

To all SALC members

Via email

Shropshire Council
Shirehall
Abbey Foregate
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Date: 5 November 2018

Dear SALC Member

Briefing Note re: the Community Infrastructure Levy (CIL) and Place Plans

Background

The purpose of CIL is to help fund the infrastructure which is required to support new development.

CIL allocation is a complex system, and there have been lots of frustrations over the last few months about how this has been managed.

We are trying to be as clear as we can about where we are now, and what will be happening next.

The Council's current CIL policy

Shropshire Council collects all of the CIL from developers and separates each payment as follows:

- Administration - 5%
- Neighbourhood Fund - 15 % (or 25% if there is an adopted Neighbourhood Plan).
This goes directly to the relevant Town or Parish Council in April each year.

Of the remainder;

- Local - 90%
- Strategic - 10%

CIL Strategic is used to fund strategically significant projects that are essential to delivering economic growth for the county as a whole.

The Cabinet meeting on 29 July 2015 agreed that "*priority be given to using CIL Local funds to deliver appropriate critical infrastructure, or infrastructure required in order to fulfil the Council's statutory functions*". You can find this paper here:
<http://shropshire.gov.uk/committee-services/ieListDocuments.aspx?CId=130&MId=2909&Ver=4>

This decision reflects the fact that the cost of meeting all of Shropshire's infrastructure needs far exceeds the amounts available from developer contributions – so there may be some instances where it will be necessary for Shropshire Council to use CIL Local funds for infrastructure which is not recognised by the local community as a priority.

The projects that may be eligible for CIL Local support are laid out in the Place Plans – Shropshire has 18 of these across the county. Current policy is that CIL Local will be used in the area in which the development occurred, once critical and statutory infrastructure costs have been met.

The Place Plans on the website need to be updated and we will be holding workshops with the Town and Parish Councils early in the new year to discuss this, using the information supplied by Town and Parish Councils, both in writing and at meetings.

This is Shropshire Council's current approach to CIL spending arrangements, and it **will not be changed without consultation**.

CIL Regulation 123 List

All Local Planning Authorities that collect CIL must publish a CIL Regulation 123 List. This list sets out the projects that the Authority will seek to fund or part fund through CIL monies over the next year.

If a project is included on the CIL List, the Council can't also charge Section 106 for that project.

Conversely, if a project is not on the CIL List, it can still be funded through CIL.

The Council has a current CIL List, which can be found here:

<https://www.shropshire.gov.uk/media/8600/cil-regulation-123-list-2016-17.pdf>

This List was published in 2016/17 – so we now need to add some new projects to reflect changing needs and priorities. These new projects focus on funding for additional school places and utilities, which are defined as critical infrastructure needs.

Officers have worked with Members to clarify why these projects need to be added to the CIL Regulation 123 List, and the costs of those projects have been scrutinised.

We are therefore taking forward a robust proposal to Cabinet to add some specific projects to the CIL List for the year ahead. You can find the paper to Cabinet here:

<https://shropshire.gov.uk/committee-services/documents/g3681/Public%20reports%20pack%2007th-Nov-2018%2011.00%20Cabinet.pdf?T=10>

Again, it is important to remember that if a project is not on the CIL List, it can still be funded through CIL.

What happens next

The Cabinet will hopefully agree the additions to the CIL List at its meeting on 7 November. This means that the Council will be able to release the money that is needed for these critical and/or strategic education and utilities projects.

Over the coming months, the Council will be holding workshops with Towns and Parishes across Shropshire to further discuss the Place Plans. These discussions will consider the submissions that we have received from Town and Parish Councils, and there will be feedback from relevant officer teams across the Council.

As stated at the outset, the cost of meeting all of Shropshire's infrastructure needs far exceeds the amounts available from developer contributions, and we will have to use CIL Local funds for infrastructure which is not recognised by the local community as a priority. We know that this may be disappointing for some of our local communities, so we will be open and transparent about our prioritisation processes, and discuss this at the upcoming Place Plan workshops.

Whilst these discussions are ongoing, we will continue to accept applications from Town and Parish Councils for CIL Local funds. These applications will be dealt with in line with our current procedures. We will issue a note to help to clarify how these current procedures work, and to give everyone a clearer idea of which projects may or may not be eligible for CIL funds.

In the meantime, Town and Parish Councils have their Neighbourhood Funds which they can spend on infrastructure projects within their area. We will also issue a note about the Neighbourhood Fund to clarify how this works and what the money can be spent on.

Finally, we will also issue a more detailed timetable in due course, so that everyone will be able to clearly see how we will move through the process of updating the Place Plans and clarifying our CIL spending arrangements.

Yours faithfully,



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