

Community Infrastructure Levy (CIL)

CIL Local Funding

Interim Guidance to Applicants

A note about CIL Interim Arrangements

The Council is aware that there has been a significant degree of frustration in some localities regarding CIL funds, particularly the outcome of assessments of Expressions of Interest (EoI) for funding support.

The Council will be writing to all partners over the coming months about potential ideas for new CIL arrangements, which will be discussed with all Town and Parish Councils to ensure that there is robust and transparent consultation the whole way through the process.

In the meantime, we will continue to operate CIL Local based on existing Council policy, and would like to invite all Town and Parish Councils to continue to submit applications for CIL Local support to us.

In order to ensure that all applications are dealt with in the same way, we have set an application deadline of **Friday 15 February 2019**. All applications should be submitted using the Expression of Interest form. All applications will be assessed in-the-round after the deadline.

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1. Purpose of this interim guidance document

As the Community Infrastructure Levy (CIL) Charging Authority, it is essential that Shropshire Council demonstrates compliance with the national CIL Regulations. This guide therefore sets out the arrangements for the allocation and use of CIL Local Funds, for which Shropshire Council is the accountable body. Please note that separate arrangements are in place for the Neighbourhood Fund element of CIL.

2. Background to Shropshire’s Community Infrastructure Levy

CIL is a charge on new development. The money raised by this charge must be used to deliver the infrastructure that is needed to support new development in Shropshire. CIL allows the cumulative impact of development to be addressed, rather than focusing just on the site-specific infrastructure impacts of a development scheme. Site specific requirements will continue to be negotiated via a S106 Planning Obligation, where required.

The CIL charge collected by Shropshire Council is allocated to different pots. The following table provides an overview of how CIL monies are currently distributed within Shropshire:

CIL pot	Proportion of funds	Responsibility	Further information
Administrative fee	5%	Shropshire Council	Administrative expenses incurred during the implementation and enforcement of CIL.
Neighbourhood Fund	25% where there is a formal Neighbourhood Plan or Neighbourhood Development Order. 15% where there is no formal Neighbourhood Plan (capped at £100 per council tax dwelling).	Town and Parish Councils	Provided directly to the local Town or Parish Council to fund locally identified infrastructure projects. Monies must be used, as per the UK Government regulations, on ‘the provision, improvement, replacement, operation or maintenance of infrastructure; or anything else concerned with addressing the demands that development places on an area’.

Of the remainder:

Strategic Infrastructure	10%	Shropshire Council in conjunction with infrastructure providers	Used to fund strategic infrastructure priorities across Shropshire. These monies must be spent on infrastructure that is essential to the delivery of Shropshire’s overall development strategy. Monies may therefore be used for strategic infrastructure anywhere across Shropshire or indeed outside the authority’s boundaries, as long as it addresses Shropshire’s strategic infrastructure needs.
Local	90%	Shropshire	Used to fund local infrastructure

Infrastructure		Council in conjunction with Town and Parish Councils and infrastructure providers	priorities to meet the infrastructure needs in the area where development takes place, as identified within the Place Plans. However, where necessary, monies can be used by Shropshire Council to meet a critical or statutory infrastructure need, dependent on the infrastructure required to support new development.
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3. More about CIL Local funds

The last Cabinet report in relation to CIL Local was on 29th July 2015, and reiterated that the Council will give priority to using CIL Local funds to deliver appropriate critical infrastructure, or infrastructure required in order to fulfil the Council's statutory functions.

This means that there may be some instances where it will be necessary for the Council to prioritise the use of CIL funds for infrastructure which is not recognised by the local community as a priority. The approach follows the prioritisation of critical infrastructure as set out in Core Strategy Policy CS9, adopted in March 2011, and was not a change of policy.

Giving CIL funding priority to projects that will deliver critical infrastructure, or infrastructure that is required in order to fulfil the Council's statutory functions, reflects the fact that the cost of meeting all of Shropshire's infrastructure needs far exceeds the amounts available from developer contributions.

The Council's use of CIL, as outlined above, is governed by national legislation (set out in the Planning Act (2008) as amended by the Localism Act (2011)) and the CIL Regulations (2012).

The legislation states that CIL Local funds must be used for:

- Funding infrastructure to support the development of Shropshire.
- Funding the provision, replacement, operation or maintenance of infrastructure, which includes
 - a) roads and other transport facilities
 - b) flood defences
 - c) schools and other educational facilities
 - d) medical facilities
 - e) sporting and recreational facilities
 - f) open spaces
- Funding for the capital costs of infrastructure provision and the ongoing revenue costs associated with that capital provision.
- Funding items related to project delivery, including fees associated with the capital project such as planning fees, architects' fees or project management fees related to delivery.
- Funding infrastructure projects outside of Shropshire Council's boundaries provided it can be justified as benefitting Shropshire's residents. As such, funds can be passed on to others, as

long as they are used to provide infrastructure and can be pooled between Authorities to fund strategic projects.

The CIL monies must not be used for:

- Providing affordable housing as planning obligations already provide an appropriate mechanism to deliver affordable housing.
- Remedying pre-existing deficiencies in infrastructure provision, unless those deficiencies will be made more severe by new development.
- Funding revenue costs where there is no capital infrastructure provision.
- Covering the costs of administration, including staff time associated with general administration of CIL monies and the monitoring and reporting of CIL projects.

4. Applying for CIL Local funding

In the first instance, Town and Parish Councils should submit a short Expression of Interest (EoI) form to the Council, which briefly describes the project, outlines why the community feels that the project is needed, and the funding support required.

The EoI will then be discussed by the Council's Internal Infrastructure Group (made up of key service delivery departments, legal, planning, and finance) which considers the project and makes a recommendation to support or not support the EoI based on:

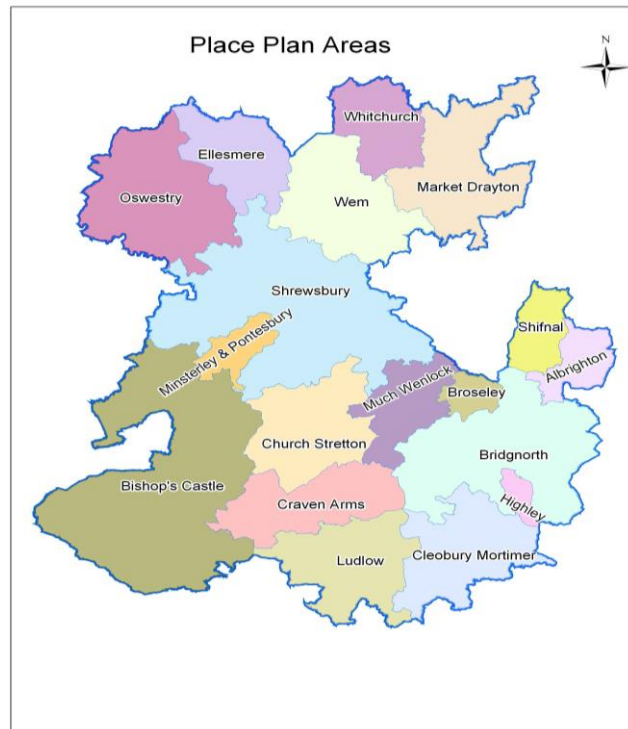
- (i) The position as regards critical and statutory infrastructure needs in the area, and;
- (ii) Further established eligibility criteria including:
 - The infrastructure is necessary to support new development within a particular settlement.
 - It is a local infrastructure item which seeks to address the infrastructure impacts of development within a particular settlement that would have previously been mitigated through the Section 106 process.
 - The infrastructure project does not seek to remedy a pre-existing infrastructure deficiency unless it can be demonstrated that the settlement's growth makes the deficiency worse.
 - The infrastructure project will help unlock further growth in a particular settlement.
 - The resources Shropshire Council provide for the local infrastructure project will be used as match funding, including other local funds such as the Neighbourhood Fund.
 - The project either directly constitutes or supports fulfilment of a statutory responsibility for Shropshire Council or another local infrastructure provider.

If the EoI is accepted following all of the assessment stages above, it then progresses to the next stage where technical checks are undertaken, funding arrangements formalised, and monitoring processes agreed. More information about this more detailed second stage assessment process will be sent to you if/when your initial EoI is approved.

5. Identifying Shropshire's infrastructure requirements

In Shropshire, 18 Place Plans identify the infrastructure required within each community, including the infrastructure needed to meet the level of growth planned for Shropshire through the county-wide development strategy.

The 18 Place Plans are based around the 18 main market towns and key centres of Shrewsbury, Oswestry, Whitchurch, Wem, Ellesmere, Market Drayton, Minsterley & Pontesbury, Ludlow, Bishops Castle, Church Stretton, Cleobury Mortimer, Craven Arms, Bridgnorth, Albrighton, Broseley, Highley, Much Wenlock and Shifnal and their wider hinterland, which comprises any Community Hubs and Clusters and parishes within the surrounding countryside. These areas are shown on the map below:



The Place Plans are live documents, which contain information on infrastructure needs as identified by local infrastructure and service providers such as the Police, Utility Companies, Highways and Education Authority, alongside the local community via ongoing discussions with Town and Parish Councils.

Place Plans are currently being refreshed, using information that was submitted by Town and Parish Councils at the end of 2017, and this process will be ongoing over the next few months.

6. Contact details

If you have any questions about the CIL Local application process, please email CIL@shropshire.gov.uk