

**Community Infrastructure Levy
Governance Administration
Procedures**

March 2024

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Contents

Executive Summary.....	1
1. Community Infrastructure Levy	2
2. Community Infrastructure Levy and other Planning Obligations	2
3. The Local Plan and Infrastructure.....	2
4. Charging Authority Responsibilities	3
5. How CIL monies will be distributed.....	4
Special Areas of Conservation	4
Neighbourhood CIL	4
Administration	5
Strategic and Local Infrastructure	5
Surcharges	6
6. CIL Allocation: Structure	6
Cabinet.....	7
Overview & Scrutiny Committee	7
Strategic Infrastructure Group: Role and membership	7
Delegated Authority and administrative support	8
7. Levy Allocations Process	9

Executive Summary

Lichfield District Council adopted its Community Infrastructure Levy Charging Schedule on the 19th April 2016. The following document provides details of the governance and administrative procedures in place to facilitate the allocation of CIL monies received by the Council.

The governance element of these procedures has been designed to facilitate corporate and political ownership of the delivery of infrastructure requirements within Lichfield District and was updated in March 2024.

1. Community Infrastructure Levy

- 1.1 The Community Infrastructure Levy (CIL or the Levy) is a planning obligation, introduced by the [Planning Act 2008](#) (as amended) as a tool for local authorities in England and Wales to help deliver infrastructure to support the sustainable development of their area. The Levy came into force on the 6th April 2010 through the [Community Infrastructure Levy Regulations 2010](#). The receipts created by the implementation of the CIL can be used to fund a wide range of infrastructure that is needed as a result of development.
- 1.2 Following independent examination Lichfield District Council adopted its [Charging Schedule](#) on 19th April 2016. The Charging Schedule sets out the rates to be levied across Lichfield District. The type of development and its location are used to identify the rate of CIL and form the basis of the schedule.
- 1.3 The Council commenced the collection of CIL on 13th June 2016. This process is governed by strict statutory requirements and procedures which have been put in place to calculate, administer, and monitor CIL liable developments within the district.

2. Community Infrastructure Levy and other Planning Obligations

- 2.1 The Council receives planning obligations in two ways; through collection of CIL and through Section 106 Agreements (S106). CIL is a financial charge per square metre of new development that is collected by the Council. Monies received through CIL can then be combined to fund strategic infrastructure across the district. A proportion of CIL is also passed over to the Parish Council where the development has taken place for the Parish to spend on infrastructure in their area. Whereas S106 obligations primarily relate to a specific development and making this acceptable in planning terms. A S106 agreement could include the physical infrastructure required to be delivered on site and/or a financial contribution to deliver such infrastructure. In these circumstances Section 106 planning obligations will continue to be used.
- 2.2 The Council has an [Infrastructure Delivery Plan](#) (IDP) which identifies the infrastructure which is needed alongside the development within the adopted local plan. The IDP is a key piece of evidence and is prepared with engagement from those bodies responsible for the delivery of infrastructure. The delivery of infrastructure (both physical and financial) is monitored and reported upon each year through a [Infrastructure Funding Statement \(IFS\)](#). The IFS details the infrastructure and financial obligations which have been secured, received, and spent each year.
- 2.3 The [Developer Contributions Supplementary Planning Document](#) (SPD) sets out our approach to the use of planning obligations. It sits alongside the CIL and covers the types of development the Council intends to seek S106 contributions from, subject to meeting the legal tests set out in the relevant Planning Acts and associated regulations.

3. The Local Plan and Infrastructure

- 3.1 Through the Local Plan the Council is required to set out how the district will grow in the future, which includes setting out where new development, for example new housing or new employment opportunities will be located to meet the growing needs

of the district. A key part of that is ensuring that there is appropriate infrastructure, which is required to support the growth identified within the Plan. The Planning Act 2008 provides a wide definition of the infrastructure which can be funded by CIL, including for example, roads and transport facilities; education facilities including schools; medical facilities; sporting and recreation facilities and open spaces.

- 3.2 This gives the council choice and flexibility as to the types of infrastructure they wish to fund through CIL. The [Local Plan Strategy](#) and [Local Plan Allocations](#) documents, along with any adopted [neighbourhood plans](#) form the development plan for Lichfield District. It should be noted that the CIL regulations rule out the application of the CIL for the provision of affordable housing.
- 3.3 There are several key Local Plan policies that identify infrastructure requirements for the district. The Local Plan includes two policies that provide the strategic context for infrastructure requirements:
 - Core Policy 4: Delivering Our Infrastructure
 - Policy IP1: Supporting & Providing our Infrastructure
- 3.4 The Council has prepared an [Infrastructure Delivery Plan](#) which identifies the infrastructure which is needed alongside the development within the adopted local plan. The IDP is a key piece of evidence and is prepared with engagement from those bodies responsible for the delivery of infrastructure, for example health providers - NHS integrated Care Board (ICB), the Police, and the County Council. The delivery of infrastructure (both physical and financial) is monitored and reported upon each year through an [Infrastructure Funding Statement](#). The IFS details the infrastructure and financial obligations which have been secured, received, and spent each year.
- 3.5 Subject to relevant conditions, and at its discretion, an authority may enter into an agreement for payment towards the acquisition of land to be made to discharge part or all of a CIL liability. Charging authorities may also enter into agreements to receive intended infrastructure rather than a payment towards the same. For example, where any authority has already planned to invest CIL receipts in a project there may be time, cost, and efficiency benefits in accepting completed infrastructure from the party liable for payment of CIL. Payment in kind can also enable developers, users, and authorities to have certainty about the timescale over which certain infrastructure items will be delivered. The Council has adopted a [Payments in Kind](#) policy to provide for, at its discretion, in kind infrastructure payments.

4. Charging Authority Responsibilities

- 4.1 The CIL regulations require the Council, as a 'Charging Authority' to undertake the following:
 - Prepare and publish the CIL Charging Schedule.
 - Determine CIL spend on the provision, improvement, replacement, operation, or maintenance of infrastructure to support development of its area, and

- Report on the amount of CIL collected, spent, and retained each year through its IFS.
- 4.2 Neither the CIL regulations nor the [National Planning Practice Guidance](#) stipulate how an authority should govern its CIL monies, save the requirement that monies be allocated to projects which go to “the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area” (CIL Regulation 59). As such there is flexibility for Charging Authorities in term of how CIL monies are used, and the governance structures used to achieve this. As such, the introduction of CIL necessitates the establishment and use of suitable governance arrangements to provide a framework for the allocation of the monies levied.

5. How CIL monies will be distributed

- 5.1 CIL funds levied by the Charging Authority (Lichfield District Council) will be distributed from a single centralised pot held by the Council. This arrangement will require closer working relationships with partners and require the Council to define its relationship with infrastructure providers. The CIL monies received will be distributed to the following, each of which is explained in the following sections:
- Special Areas of Conservation (SACs).
 - Neighbourhood CIL.
 - Administration.
 - Strategic and Local Infrastructure.

Special Areas of Conservation

- 5.2 The adopted Local Plan sets out a local spatial policy framework to ensure that both the Cannock Chase and River Mease Special Areas of Conservation (SAC) are protected from the implications of planned development in the area, and that mitigation is secured to meet the requirements of European legislation. The Council has an obligation to ‘ring fence’ this CIL funding that is a set fee¹ based upon per dwelling built. These funds will be calculated from the total CIL receipts and allocated and transferred biannually.

Neighbourhood CIL

- 5.3 The CIL regulations require charging authorities to pass on a proportion of the CIL receipts received to those communities where the development has taken place, this is referred to as ‘Neighbourhood CIL’ or the ‘meaningful proportion’. In Lichfield District these monies are provided to our Parish Councils, Burntwood Town Council and Lichfield City Council (local councils). The CIL Regulations require the charging authorities to transfer the ‘meaningful proportion’ directly to these local councils biannually.
- 5.4 The level of monies to be passed onto local councils is set out within the CIL regulations and is dependent upon whether a neighbourhood plan has been adopted. For local

¹ This figure will be reviewed and where appropriate updated.

councils without an adopted neighbourhood plan 15% of CIL received from development which has taken place in their area (capped per new dwelling) will be passed on. Where a neighbourhood plan has been adopted then 25% of the CIL (uncapped) received from development in their area will be transferred to the relevant local council.

- 5.5 Payment periods associated with the transfer of the meaningful proportion will be in accordance with regulation 59D of the CIL Regulations:
- 59D(4), the charging authority must make payment in respect of the CIL it receives from 1st April to 30th September in any financial year to the local parish, town, or city council by 28th October of that financial year.
 - 59D(5), the charging authority must make payment in respect of the CIL it receives from 1st October to 31st March in any financial year to the local parish, town or city council by 28th April of the following financial year.
- 5.6 The relevant local council can spend these funds on facilities that serve to address the demands that development places on its area. They are obliged to report annually on CIL expenditure to the charging authority. Lichfield District Council expects to receive annual financial reports no later than 31st December following the end of the reporting year.
- 5.7 The local councils should work closely with their neighboring councils and the charging authority to agree on infrastructure spending priorities where appropriate. If the local council shares the priorities of the charging authority, they may agree that the charging authority should retain the neighbourhood funding to spend on that infrastructure. A local council may wish to fund infrastructure outside of its area which supports the development of its area, for example improvements to a school.
- 5.8 If a local council does not spend its neighbourhood CIL within five years of receipt or does not spend it on initiatives that support the development of the area, the charging authority may require it to repay some or all those funds to the charging authority. Local councils that receive neighbourhood CIL will be able to access advice and guidance from officers within the Council's Policy & Strategy team.

Administration

- 5.9 The introduction of CIL and the ongoing operation of the Council's duties as the 'Charging Authority' require significant staff and software resources. In accordance with the CIL Regulations, the Council will utilise 5% of total CIL receipts to finance the expense of administering CIL.

Strategic and Local Infrastructure

- 5.10 CIL receipts remaining after administration, SAC payments and the meaningful proportion paid will go into a centralised pot for the purpose of supporting the delivery of strategic infrastructure. This will be allocated to projects in accordance with the Council's Infrastructure List (IL) within its IFS, which will be reviewed annually by the Strategic Infrastructure Group (SIG) and Overview & Scrutiny Committee prior to approval by Cabinet, in line with the approved CIL governance arrangements.

- 5.11 The 'Infrastructure List' will set out the infrastructure projects or types of infrastructure which the Council intends will be, or may be, wholly or partly funded by CIL. CIL money collected can only be allocated and spent on these types of infrastructure. This Infrastructure List will be prepared having regard to the evidence of infrastructure needs from engagement with infrastructure providers and infrastructure needs identified within the Infrastructure Delivery Plan, Local Plan, and emerging Lichfield 2050 Strategic Plan. It will be continually reviewed to meet the changing needs and aspirations of the Council to support future infrastructure.
- 5.12 Strategic infrastructure refers to facilities or services serving a wide geographical area or population and can relate to part of the district, the whole district or beyond. Local infrastructure is about facilities or services that are essential in meeting day-to-day needs of the population in a specific locality. A detailed definition of Strategic and Local infrastructure can be found in the introduction section of the IDP and includes a definition of the three main categories of infrastructure.
- 5.13 The strategic and local infrastructure for which CIL is payable are identified within the IDP and the IFS. Infrastructure providers that are responsible for projects identified within the Infrastructure List will formally bid for the release of funds from this centralised pot via a formal application process to assist in delivering the infrastructure detailed within the Infrastructure List. The onus will be on applicants to produce strong evidence-based arguments, which will include clear delivery plans for proposed projects along with potential and secured match funding information.

Surcharges

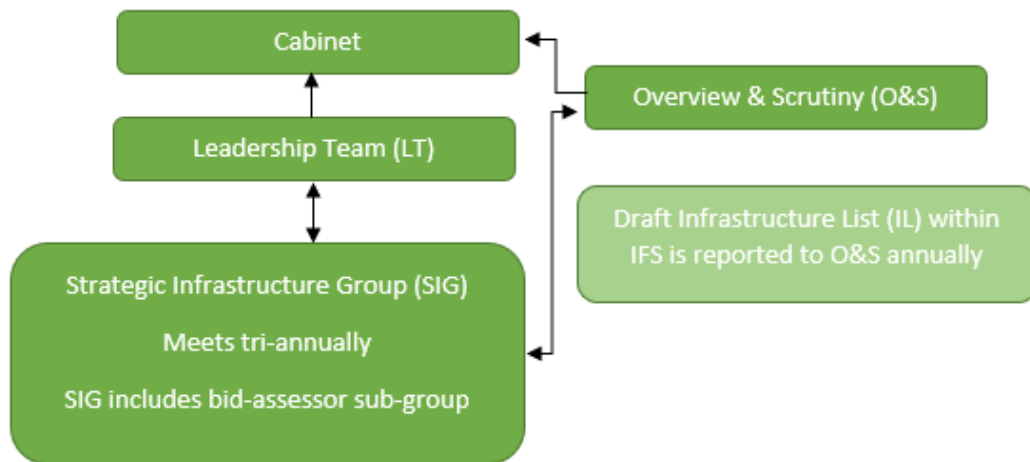
- 5.14 Funding generated through the administration of surcharges (as per the CIL Regulations) will be added to the strategic infrastructure funding pot to be allocated by the Council for the delivery of infrastructure needs.

6. CIL Allocation: Structure

- 6.1 In order for the Council to determine how best to utilise CIL receipts and planning obligations to deliver infrastructure priorities the following governance structure has been put in place. This structure will enable the Council to administer the local and strategic elements of CIL, administer the SAC, neighbourhood CIL and administration related processes and procedures. The detailed arrangements are set in the following paragraphs and shown diagrammatically in Figure 1.
- 6.2 Matters related to CIL are considered firstly by the Strategic Infrastructure Group which meets tri-annually and is made up of officers from a variety of Council services. Officers from the Council's Policy & Strategy team provide the administrative support. Future preparation and revision of CIL policies, procedures and proposals should be transferred to the Strategic Infrastructure Group in consultation with Overview & Scrutiny Committee. Approval of spending discretionary CIL allocations for strategic infrastructure projects and transfer of Neighbourhood CIL, Cannock Chase and River Mease Special Areas of Conservation (SACs) monies should be transferred to the

Cabinet Member for Housing and Local Plan, in conjunction with the Policy & Strategy Manager.

Figure 1: Strategic CIL Governance Arrangements



Cabinet

6.3 Decisions on the allocation of CIL and S106 monies will be made by Cabinet and be informed by the recommendations of SIG. Cabinet will approve the Infrastructure Funding Statement and Infrastructure List (IL) on an annual basis following scrutiny by Overview & Scrutiny.

Overview & Scrutiny Committee

6.4 The annual IL, which will be included within the IFS and set out the projects/types of projects which will be eligible to bid each year, will be presented to Overview & Scrutiny for comment prior to approval by Cabinet. Membership and Chair of Overview and Scrutiny is decided annually at Full Council.

Strategic Infrastructure Group: Role and membership

6.5 All matters related to CIL funding are considered firstly by the SIG. SIG has the following responsibilities/purpose:

- Provide administrative support for the operation of policies and procedures related to CIL and S106 – where required, officers from the Policy & Strategy Team will provide administrative support.
- Act as a forum for infrastructure providers and potential CIL applicants to engage with the council in relation to infrastructure delivery and needs.
- Monitor and review the Infrastructure Funding Statement including the Infrastructure List.
- Consider CIL and S106 funding applications and make recommendations on allocations of monies.

Community Infrastructure Levy Governance Administration Procedures

- Review the effectiveness of current CIL policies and procedures and review where necessary.
- 6.6 SIG will be required to meet three times a year (approx. January, April & October) with further meetings of SIG able to be called with notice.
- 6.7 Within the arrangements for SIG, a sub-group (the Bid Assessor Sub-group) will meet to assess applications for CIL monies following rounds of bidding. The subgroup will assess applications in accordance with the adopted scoring criteria. These assessments are then considered by SIG prior to consideration by Cabinet.
- 6.8 The group will be chaired by the Policy & Strategy Manager. The membership of the group will be at the discretion of the chair, but it is expected that suitable representation will be sought from across relevant Council services, as set out below in Table 1.

Table 1: SIG Membership – Officer Group

Job title	Group role
Policy and Strategy Manager	Chair
Team Leader - Place and Prosperity	Vice Chair
Principal/Senior Policy & Strategy Officers (Place and Prosperity team)	Policy team officer(s) - responsible for the preparation of the local plan, IFS and IDP.
Policy & Strategy Support Officer	CIL reporting and SIG administration
Planning Manager (Development Management) and/or Principal Officer	Officers representing development management service, including the preparation of s106 agreements.
Regulation & Enforcement Manager	Officer representing the regulation and enforcement team
S106 Officer (proposed new post)	Officer responsible for s106 agreements and project monitoring
Operations Manager	Officer representing Parks and Operations team that are allocated s106 monies
Finance Manager/Officer	Officer representing finance to ensure that financial reporting is accurate

Delegated Authority and administrative support

- 6.9 In addition to the above structure there are several related matters where authority has been delegated to the Cabinet Member to:
- Review the CIL Annual Financial Monitoring report and mid-year update in consultation with the Policy & Strategy Manager and report as a briefing paper to Overview and Scrutiny Committee.
 - Approve the transfer of Neighbourhood CIL, Cannock Chase and River Mease Special Areas of Conservation (SACs) monies in consultation with the Policy & Strategy Manager.
- 6.11 The CIL governance arrangements as set out above will be supported by officers within the Policy & Strategy Team. There may be times that other internal officers are invited to assist to inform specific infrastructure discussions.

7. Levy Allocations Process

- 7.1 Lichfield District Council will publish its Infrastructure List within its IFS no later than 31st December following the end of the financial year, setting out which projects or items of infrastructure it intends to fund through CIL. The draft Infrastructure List will be prepared by the Policy & Strategy team in conjunction with SIG, then presented to Overview & Scrutiny for comment, prior to approval by Cabinet.
- 7.2 Infrastructure providers responsible for the delivery of projects on the Infrastructure List will subsequently be invited to express an interest (EOI) in bidding in for these monies using an EOI template available via the Council's website. Inclusion of a project on the Infrastructure List does not guarantee that the project will receive any CIL funding as projects will be subject to allocation criteria as set out within the Council's CIL scoring criteria.
- 7.3 Infrastructure items or projects on the Infrastructure List will then be categorised, to assist the process of prioritisation. This will help distinguish between projects that are critical to enable development, and those that will mitigate the effects of the development compared with those that are important to deliver wider place-making objectives. This assessment criteria will take into account the relevant strategies within the Infrastructure Delivery Plan, Infrastructure Funding Statement, local plan policies and corporate directives of the council. Projects which align with the proposed strategies will be considered as a priority.
- 7.4 In order to assist in the decision making and assessment of whether a proposed funding project meets the relevant criteria, a scoring system to assess a project against the relevant criteria has been developed. The scoring system criteria focuses on three key project areas. These are, evidence of need for the proposed project, evidence of stakeholder support and finance and deliverability. Enhanced weighting is given to projects which align with the Council's Strategic Plan, settlement specific and Neighbourhood Plan policies and the Local Plan which is supported by the IDP and IFS. The IFS, produced on an annual basis, provides a narrative that sets out how developer contributions will be used to deliver plan policies, including an Infrastructure List, setting out the infrastructure items or projects that the Council intends to fund using its CIL and/or S106 receipts.
- 7.5 All allocations of the Council's CIL funds will be made in response to the submission of applications to the Council as Charging Authority and decisions made subsequently by the Council as to whether the project can receive CIL funding. Applications will need to be made in accordance with the adopted CIL allocation and spending guidance and bidding criteria, in conjunction with the CIL Governance procedures.
- 7.6 To ensure the appropriate and timely delivery of projects, conditions will be attached to the allocation of CIL funding from the centralised pot to a specific infrastructure requirement and project. The infrastructure provider who has secured CIL from the centralised pot will be required to enter into a grant agreement which will confirm the detail of conditions.

- 7.7 The grant agreement will include a commitment to complete monitoring returns to the Council. These returns will form the basis of quarterly monitoring reports to SIG.