

CHORLEY COUNCIL
COMMUNITY INFRASTRUCTURE LEVY
Methodology for Allocation of Infrastructure
Funds
Approved January 2017

Background

This document sets out how collected receipts for community infrastructure levy will be allocated to infrastructure projects on the published Community Infrastructure Levy Regulation 123 list. This process will generally be undertaken annually to fit in with the budget cycle however it could be more frequent depending on the levels of capital collected.

This process will only be used to allocate collected receipts. No decisions are to be made regarding invoiced but not collected CIL or forecasted income.

The Community Infrastructure Regulations 2010 (as amended) restrict the use of planning obligations where there have been 5 or more obligations in respect of a specific infrastructure project or type of infrastructure entered into on or after 6 April 2010.

The Regulations (paragraph 123) provide for a charging authority to set out a list of projects or types of infrastructure that the levy is intended to fund, and this is referred to as the 'Regulation 123 List'.

The purpose of the Regulation 123 List is to ensure clarity on what CIL might be spent on and there is no duplication ('double dipping') between CIL and S106 agreements in funding the same infrastructure projects.

A CIL charging authority is expected to publish a list of infrastructure that it intends will benefit from CIL on its website. The Council can review this list at least once a year as part of its monitoring of CIL collection and expenditure.

The inclusion of a project or type of infrastructure in this list does not signify a commitment from the Council to fund either in whole or in part the listed project or type of infrastructure through CIL. Nor does the order of the table imply any order of preference or weighting of one project as opposed to another.

The principles by which the council will allocate CIL receipts to infrastructure are

- Strategic priority
- Deliverability
- % match funding

This document sets out the methodology which will be used to collate essential data necessary to assess each scheme however the council reserves the right to exercise its discretion in making decisions whilst always acting reasonably.

Procedure

The regulations set out the methodology for how monies collected from the CIL are to be distributed as illustrated in the table below.

Purpose of Funding	% Allocated
Administration	5% of all receipts
Neighbourhood area portion	15% of CIL collected within that area capped at £100 per dwelling
*Neighbourhood area where there is a neighbourhood plan in place (25%)	25% of CIL collected within that area uncapped.
CIL Infrastructure	Remaining CIL receipts collected for the financial year.

Step one Identifying Available CIL Monies for Infrastructure

A full breakdown of the CIL receipts collected for the previous financial year along with the distribution of those monies is published in the Annual CIL Monitoring report published each December.

This is the first step in carving up the CIL monies and establishing the total amount of CIL available to be allocated to the CIL 123 Infrastructure Projects,

Step Two: Assessing CIL 123 Infrastructure Projects

The projects specified on the CIL Regulation 123 List are strategic, long term schemes which can require significant lead in times in order to secure the necessary funding, resourcing and decision making processes are in place. Therefore at any one time, some of these projects will be more deliverable than others.

The second step in identifying which schemes are recommended for an allocation of CIL is a desktop gathering exercise.

The infrastructure projects are led by a range of statutory authorities and infrastructure providers and therefore this data collection form will be sent to the appropriate bodies for completion and return to Chorley Council.

Upon return of the data sheets for each project, the information will be collated and scored in accordance with the following criteria illustrated in the table below.

	Criteria	Pass/Fail	Desirable	Example Evidence Upon Request
1	Strategic Priority	✓		Referenced in a published corporate document or masterplan
2	Timeline for Delivery(start and end)	✓		Detailed project plan or timeline demonstrating project is feasible
3	Total Cost £	✓		High Level Budget
4	Match funding secured to date (£)	✓		Details of budget gap
5	Contribution from CIL sought (if known)£	✓		Details of the budget gap and confirmation no other capital source can be identified.
6	Included within the local plan		✓	Referenced published Chorley Local Plan

Any scheme not achieving a pass in any of the essential criteria will automatically fail to progress to stage 3 as these are considered not to be deliverable at this time. For as long as a scheme remains on the CIL 123 list, it will continually be assessed annually for an allocation of CIL.

If a project has been completed or is no longer being pursued and remains on the CIL 123 list, for the purpose of this exercise it will simply be omitted from the assessment and accounted for in the next review of the CIL 123 List.

If a project is not included within the local plan, officers will need to verify that the proposal is policy compliant and does not contravene either Chorley Council's Local Plan or associated Central

Lancashire Core Strategy and SPDs. Information may be followed up from the lead authority to demonstrate that the project is acceptable in planning terms.

Projects need to be identified to start within the following financial year to be considered. This start does not have to be an actual start on site but it must be clear in any evidence requested that there is a clear project plan which illustrates the need for preparatory work to commence. CIL monies cannot be used to pay for the design of infrastructure.

In the event that a formal decision of the start date is subject to confirmation of CIL funding, this is acceptable however payment of any CIL monies will only be made upon written confirmation of that start date with evidence of the formal approval within the organisation, statutory body etc.

Step Three: Ranking of Schemes According to Financial standing

Projects which have passed in all the essential criteria will then be assessed based on their financial standing and ranked according to *deliverability*. This ranking will be based on the amount of gap funding required, as a % of the total project cost required to enable the project to be delivered, starting with the smallest % first. For example,

Project A-total cost of £800,000
 Capital secured to date £700,000
 CIL contribution sought £100,000 (12.5%)

Project B-Total cost £5M
 Capital secured to date £1.25M
 CIL Contribution sought £3.75 (75%)

Project C- total cost £5M
 Capital secured to date £4.5M
 CIL contribution sought £500,000.(10%)

Project D –total cost £3M
 Capital secured to date £2.5M
 CIL contribution sought £2.5M (50%)

The Council will only allocate CIL where there is sufficient CIL available to provide 100% of the funding sought. The Council will not allocate a fraction of the CIL contribution sought as this may still mean that the scheme is not immediately deliverable. This will not negate the scheme from being reconsidered for CIL monies in future rounds. Project costs and finance information can be reviewed and updated at any time prior to the CIL allocation process.

The projects are ranked as illustrated in the table below.

Infrastructure Scheme	Funding Secured	Funding Required	Scheme Start if Capital Secured	CIL Contribution Recommended
Project C	£4.5M	£500,000	2017/18	£500,00
Project A	£700,00	£100,00	2017/18	£100,000
Project D	£2.5M	£2.5M	2017/18	NIL
Project B	£1.25M	£3.75M	2017/18	NIL

Step Four

The final step will consist of a series of recommendations to Executive Cabinet for approval which will include a summary of the projects and what they will deliver. This will be provided along with confirmation of the total CIL funding for infrastructure. It is not necessary for all the monies to be allocated in the cycle; some may simply roll over for allocation in the next round.

The information to be provided will include the following:

Infrastructure Project	Lead Authority	What the Project will deliver	Capital Secured	Start and complete Dates	Recommended CIL allocation
<i>Project C</i>	<i>CBC</i>	<i>XXX</i>	<i>£4.5M</i>	<i>March 2017</i>	<i>£500,00</i>
<i>Project A</i>	<i>LCC</i>	<i>XXX</i>	<i>£700,000</i>	<i>April 2017</i>	<i>£100,000</i>
Total Allocation of CIL					£600,000

Step Five

Upon the allocation of the monies to schemes, this will be presented to Council as part of the budget cycle and the successful accountable body (where it is not Chorley Council) will be formally notified of the allocation.

Information regarding the allocation of CIL funds will be published in the annual CIL monitoring report.