their area. This amount will not be subject to a maximum limit.

Unparished areas will still benefit from the relevant neighbourhood portion however, in line with Government guidance, the charging authority will retain the CIL receipts and consult and engage with the community where development has taken place to establish how to spend the Neighbourhood funding.

Horsham District Council Administrative Expenses:

In years one to three (from 1st October 2017 to 31st March 2021) a maximum of 5% of the total amount of CIL collected will be applied to administrative expenses incurred during those three years and any expenses incurred before the charging schedule was published.

In year four, and each subsequent year, a maximum of 5% of the total amount of CIL collected in that year will be applied to administrative expenses incurred in that year.

In line with government guidance, any unspent funds from the administrative portion will be treated as general funds.

General CIL:

The remaining funds will be retained and spent by or on behalf of Horsham District Council.

3.2 ESTABLISHING INFRASTRUCTURE NEEDS:

The Horsham District Council Infrastructure Delivery Plan 2016 (IDP) was approved by Council in April 2016 and sets out the infrastructure required to support development in the Horsham District Planning Framework (HDPF) to 2031. The Council is in the process of reviewing the IDP and once this review is complete, in order to ensure the IDP remains up to date, consultation will take place every three years with West Sussex County Council, internal and external stakeholders and infrastructure providers, Parish/Neighbourhood Councils, Horsham Blueprint Neighbourhood Forum and all ward Members to establish:

- Whether any infrastructure identified in the current IDP has already been delivered.
- Whether there is any additional infrastructure required to support development in the district not already identified in the IDP.
- Whether there is any additional infrastructure contained within emerging and made neighbourhood plans not already identified in the IDP.

The following information will be required for each project already included in the IDP (where not already provided), and any new project identified through the process above (see Appendix 1):

- Anticipated costs including ongoing maintenance/management costs, if any.
- Anticipated source(s) of funding (e.g. Section 106 agreement, delivery by developer. Community Infrastructure Levy, Section 278 agreement etc.).
- The party responsible for delivery.
- The status of the project e.g. all funding secured, part funding secured, no funding secured etc.
- The timescales within which it is required to mitigate the impact of development.
- Timescales for delivery / build programme.
- Any other evidence submitted at the consultation for projects stage.
- Where multiple projects are put forward, it will be expected that those projects will have been prioritised by the consultee as part of their response.
- Anything else considered necessary to assist prioritisation.

On completion of the above exercise, which will take place every three years, the updated Infrastructure Delivery Plan will be ratified by Cabinet and Council.

3.3 PRIORITISATION OF INFRASTRUCTURE PROJECTS SEEKING CIL FUNDING:

To establish the district-wide priorities for the use of CIL funds, it will be necessary to assess each project seeking funding from the levy. To this end, a Joint Officer Working Group will be formed consisting of Horsham District Council's Head of Development and Planning Obligations Officer. Representatives from appropriate internal and/or external organisations may also be invited to attend, at the discretion of the Director of Place.

Each project seeking CIL funding will be subject to an assessment by the Joint Officer Working Group which will make a recommendation to the Director of Place regarding which projects should receive that funding.

Decisions on the allocation of CIL funds will be delegated to the Director of Place, however a politically balanced Infrastructure Projects Working Group (IPWG) consisting of elected District Members will also be formed. The IPWG will assess, finalise and update as necessary the recommendation of the Joint Officer Working Group and their findings will be reported to the Director of Place, who will make the final decision on the projects to be allocated CIL funding over the relevant period.

Membership of both the Joint Officer Working Group and Infrastructure Projects Working Group will be determined by the Director of Place.

Allocation of CIL Funds:

It is proposed that the allocation of CIL funds to these projects should be delegated to the Director of Place, in consultation with the Director of Community Services and the Infrastructure Project Working Group.

Arrangements for Allocation S106 Funds:

Currently the Planning Obligations Panel considers applications relating to the allocation of non site-specific funds for Community Facilities and Open Space, Sport and Recreation and related purposes received under section 106 agreements and they make recommendations to the Head of Development on the determination of the applications. There are limited funds available under section 106 and it is proposed to transfer this responsibility to the Director of Place who could then delegate to the Head of Development.

CIL Project Assessment Process:

Stage One – Member Consultation on the Infrastructure Delivery Plan

The Council's Infrastructure Delivery Plan will be updated every three years. At the end of this process all Members will be consulted on its contents and asked for comments on the projects seeking CIL funding that they consider to be of the highest priority.

Stage Two – Initial review of projects seeking CIL funding

Projects seeking CIL funds within the updated Infrastructure Delivery Plan will be assessed by the Planning Obligations Officer. If the project is not infrastructure, does not meet the CIL regulations in any way, or if the information set out above has not been provided, or not been provided in sufficient detail, the project will remain in the Infrastructure Delivery Plan but will not progress further in the CIL project assessment process.

Stage Three – Assessment by the Joint Officer Working Group:

The Joint Officer Working Group will meet to discuss the remaining projects. Projects will be scored against a matrix, which will prioritise the infrastructure projects based on a number of criteria (see Appendix 2) and taking into account any representations received following consultation with local Members. The projects identified as being the highest priority and which are planned for delivery within five years will be presented to the Director of Place, with a recommendation that CIL funds be allocated to those projects.

Stage Four – Review and Final Assessment:

The Director of Place will review the recommendation of the Joint Officer Working Group, in consultation with the Infrastructure Projects Working Group before making a final decision on the allocation of the CIL funds. The projects to receive CIL funding will then be collated into a 'CIL Spending Plan' (see Appendix 3).

The project assessment process will be reviewed by officers and Members following its first use and at regular intervals thereafter to ensure it continues to provide a robust and effective method for prioritising infrastructure seeking funding from the levy.

3.4 SPENDING / RELEASING THE COMMUNITY INFRASTRUCTURE LEVY

External Providers delivering infrastructure on behalf of Horsham District Council):

Once CIL funding has been awarded, payment arrangements will be made with the external provider on a case by case basis and will depend upon the delivery timescale for the project, any phasing arrangements etc.

Any award of funds will be subject to standard conditions relating to the use of the funds and the provision of quarterly updates on the progress of the project as well as other conditions as appropriate. The project leader for each project will be expected to sign and return a declaration that those conditions will be complied with (Appendix 4).

In addition to the above, for each financial year in which CIL funds are passed to an external infrastructure provider, a report of the following from that provider will be required by Horsham District Council by 31st December following the end of the financial year in which CIL funds are received:

- the total CIL receipts for the reported year;
- total CIL expenditure for the reported year;
- summary of the CIL expenditure (including items to which the CIL has been applied and the amount applied to each item)
- the total value of CIL receipts retained at the end of the reported year; and
- the total value of CIL receipts from previous years retained at the end of the reported year.

A Memorandum of Understanding will be completed between Horsham District Council and West Sussex County Council which will include the above expectations. (See Appendix 6.)

Internal Departments:

Internal departments will be consulted as part of the Infrastructure Delivery Plan update and will be expected to provide details of the infrastructure required in line with the above requirements. Projects put forward to receive funding from the levy by any internal departments will be considered alongside all others received using the assessment process set out above.

Projects awarded funding will be expected to follow the appropriate financial process e.g. capital budget programme procedures and, in line with normal procedure, the relevant budget holder for each project will be expected to provide regular updates to the Finance Team, Planning Obligations Officer and, where necessary, the Senior Leadership Team as to the progress of the project.

Once CIL funding has been awarded, payment arrangements will be made on a case by case basis and will depend upon the delivery timescale for the project, any phasing arrangements etc.

Any award of funds will be subject to standard conditions relating to the use of the funds and the provision of quarterly updates on the progress of the project as well as other conditions as appropriate. The budget holder for each project will be expected to sign and return a declaration that those conditions will be complied with (Appendix 5).

General arrangements:

If the provision of the relevant infrastructure is not commenced within the financial year in which it is to receive the allocated CIL funds, the CIL funds will be unallocated from that project and the project will be reviewed as part of the next consultation/prioritisation exercise.

An extension of the timeframes may be considered appropriate if it can be demonstrated that the project will be delivered imminently or if the project is already committed with contracts in place. The circumstances of each case will be considered on a case by case basis and any extensions of time will be considered for approval by the Director of Place.

Parish and Neighbourhood Councils (Neighbourhood Portion):

Parished Areas:

15% of Community Infrastructure Levy receipts will be passed directly to those Parish Councils where development has taken place (up to a maximum of £100 (index linked) per existing council tax dwelling) to be spent on local priorities within five years of receipt by the parish council.

Communities with a 'made' Neighbourhood Plan (or in areas where there is a Neighbourhood Development Order) will receive 25% of the levy revenues arising from the development that takes place in their area to be spent on local priorities, by the parish council, within five years of receipt. This amount will not be subject to an annual limit.

Communities without a Parish Council will still benefit from the relevant neighbourhood portion however the charging authority will retain the relevant CIL receipts and will engage with the community where development has taken place to agree with them how best to spend the neighbourhood funding, in line with Government guidance.

It is anticipated that in most cases the neighbourhood portion of the levy receipts will be used by local councils and where relevant the charging authority to address smaller scale, local infrastructure priorities. However, local councils may also wish their portion of the levy to contribute towards larger items of infrastructure which they can deliver themselves, or they may pass their portion to a provider to deliver it on their behalf or to a neighbouring parish council if there is a larger project which is relevant to development in their area.

Transferring the neighbourhood portion to parish councils:

The Neighbourhood Portion of CIL receipts will be paid to the parish councils in April and October of each year as required by the regulations (unless alternative arrangements are deemed more appropriate).

Parish Councils must use CIL receipts passed to them to support development of the local council's area, or any part of that area, by funding:

- (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.

Government guidance states that the use of neighbourhood funds should match priorities set out formally in neighbourhood plans therefore Parish Councils/Neighbourhood Forums in the process of preparing neighbourhood plans will be encouraged to include their CIL spending priorities within their plan.

If the Neighbourhood Portion has not been applied to support the development of its area within five years of receipt, or has not been applied in accordance with the CIL regulations, the charging authority may require the relevant CIL receipts to be returned.

Any such recovered CIL receipts must be used by the charging authority to support the development of the area of the relevant Parish Council by funding:

- (a) The provision, improvement, replacement, operation or maintenance of infrastructure;
- (b) Anything else that is concerned with addressing the demands that development places on an area.

Guidance on the levy will be provided to parish councils and will include details on the neighbourhood portion, payment arrangements, spending the levy and reporting on levy income and expenditure.

Unparished Areas:

The unparished areas of Horsham Town (Denne, Forest and Trafalgar), will be allocated 15% of CIL receipts arising from development in those areas, rising to 25% if/once a neighbourhood plan for the area is made. In line with the CIL regulations, the charging authority will retain these funds and will use them to support the development of the relevant area by funding:

- (a) The provision, improvement, replacement, operation or maintenance of infrastructure;
- (b) Anything else that is concerned with addressing the demands that development places on an area.

Infrastructure needs in the unparished area of Horsham Town will be identified and prioritised through consultation with local members, neighbourhood councils and the Blueprint Forum using a dedicated process to be established for that purpose.

Guidance on the levy will be provided to the neighbourhood councils and will include details on the process for spending the neighbourhood portion.

3.5 REPORTING REQUIREMENTS:

Parish Councils:

The CIL regulations require Parish Councils to prepare a report to Horsham District Council for any financial year in which it receives CIL receipts, as is required by the regulations.

The report must include:

- total CIL receipts for the reported year;
- total CIL expenditure for the reported year;
- summary of the CIL expenditure (including items to which the CIL has been applied and the amount applied to each item);
- the total value of CIL receipts retained at the end of the reported year; and
- the total value of CIL receipts from previous years retained at the end of the reported year.

The Parish Council must publish the report on its own website, where possible, and either publish the report on the charging authority's website or provide the charging authority with a copy of the report no later than 31 December following the reported year.

Charging Authority:

Annual Infrastructure Funding Statements relating to the previous financial year ("the reported year") must be published once a year on the Council's website, no later than 31 December. The first report must be published by 31 December 2020. The Infrastructure Funding Statement must set out:

- (a) the total value of CIL set out in all demand notices issued in the reported year;
- (b) total CIL receipts for reported year;
- (c) total CIL, collected by HDC, or by another person on its behalf, before the reported year but which have not been allocated;
- (d) total CIL, collected by HDC, or by another person on its behalf, before the reported year and which have been allocated in the reported year;
- (e) total CIL expenditure for the reported year;
- (f) total CIL receipts, whenever collected, which were allocated but not spent during the reported year;
- (g) in relation to CIL expenditure, summary details of the items of infrastructure on which CIL has been spent and the amount spent on each item, the amount of CIL spent on repaying money borrowed with details of any items of infrastructure to which that money was used to provide and the amount of CIL spent on administrative expenses, expressed as a percentage of CIL collected in that year.
- (h) in relation to CIL receipts that were allocated but not spent during the reported year, summary details of the items of infrastructure on which CIL has been allocated, and the amount of CIL allocated to each item;
- (i) the amount of CIL passed to any parish council and any person to for that person to apply the funding to infrastructure;
- (j) summary details of the receipt and expenditure of CIL which was recovered from a parish council or retained on behalf of an unparished area and the infrastructure to which those funds have been allocated or spent, and the amount allocated or spent on each item;
- (k) summary details of any notices served regarding recovery of CIL from parish councils;
- (l) retained CIL receipts

This report will form part of the Council's Authority Monitoring Report and will also be published on the CIL pages of the Council's website.

4 Next Steps

- 4.1 To approve the new procedural arrangements and agree the arrangements for the Infrastructure Projects Working Group and Officer responsibilities.

5 Views of the Policy Development Advisory Group and Outcome of Consultations

- 5.1 Planning and Development Policy Development Advisory Group were consulted on 11 November 2019. In light of comments received relating to the need for wider Member consultation on the prioritisation of projects, this report has been amended by the insertion of additional clarification in paragraph 3.3 (CIL Project Assessment Process – Stages One and Three) to ensure this consultation takes place.
- 5.2 West Sussex County Council were consulted on a draft Memorandum of Understanding between Horsham District Council and West Sussex County Council in August 2019. The Memorandum of Understanding sets out the basis upon which the District Council and the

County Council will seek to work together to achieve the aims of these governance arrangements.

West Sussex County Council have concerns about the level of County Council involvement in the prioritisation process in light of the need for aligned delivery programmes and funding. The County Council requested that they be represented on the proposed Infrastructure Project Working Group, with responsibility for decision making to lie with District Council Members.

In consultation with the Cabinet Member for Planning & Development, this is not considered appropriate. County Council officers (along with any other relevant providers) will be invited to attend the Joint Officer Working Group where proposed projects will be considered and prioritised, before a recommendation is made to the Director of Place. There will also be an opportunity for WSCC to make representations to the Infrastructure Projects Working Group. Further consultation with West Sussex County Council will be required.

- 5.3 The Head of Legal Services and Monitoring Officer has been consulted and has commented on the legal powers and the changes to the reporting structure, and the timetable for submitting this report to the various interested committees and working groups.

6 Other Courses of Action Considered but Rejected

- 6.1 Doing nothing is not an option that can be recommended. The Planning Act 2008 and the Community Infrastructure Levy Regulations 2010 (as amended) require transparent governance arrangements to be made for the allocation of CIL, and for those arrangements to include the transfer of moneys to the neighbourhood portion of the levy and reports on how this money is spent.

7 Resource Consequences

- 7.1 The process of prioritising projects to receive CIL funding will be a substantial and intensive piece of work for Members on the Infrastructure Project Working Group and the Planning Obligations Officer for a period of time every three years.
- 7.2 This department will need to continue to provide a general developer contributions service during that time.

8 Legal Consequences

- 8.1 The legal powers for this matter are the Planning Act 2008 as amended and the Community Infrastructure Levy Regulations 2010 as amended. Relevant national policies are the National Planning Policy Framework and associated government guidance.
- 8.2 The relevant local plan policies are Policy 15: Strategic Policy: Housing Provision and Policy 39: Strategic Policy: Infrastructure Provision.

9 Risk Assessment

- 9.1 Without governance arrangements, there is a lack of clarity, transparency and consistency in the collection, allocation and spending of CIL receipts. There is also a risk that CIL receipts are not spent in accordance with the requirements of the CIL regulations 2010 (as amended) and that therefore the CIL does not serve its purpose of contributing to the

delivery of the infrastructure necessary to support the Horsham District Planning Framework.

10 Other Considerations

- 10.1 There are no consequences in respect of Crime & Disorder, Human Rights, Equality & Diversity and Sustainability.

APPENDIX 1

TEMPLATE FOR INFRASTRUCTURE CONSULTATIONS

Horsham District Council
INFRASTRUCTURE REQUIREMENTS UPDATE 201*



Name/Organisation	
Email address	
Phone Number	

Infrastructure Type	Infrastructure Project	Location	Evidence	To Be Delivered By	Has stakeholder engagement taken place? Y/N (Please provide details and continue on a separate sheet if necessary).	Cost	Maintenance costs	Existing Committed Funding	Source(s) of existing committed funding	CIL funding sought	Timescale project needed to support development	Delivery timescale	What are the risks if this project does not come forward?	Please explain how the project is consistent with the Horsham District Planning Framework and/or helps deliver the Council's Corporate Plan priorities. (Please provide details and continue on a separate sheet if necessary).	Priority Please rank each project (1 = highest priority)
Example: Transport	Crossing	A Street	Transport Assessment/Neighbourhood Plan	WSDC	Y	£50,000	£1,000 per annum	£0	N/A	£50,000	2019	2019			1
Example: Community Facilities/Sport and Recreation	Replacement sports pavilion	Ayebwn	Neighbourhood Plan/HDC Sports Strategy	PC	Y	£1 million	£1,000 per annum	£250,000	PC reserves, lottery grant / fundraising etc.	£750,000	2022	2022			2

Please complete and return to Horsham District Council by: [Enter date]
 Email: ci@horsham.gov.uk

APPENDIX 2

DRAFT PRIORITISATION SCORING MATRIX

DRAFT INFRASTRUCTURE PRIORITISATION MATRIX



Category	Question	Weighting	Answer	Score	Scoring Criteria/Explanatory Notes
Finance	Is there evidence of how all funding required for the project would be secured? (Consideration should also be given to any funding required for maintenance).		Yes	5	
			No	0	
Environment	Will the infrastructure help deliver/implement the Horsham District Planning Framework (HDPF)?		Yes - without it, planned development cannot proceed	5	
			Yes - the infrastructure is necessary to mitigate the impacts arising from development	3	
			No - there is no connection between the infrastructure and delivery of the HDPF	0	
Delivery	Does the project already benefit from stakeholder engagement e.g. evidence provided to demonstrate buy-in from provider/delivery programmed etc.		Yes	5	
			No	0	
	Can the infrastructure be delivered now?		Yes - planning permission not required, or in place and all issues/site restraints resolved etc.	5	
			No - minor surmountable issues. Commitment to delivery.	3	
			No - Significant issues e.g. land ownership/remediation issues, project is dependent on external factors, not consistent with planning policy etc.	0	
Communities	Does it meet a wide-reaching identified local need?		Yes - project is included in relevant Neighbourhood Plan	5	
			Yes - project is not included in Neighbourhood Plan but fulfills a wide-reaching need or demand that development places on the area and/or is included in an adopted parish-level document/plan.	3	
			No - project is not identified in a Neighbourhood Plan, does not fulfill a wide-reaching need or demand and is not included in an adopted parish-level document/plan.	0	
	Does the project help deliver the Council's key Community objectives set out in the Corporate Plan e.g. grow footfall of HDC's cultural and leisure facilities, deliver the sports strategy, improve health facilities and / or help deliver the Council's strategies (e.g. Green Space Strategy 2013-2023, Air Quality Action Plan, Play Strategy 2017-2017)		Yes - the project helps deliver at least one of the Council's key Community objectives.	5	
			No - the project does not help deliver any of the Council's key Community objectives.	0	
Other	What priority has the project been given by the infrastructure provider / key stakeholder(s) putting the project forward?				

APPENDIX 3
DRAFT CIL SPENDING PLAN

**COMMUNITY INFRASTRUCTURE LEVY SPENDING PLAN
2019 - 2024**



	2019/20	2020/21	2021/22	2022/23	2023/24
INCOME					
Gross income	100,000	200,000	300,000	400,000	500,000
Parish portion (average 17%)	17,000	34,000	51,000	68,000	85,000
Administrative costs (5%)	5,000	10,000	15,000	20,000	25,000
Net income	78,000	156,000	234,000	312,000	390,000
Funds Available					
ANTICIPATED EXPENDITURE					
e.g. Highway improvement project		100,000		50,000	
e.g. Additional School Places	20,000	20,000	20,000	20,000	20,000
TOTAL EXPENDITURE	20,000	120,000	20,000	70,000	20,000
31st MARCH CARRIED FORWARD					

The above figures are for illustrative purposes only.
Parish proportion based on average % (33 parishes - 28 without a plan and 5 with (as at November 2018))

APPENDIX 4

AWARD OF FUNDING / DECLARATION (EXTERNAL)

AWARD OF COMMUNITY INFRASTRUCTURE LEVY (CIL) FUNDING - EXTERNAL

Project reference:	
Project description:	
Applicant:	
Date of award:	
Expiry date of award:	
Amount of CIL allocated to project:	£

The above award of CIL funding is made subject to the following conditions:

1. That the CIL awarded will be used towards the project outlined above and not for any other purpose.
2. The applicant will provide updates on delivery of the project on a quarterly basis to the Planning Obligations Officer;
3. The applicant will provide an annual CIL report to the Council's Planning Obligation Officer for each financial year in which it receives CIL, as outlined below.
4. If the provision of the relevant infrastructure is not commenced within the financial year in which it is to receive the allocated CIL funds, the award of CIL funds will be withdrawn.

Reporting:

As well as the quarterly report required by point 2 above in relation to this specific project, for each financial year in which CIL funds are passed to an external infrastructure provider, a report of the following from that provider will be required by Horsham District Council by 31st December following the end of the financial year in which CIL funds are received:

- the total CIL receipts for the reported year;
- total CIL expenditure for the reported year;
- summary of the CIL expenditure (including items to which the CIL has been applied and the amount applied to each item)
- the total value of CIL receipts retained at the end of the reported year; and
- the total value of CIL receipts from previous years retained at the end of the reported year.

Declaration:

I confirm the information provided by the applicant relating to the above project is accurate. I confirm acceptance of the above conditions. I understand that should the above conditions not be fulfilled that the funding may be withdrawn.

Signed: _____

Position: _____

N.B. No CIL funding will be provided until this declaration has been signed and returned to cil@horsham.gov.uk

APPENDIX 5

AWARD OF FUNDING / DECLARATION (INTERNAL)

AWARD OF COMMUNITY INFRASTRUCTURE LEVY (CIL) FUNDING - INTERNAL

Project reference:	
Project description:	
Applicant:	
Date of award:	
Expiry date of award:	
Amount of CIL allocated to project:	£

The above award of CIL funding is made subject to the following conditions:

1. That the CIL awarded will be used towards the project outlined above and not for any other purpose.
2. The relevant budget holder will provide regular updates, in line with normal practice, to:
 - i) The Finance Team; and
 - ii) Senior Leadership Team (where appropriate).
3. The relevant budget holder will provide updates on delivery of the project on a quarterly basis to the Planning Obligations Officer;
4. If the provision of the relevant infrastructure is not commenced within the financial year in which it is to receive the allocated CIL funds, the award of CIL funds will be withdrawn.

Declaration:

I confirm the information provided by the applicant relating to the above project is accurate.

I confirm acceptance of the above conditions. I understand that should the above conditions not be fulfilled that the funding may be withdrawn.

Signed: _____

Position: _____

N.B. No CIL funding will be provided until this declaration has been signed and returned to cil@horsham.gov.uk

APPENDIX 6

**DRAFT MEMORANDUM OF UNDERSTANDING WITH WEST SUSSEX
COUNTY COUNCIL**

Memorandum of Understanding

This agreement is dated [DATE]

PARTIES

(1)HORSHAM DISTRICT COUNCIL of Parkside, Chart Way, Horsham West Sussex RH12 1RL ('the District Council')

(2)WEST SUSSEX COUNTY COUNCIL of County Hall, West Street, Chichester West Sussex PO19 1RQ ('the County Council')

1. BACKGROUND

1.1 This Memorandum of Understanding (MoU) provides a broad framework to assist its signatories so that the District Council can determine priorities for planning, funding and delivering future infrastructure.

1.2 Decisions over the allocation of Community Infrastructure Levy ('CIL') monies rests with the District Council as the CIL Charging Authority.

1.3 The District Council and the County Council have agreed to work together on the delivery of future infrastructure financed from the CIL and financial contributions received from developers through agreements under section 106 of the Town and Country Planning Act 1990 ('Section 106 Agreements'). A separate agreement will be circulated in respect of financial contributions arising from S106 Agreements.

1.4 This MoU is a statement of joint intent which indicates the broad principles that the District Council and the County Council will seek to apply when making decisions about strategic and community infrastructure, both of which are integral to the economic, social and environmental well-being of the District Council's communities.

1.5 The MoU sets out the basis upon which the District Council and the County Council will seek to work together with the following aims:

- To provide clarity, transparency and consistency in the collection, allocation and spending of CIL receipts;
- To set out the relationship between the District Council and the County Council
- To ensure CIL receipts are spent on infrastructure required to support development, in accordance with the CIL regulations and the District Council's Regulation 123 list before 31 December 2020 and then in accordance with the Council's Annual Infrastructure Spending List from 31 December 2020 onwards in accordance with amendments to the CIL Regulations 2010 ('the CIL Regulations');
- To ensure CIL serves its purpose of contributing to the delivery of the infrastructure necessary to support the Horsham District Planning Framework.

1.6 The District Council and the County Council acknowledge the need to keep this document under review and consider, as and when necessary, further flexible arrangements between parties to aid the timely delivery of schemes.

2. STATUS

2.1 The District Council and the County Council acknowledge that this MoU is not a legally binding contract but, as outlined above, a statement of intent which provides the foundation blocks for the consultation referred to in clause 3.1 below with internal and external stakeholders, and infrastructure providers, parishes and neighbourhood councils, Horsham blueprint Neighbourhood Forum and all ward members of the District Council.

3. GOVERNANCE

3.1 The Horsham District Council infrastructure Delivery Plan 2016 ('IDP') will be subject to consultation every three years with the County Council, , internal and external stakeholders, and infrastructure providers, parishes and neighbourhood councils, Horsham blueprint Neighbourhood Forum and all ward members of the District Council.

3.2 The Infrastructure Project Working Group ('IPWG') consisting of elected District Members will assess, finalise, and regularly update, an infrastructure prioritisation list. Each project seeking CIL funding will be subject to an assessment by District Council officers who will make recommendations to the IPWG.

3.3 CIL Project Assessment Process:

3.3.1 Stage One – Compliance with the Community Infrastructure (England) Regulations 2010 as amended ('the CIL Regulations'):

An initial assessment of the projects put forward for funding from the levy will be undertaken by the District Council's Planning Obligations Officer. If the project is not infrastructure, or does not meet the CIL Regulations in any way, or if the required information has not been provided, or not been provided in sufficient detail, the project will remain in the IDP but will not progress further in the CIL project assessment process.

3.3.2 Stage Two – Prioritisation:

Projects will be scored by District Council officers against a prioritisation matrix which will prioritise the infrastructure projects based on a number of criteria which are set out in Annexe 1. The projects identified as being the highest priority and capable of delivery within a five year period will be presented to a meeting of the IPWG for review prior to consultation.

3.3.3 Stage Three – Review and Final Assessment:

The IPWG will review the projects recommended by District Council officers as being suitable for funding from the CIL and for putting out to consultation. Projects to be allocated CIL funding will be collated into a draft plan ('the CIL Spending Plan') which will be published on the District council's website and subject to a six week [public] consultation with the County Council, internal and external stakeholders, and infrastructure providers, parishes and neighbourhood councils, Horsham blueprint Neighbourhood Forum and all ward members of the District Council. The results of the consultation will be reported to the IPWG who will then consider the CIL Spending Plan. The CIL Spending Plan will then require approval by the District Council's Cabinet who will recommend approval by the full Council of the District Council.

The project assessment process will be reviewed by officers and Members following its first use and at regular intervals thereafter to ensure it continues to provide a robust and effective method for prioritising infrastructure seeking funding from the CIL.

3.3.4 Releasing CIL Funds to the County Council

Once CIL funding has been awarded, payment arrangements will be made with the County Council on a case by case basis and will depend upon the delivery timescale for the project, any phasing

arrangements and other relevant considerations.

Any award of funds will be subject to standard conditions relating to the use of the funds and the provision of quarterly updates on the progress of the project as well as other conditions as appropriate. The project leader for each project will be expected to sign and return a declaration that those conditions will be complied with (Annexe 2).

In addition to the above, for each financial year in which CIL funds are passed to the County Council, they will be required to submit a report on the following matters to the District Council:

- the total CIL receipts for the reported year;
- total CIL expenditure for the reported year;
- summary of the CIL expenditure (including items to which the CIL has been applied and the amount applied to each item)
- the total value of CIL receipts retained at the end of the reported year; and
- the total value of CIL receipts from previous years retained at the end of the reported year.

4. The IPWG

4.1 The IPWG will consist of elected members of the District Council.

4.2 The IPWG shall deal with its responsibilities in accordance with its terms of reference

4.3 The IPWG shall meet every three years following the review of the IDP and initial assessment of projects at District officer level.

5. REVIEW AND DISPUTE RESOLUTION

5.1 The MoU will be subject to periodic review by the District Council and the County Council and amended as appropriate.

5.2 If either party has any issues, concerns or complaints about any matter in this MoU, that party shall notify the other party and the parties shall then seek to resolve the issue by informal discussion at officer level. If the issue cannot be resolved within a reasonable period of time, the matter shall be escalated up through the respective organisations in an attempt to secure a resolution.

5.3 If either party receives any formal inquiry, complaint, claim or threat of action from a third party (including, but not limited to, claims made by a supplier or requests for information made under the Freedom of Information Act 2000) in relation to a CIL funded project, no action shall be taken in response to any such inquiry, complaint, claim or action, to the extent that such response would adversely affect the CIL funded project, without the prior approval of the District Council.

6. TERM AND TERMINATION

6.1 This MoU shall commence on the date shown above, and shall expire on on either party giving the notice in clause 6.2, or by mutual agreement.

6.2 Either party may terminate this MoU by giving at least three months' notice in writing to the other party at any time.

7. VARIATION

This MoU, including the Annexes, may only be varied by written agreement of the District Council in consultation with the County Council.

8. CHARGES AND LIABILITIES

8.1 Except as otherwise provided, the parties shall each bear their own costs and expenses incurred in complying with their obligations under this **MoU**.

8.2 Both parties shall remain liable for any losses or liabilities incurred due to their own or their employee's actions and neither party intends that the other party shall be liable for any loss it suffers as a result of this **MoU**.

9. GOVERNING LAW AND JURISDICTION

This **MoU** shall be governed by and construed in accordance with English law and, without affecting the escalation procedure set out in clause 5 each party agrees to submit to the exclusive jurisdiction of the courts of England and Wales.

Signed for and on behalf of **HORSHAM DISTRICT COUNCIL**

Signature:

Name:

Position:

.....

Signed for and on behalf of **WEST SUSSEX COUNTY COUNCIL**

Signature:

Name:

Position:

CONTACT POINTS

Horsham District Council

Name:

Office address:

.....

Tel No:

E-mail Address:

West Sussex County Council

Name:

Office Address: