



CABINET

Tuesday 7 January 2020

INFRASTRUCTURE TEAM SERVICE IMPROVEMENTS AND CIL SPENDING STRATEGY

EXECUTIVE SUMMARY

1. Developer Contributions, namely Community infrastructure Levy (CIL), Section 106 (s106) Agreements and Recreational Avoidance Mitigation Strategy (RAMS - Habitats Mitigation) payments are ways in which the council collects contributions for the provision of infrastructure and mitigation of the impact of development in our area. These are an expanding area of the Planning service's responsibilities and are now managed under the service's new Major Sites and Infrastructure Team. The Council retains 5% of CIL collected to cover its administration and further monitoring and pre-application charges are being explored to cover the service. The majority of housing development now requires CIL to be paid and where it is liable it still requires a process of administration. The pot of CIL the Council holds (District CIL) has now reached £13m and this increases the need for a new evidence led strategy to spend this on the necessary infrastructure across the District.
2. This report seeks approval of additional staffing resource for the team to undertake two key tasks; the implementation of new software (Exacom) to manage these contributions and provide greater public transparency, and; the implementation of a new CIL Spending Strategy informed by collection and priorities spending needs, including increased support for the spending of Neighbourhood CIL (NCIL).
3. The government has recently introduced new CIL legislation which provides for greater transparency around the recording and reporting of developer contributions for CIL and s106, including how it is spent. The Council is committed to embracing digital technology to improve service delivery for a wide range of internal teams and external stakeholders. The Ministry of Housing Communities and Local Government (MHCLG) has been looking at ways to obtain data on developer contributions (CIL and s106) from local authorities. The recent changes to the CIL Regulations have introduced a data standard and the requirement for an annual Infrastructure Funding Statement for developer contributions that requires information to be recorded, presented and shared in a set format.
4. The introduction of Exacom can be actioned as part of our existing Idox planning software contract and as an additional function, this physical introduction of software does not need to be a decision made by Cabinet. However, the implementation of Exacom will require

additional staffing resource to undertake data entry. Furthermore, an existing support position in the team, as a temporary secondment has proven essential to efficient CIL collection and it will be necessary to create a permanent CIL and s106 Support Officer post to ensure that CIL and s106 Officers can effectively manage both Exacom and the new CIL Spending Strategy.

5. A Public Facing Module (PFM) is included in the Exacom package, a 'bolt on' to the back-office system, which provides the interactive database for customer (public) access to developer contribution data. An example of this, having recently been implemented at Babergh and Mid Suffolk District Councils can be seen here: <http://pfm.exacom.co.uk/midsuffolkbabergh/cil.php> Those authorities not using Exacom are using a mixture of Excel spreadsheets and Access Databases.
6. In terms of the new CIL Spending Strategy, a draft strategy has been produced and is provided for approval as Appendix A of this report. The strategy is based on an evidence led approach, to be informed first of all by plan-led infrastructure spending priorities to ensure that the Infrastructure recognised in the Local Plans and Neighbourhood Plans is delivered. This will also be guided primarily by the infrastructure delivery timings of key infrastructure providers e.g. County Education Authority, Highway Authority and the NHS. Opportunities for other groups and bodies to bid will still exist but they will be assessed under a structured approach based on the links it has to growth, level of priority and benefits.

Is the report Open or Exempt?	Open
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Wards Affected:	All
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Cabinet Member:	Councillor David Ritchie Cabinet Member with responsibility for Planning and Coastal Management
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Supporting Officers:	Ben Woolnough Major Sites and Infrastructure Manager 01394 444 593 Ben.woolnough@eastssuffolk.gov.uk Nicola Parrish Infrastructure Delivery Manager 01502 523057 Nicola.parrish@eastssuffolk.gov.uk
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1 INTRODUCTION

CIL - Current Position

- 1.1 The government has recently introduced new CIL legislation which provides for greater transparency around the recording and reporting of developer contributions for CIL and s106, including how it is spent.
- 1.2 The recent changes to the CIL Regulations have introduced a data standard and the requirement for an annual Infrastructure Funding Statement for developer contributions that requires information to be recorded, presented and shared in a set format.
- 1.3 With the adopted Waveney Local Plan and the emerging Suffolk Coastal Local Plan, the development of East Suffolk as a single District Council and changes in legislation it has been recognised that resources were required to develop a new team as part of the Planning Policy and Delivery Team to focus on the collection of developer contributions, the consideration and delivery of major sites and the delivery of the right infrastructure, in the right place and at the right time.
- 1.4 East Suffolk currently utilise the Uniform program and spreadsheets to manage CIL. The benefits of this are that other teams and users of Uniform are able to look for CIL data and understand the position on a case, but in terms of financial management and reporting for CIL this is entirely managed through spreadsheets and is always approximately a minimum of 1 month in arrears with information being verified via the Finance Team. Dealing with phone calls and providing information on the CIL financial position is inefficient. Meeting statutory targets to make Neighbourhood CIL payments is prolonged through this being an entirely manual process. Understanding the position of CIL, in terms of funds which should be prioritised to provide infrastructure that makes the development sustainable, is not an activity which has been given attention. It must be given priority to ensure that CIL Spending is appropriate and will ensure delivery of the infrastructure within the Infrastructure Delivery Frameworks and that infrastructure which makes the proposed developments sustainable in planning terms.
- 1.5 The total CIL Liability Notices issued to date comes to approximately £35m and the council has collected approximately £13m (to 31 October 2019). Of the collected CIL Funds, the Council has distributed £1.9m in Neighbourhood CIL and has allocated £2.4m to local projects. Going forward the CIL Collected against liabilities of consented development may not be as high as this initial liability position, however all CIL liability needs to be managed. This includes dealing with self build exemption and other relief and circumstances which reduce CIL liability.
- 1.6 Calculating CIL and allocating the statutory splits of CIL, including making the Neighbourhood CIL payments, is a manual process that is supported through the use of Excel and formulae. Plan measuring has only recently utilised latest software to maximise and benefit from evidence based electronic measuring techniques.
- 1.7 Recent changes in legislation effective from 1 September 2019 will increase the level of surcharges applied, will change the approach to inflation indexation, require information to be recorded and reported in a certain way and add further complexity.
- 1.8 Currently resources are focussed on CIL collection and achieving signed s106 legal agreements that are linked with approved developments. There are limited opportunities

for the team to undertake proactive monitoring of commencements, management of debt recovery and the allocation and spending of CIL.

- 1.9 When a house is being sold/purchased solicitors are required to do various land charges searches. A Con 29 search, which is a paid for service, provides specific information in relation to CIL and any CIL Notices that may be relevant to the property. Con 29 search data and responses are provided through the Land Charges Team, but currently the data to support this is collated manually by the Infrastructure Team, and this process is time consuming.
- 1.10 Currently Liability Notices and Demand Notices and other CIL documentation and communications are manually produced. These are scanned in and held on Information@Work.
- 1.11 The statutory CIL admin fee (5% of CIL received) is currently spent on a planning service wide basis. The intention is for the Infrastructure Team to be largely funded through the CIL admin receipts so that this directly correlates to the work undertaken within the team. This will be further enhanced by reinstatement of the s106 monitoring fees as soon a funding structure for these is established, together with pre-app fees for CIL and a portion of the legal fees where agreements are drafted by the CIL and s106 Officers.

S106 – Current Position

- 1.12 East Suffolk currently utilise a system called Dataflex to manage s106 Agreements. The data however is held on two separate databases for Suffolk Coastal and Waveney data. The system has never been comprehensively populated or fully utilised in terms of recording and monitoring individual obligations and it is now very old and no longer supported by IT. The system doesn't record a lot of the data that would be required to respond to s106 FOI and EIR enquiries or to provide government statistical returns. Even without Exacom additional resources will be required next year to provide extensive developer contribution data for the government that complies with the latest data standard.
- 1.13 FOI and EIR requests related to s106 have increased recently and further impact on the resources within the Infrastructure Team as these are time consuming to gather the data to report back. Some which may be generated by the press or for research purposes may find a simple self-service response from other authorities with a public facing database, whilst it may take several hours for East Suffolk officers to produce a response and in some cases multiple days.
- 1.14 Since there is not a comprehensive system that manages s106 agreements this means responding to Solicitors enquires (made as part of conveyancing for house purchases) is time consuming, manually intensive and creates a further demand on team resource.
- 1.15 Currently most s106 agreements are redacted and scanned into the 'Information@Work' system, however, s52 agreements which pre date 1990 have not been scanned in. Whilst a copy of the agreement can be seen or downloaded, this does not provide an immediate compliance picture which then has to be manually established and reported to any enquirers. Enquiries occur frequently via conveyancing solicitors, private enquirers and researchers.
- 1.16 Those historic agreements that are scanned in and redacted have not been redacted in compliance with the latest GDPR requirements (signatures and initials data is still

viewable). They are also very large files which are not easy to search and extract detail from.

- 1.17 Where solicitors' enquiries relate to a s52 agreement this means that the original deed must be obtained, and a copy taken and then it must be reviewed in order to ascertain the compliance position. This is currently a time-consuming task for a CIL and s106 Officer to action.

2 SERVICE IMPROVEMENTS

- 2.1 As part of the requirements of an annual Infrastructure Funding Statement it will be necessary for the council to accurately report on how has spent and how it intends to spend the CIL it collects each year. This places a greater emphasis on the council demonstrating that the 5% of CIL that it collects for administration of CIL is spent on that purpose. The best use of CIL admin funds is to demonstrate that it is being used to make the service more efficient and better placed to resource the substantial infrastructure needs that CIL must fund over future years. In 2018/19 the 5% CIL retained by the former councils amounted to £231K. This new requirement will draw together the need to comprehensively improve the way that the Council reports on CIL and s106 income and expenditure, and how it intends to spend the District CIL funds to deliver essential infrastructure. This requirement and expanding demands of managing CIL and s106 increases the need for expanded resource in the team and a clear strategy for the service.
- 2.2 Critical in this is the introduction of a comprehensive public facing database to manage CIL and s106. The Uniform Planning system is not able to be used effectively for monitoring compliance and issuing developer contribution notices, nor can it be used to manage CIL spending. The software company, IDOX, who own the Uniform software, recommend using the Exacom software to manage developer contributions and they have developed a "connector" interface which allows data to be shared across systems that can be linked to Exacom (so data is shared between Planning, Land Charges, Building Control, Finance and the Infrastructure Team). This software is being installed within the Idox suite of functions as an expansion of the existing package and therefore is not subject to a new procurement process.
- 2.3 The Finance Team are looking at updating the current Navision finance package and are keen to encourage data sharing between the Exacom system and the Capita payments system and Navision. This should offer efficiencies for both Finance and Infrastructure Teams (reducing reconciliation burdens, speeding up the reconciliation process and being able to provide customers with accurate current data). Furthermore, there may be other opportunities to maximise investment opportunities when larger sums of CIL are received.
- 2.4 A pre-application service is currently not available for advice on CIL and at present the lack of a system for estimating CIL and the impact of exemptions and relief cannot be delivered within current resources. This is a lost opportunity for the service to better fund the resources it puts into advising the public and developers.
- 2.5 A review of s106 and CIL cases has identified a need to give extra attention to compliance with GDPR particularly with data being more publicly accessible.
- 2.6 The newly formed Infrastructure Team has 3 part time CIL and s106 Officer posts and a seconded (temporary) full time Support Officer post, plus the Infrastructure Delivery Manager post (FT). Once the secondment ends (February 2020) the administration of the

current CIL collection process would compromise the ability for officers to implement Exacom and the new CIL spending strategy.

- 2.7 Customers and key stakeholders (as identified in *Appendix A*) are not able to see current information on the levels of CIL income and expenditure, including amounts due and amounts allocated to parish councils (Neighbourhood CIL) and the amount of funding currently held and allocated By the council on approved infrastructure projects. There is no transparency and limited information available to the public in relation to CIL income and Expenditure. Importantly parish councils cannot presently plan for how much Neighbourhood CIL they are set to receive.
- 2.8 Customers are not able to 'self-serve' and access information for themselves other than searching and viewing documents via the planning portal on an individual basis. Some of this information in terms of CIL is restricted (GDPR) and provision of it should be via a paid for land charges search. FOI and EIR requests further impact on the resources within the Infrastructure Team as these are time consuming to gather the data to report back.
- 2.9 Management are not able to readily view the current financial position of CIL without manoeuvring around spreadsheets and totalling various balances. Furthermore, the financial position is reconciled in arrears and so there is a minimum of a 28-day time lag between the point at which the financial position is clarified and the verification of daily transactions.
- 2.10 New legislative requirements will mean the whole area of developer contributions recording will require improvement and enhancing and this will include revision of webpages and the way data is reported on all developer contributions.
- 2.11 All of this improvement will create a far superior evidence base to inform how CIL is spent and how we can effectively enable delivery of infrastructure projects of varying scales through both District CIL and Neighbourhood CIL. It will allow contributions which are due to paid to be tracked and planned for further in advance than is currently the case. It will also make it much easier to identify where developments are building out to predict the infrastructure demands to fund relevant infrastructure in coordination with the uplift in populations in each area.
- 2.12 The proposed system and service improvements are considered an essential part of the CIL spend strategy. The reorganisation of CIL collection and spend into a single team also enables CIL and s106 Officers to take greater ownership of the whole CIL process and will ensure a more joined up approach to collection and spend, with a swifter transfer of funds to town and parish councils for Neighbourhood CIL and infrastructure providers where the District CIL fund delivers infrastructure projects

IMPACT ON OPERATIONS

- 2.13 Additional resource would be required to deliver a fully operational digital system (Exacom) and this would also include resources to ensure that s106 and s52 deeds have been scanned in and appropriately redacted to comply with GDPR legislation and that back data for both s106 and CIL has been entered into the modules and fully reconciled before the Exacom PFM could be switched on and the efficiencies across a number of teams gained from this part of the project.
- 2.14 Early in the implementation of Exacom, a decision should be made as to whether it would be appropriate and cost effective for s52 (pre 1990) agreements to be populated into the

new system. It may also be appropriate to work backwards in inputting s106 agreements or focus on the larger ones first.

- 2.15 Opportunities may exist to utilise current in-house scanning resources to support the GDPR compliance part of this project with potential for the staff to also input data. Opportunities may also exist to utilise Planning Apprentices to support part of the project.
- 2.16 Resource would be required within the Affordable Housing Team to ensure that affordable housing data was input and then maintained as an ongoing arrangement as developments are approved, moving forwards. In the long term this will be of substantial benefit to the housing team for monitoring s106 affordable housing obligations.
- 2.17 Resource would be required from Finance to ensure that the Exacom system can share data effectively with Capita income systems and the main financial system for financial reporting. In the long term this will be of substantial benefit to the finance team and reduce work required in invoicing for CIL and processing collections.
- 2.18 The ICT Team will need to commit a project manager to this software implementation and have already scoped the project and appraised the requirements for its implementation. There is existing ICT resource to support this project.
- 2.19 The Infrastructure Team (and other employees providing support for data input and financial verification) would be trained in populating and utilising any new systems. Opportunities already exist as the newly appointed Infrastructure Delivery Manager has worked for two pilot authorities implementing Exacom, s106, Projects and PFM Modules. They have also worked closely with both the software suppliers and Ministry of Housing, Communities and Local Government (MHCLG), looking at the new data standard for developer contributions and understanding the future direction in terms of data which MHCLG will require from local government. In fact, the data standard for Developer Contributions is now published and the requirement to provide the information in this format is built into the legislative guidance. Previous experience exists within the team for data recording and transfer of data and of s106 records, however capacity among officers is very limited for extensive data and information entry.
- 2.20 Some data may be electronically transferred utilising the Uniform Connector, if there are skills within the ICT department that can support development of this at the front of the project. Early test to test environment can establish how this can operate.
- 2.21 In order to make most effective use of existing skilled CIL and s106 Officers undertaking day-to-day CIL collection and spending duties, it will be necessary to temporarily expand the team to build and populate the Exacom database. It is therefore proposed to create two fixed term (2 years) full time posts as CIL and s106 Data Entry Officers. These two posts should be up to Band 3 to ensure that individuals could be recruited with adequate data entry skills and the ability to independently interrogate documents for the essential details including financial records. It is unlikely that the two posts would be required beyond the two-year period unless implementation suffers from unexpected delays or a further change in legislation.
- 2.22 The combined cost of the two temporary positions for two years would be a short-term total cost of £111k. The new permanent position would have an additional cost of £28.5k per annum. The permanent post has to be considered over the Medium-Term Financial Strategy (MTFS)

period (current financial year, plus next three years) as a cumulative total and this amounts to £114k. Funding of these posts is covered further into the report.

2.23 Implementation of a new developer contributions database with a public facing module would provide the following opportunities:

- a) A searchable record of 20+ years of legal agreements and the obligations relating to these.
- b) A fully searchable record of CIL transactions and live time data in terms of collection, allocation and where possible expenditure. This will inform better evidence led CIL spending and enable close tracking of infrastructure needs and expected growth in households creating the need to spend CIL effectively.
- c) Data held in an easy to access system which is searchable/viewable online so that stakeholders (Councillors, Parish Councils, Solicitors, Landowners, Developers, County Council and other councils, internal teams and the public) can view progress of receipt of funding and delivery of infrastructure associated with new development in an area.
- d) A system which allows customers to interrogate the information further and print or save the data for reference at another time.
- e) A system which is current and operates in “real-time” or as close as this can be allowing for the previous days transactions to be included.
- f) Full transparency of developer contributions finance in line with the Governments Transparency Agenda.
- g) A one stop shop – data can be recorded here for Affordable Housing delivery – which units, what tenure and status making it possible to run reports for statistical reporting and monitoring.
- h) Financial reconciliation is faster and less resource intensive and the requirement to raise separate invoices for CIL and s106 would be removed.
- i) Responses to a Con 29 land charges search will be electronically provided at the push of a button – this would benefit resources within both the Land Charges Team and the Infrastructure Team.
- j) Data will be presented in line with the governments new data standard for developer contributions and will complement the production of the annual Infrastructure Funding Statement.

2.24 Introduction of Exacom and the draft CIL Spending Strategy will create the following efficiencies:

- a) Faster response times for enquiries from solicitors with an eventual move to self-service for this information.
- b) The ability to share data across several teams without having to log out of and maintain different spreadsheets or limp along using obsolete systems.
- c) A single point of information of developer contributions for all stakeholders.
- d) Self-service for Councillors, Parish Councils and other stakeholders wanting to know how much Community Infrastructure Levy (CIL) or s106 funding is available (so a reduction in these enquiries).
- e) Self-service for any FOI/EIR and solicitors enquiries relating to developer contributions transactions and compliance.
- f) Wider efficiencies could be gained by providing the service across several local government organisations or geographical areas (future benefits/alignment).
- g) Real time data and the ability to support customers immediately with relevant information to hand.

- h) A quicker and clearer understanding of the financial position regarding District CIL income relating to specific sites and areas to enable timely planning and delivery of infrastructure – for example, understanding the number of sites commenced in a school or GP surgery catchment area.
- i) A clearer understanding of the amount of Neighbourhood CIL allocated and spent across the parish or area to support collaborative project delivery – e.g. for health, education, opens space, play, etc.
- j) Evidence of spend and allocation to deliver infrastructure projects. Customers can see what infrastructure is being delivered and how this is being paid for through CIL.

A snapshot review of some actions undertaken by the team in the past month, which would no longer be necessary with Exacom is provided:

Activity	Average monthly time spent in last month
FOI and EIR requests	6 hours
Solicitors Enquiries (s106)	12 hours (depending on if a housing provider is selling off stock)
Neighbourhood CIL Enquiries	4 hours – can be more at NCIL payment periods
District CIL Enquiries	5 hours
Internal s106 Enquiries	3 hours
CON 29 searches	3 hours
Other – time spent calculating interest, surcharges, writing Liability Notices, Demand Notices and other CIL Notices, indexing, making NCIL Parish Payments, CIL Debt recovery, searching receipt of CIL monies, etc Including time spent by other Teams such as Land Charges, Finance, Housing, etc	Average of 12 hours
Potential monthly saving	45 hours

2.25 The proposals contained in this report should deliver the following benefits for the Council and our customers:

- a) One system; fully reconciled, fully transparent.
- b) Electronic transfer of data between systems, reducing data input time and error (Uniform (Planning Applications), TLC (Land Charges) and NAVISION (Finance).
- c) Real time data reporting – data on the Public Facing Module (PFM) is no more than 24 hours old.
- d) Able to view and present data at a number of levels – parish, ward, former district, district and community area (where possible to develop).
- e) Faster decision-making.

- f) Effective monitoring through monitoring and reporting tools.
- g) CIL and s106 records uploaded to the cloud.
- h) GDPR compliance for Developer Contributions.
- i) Electronic reporting on specific areas - e.g. for RAMS and Affordable Housing.
- j) More effective support for customers/stakeholders.
- k) Futureproofing for further legislative changes and MHCLG data reporting requirements.
- l) Delivery of the right infrastructure in the right place and at the right time.
- m) Reduced risk of non-delivery of critical and essential infrastructure.
- n) Plan/growth led infrastructure delivery programme relating to evidenced need.
- o) Increase in collaborative spending for infrastructure.
- p) One stop shop for information on developer contributions.
- q) Data complies with latest data standards and can be shared electronically.
- r) Closer working with statutory bodies and other infrastructure delivery partners to ensure infrastructure projects are understood, fully costed and deliverable before District CIL is applied for.
- s) Obtaining best value for CIL funded projects and ensuring this is affordable from CIL Funds.

2.26 In not undertaking the recommendations of this report the following could result in the following risks:

- a) The benefits of utilising technology are not realised/resources are not used efficiently or effectively.
- b) Failure to meet the council's digital transformation objectives; the governments transparency agenda and information reporting requirements moving forwards.
- c) Failure to effectively allocate and spend CIL or s106 funds such that if we do not secure investment in infrastructure (schools, health, broadband, transport etc.), then development is stifled and/or unsustainable. This includes the subsequent risk of having to return s106 funds not spent within required deadlines.
- d) Failure to monitor development such that CIL and s106 contributions are not collected in a timely manner.
- e) Failure to monitor development such that CIL is not collected in a timely manner.
- f) Failure to monitor expenditure such that CIL or s106 expenditure is not effective.
- g) Failure to comply with legislative requirements through not realising the benefits of technology and reducing the risk of errors and inadequate data management.
- h) Failure to deliver a developer contributions service through inadequate resourcing and lack of service improvements.
- i) Risk to loss of data held in obsolete and unsupported systems.
- j) Risk of errors, incorrect data and inaccurate reporting – wasted resources correcting information and dealing with potential complaints. Subsequent risk of damage to reputation.
- k) Non-compliance of GDPR and CIL legislation.

3 HOW DOES THIS RELATE TO THE EAST SUFFOLK BUSINESS PLAN?

3.1 The project would meet the following council objectives:

Enabling Communities – Communities will be able to see the amount of Neighbourhood CIL funding allocated to them and expected to be received within the next two years and can

plan to deliver local projects that support vibrant and healthy communities – e.g. sporting and recreational facilities, village halls, open space, etc. Communities will be able to better understand the developer contribution benefits materialising from growth and what this has/may deliver in infrastructure. Better and more efficient infrastructure delivery will be achieved through better management.

Economic Growth - Communities will be able to see where homes are being approved for development, the infrastructure funding this will bring and the infrastructure which will be delivered to support the growth. CIL funds will be spent more efficiently where it can have the greatest benefit.

Financial Self Sufficiency – Utilising technology frees up valuable resource and allows key tasks to be delivered that otherwise are not actioned. It also allows for focus on delivery of infrastructure and support for community project development with alignment of other funding streams and opportunities to gain more collaborative funding, e.g. crowd funding. Being able to maximise investment opportunity of CIL funds. By providing a web-based solution that supports internal teams to provide their service and externally provides transparency of developer contribution income and spend data for a wide range of stakeholders. The improved process will ensure better use of 5% retained admin CIL and ensure it is invested back into the Infrastructure team effectively.

4 FINANCIAL AND GOVERNANCE IMPLICATIONS

- 4.1 The cost of the Exacom software and its annual licence can be met within the existing IT budget and as an expansion of our existing contract with Idox it is not subject to any procurement requirements or decision making on its introduction. The cost of the software and licence are modest and easily addressed within the 5% of CIL which is reserved for administration of the service.

Over the past 3.5 years the 5% CIL admin retained by the Council (s) has amounted to:

2016/17	£66,316
2017/18	£146,644
2018/19	£231,522
2019 to 30 Sept	£160,110

- 4.2 The actual set up cost is the that of time and resource to populate Exacom with the data and information from historic s106 agreements and CIL collected and spent over the past 6 years. This is therefore reflected in the cost of the two 2-year data entry officer positions and the conversion of a current secondment position into a permanent position. As it is anticipated that the project could be completed within 2 years the cost of the three positions over that period amounts to £139,500.
- 4.3 As mentioned, it is a requirement for the Council to retain 5% of CIL collected to spend on the administration of CIL. This includes its collection, spending, administration of Neighbourhood CIL, enforcement and the CIL charging examination process. Previously the use of this 5% amount has not been itemised against elements of the service. From the 2020/21 financial year this amount will be itemised against the specific work and costs of the CIL team with an intention of demonstrating a largely self-funded operation. This may

also be supplemented by potential future CIL pre-application charging and s106 monitoring and administration fees.

- 4.4 The use of the 5% CIL admin funding must be reported in the first Infrastructure Funding Statement (IFS) in December 2020 and this will be produced and agreed by the CIL Spending Working Group. The IFS would then be reported annually to Cabinet and the Local Plan Working Group for information.

5 OTHER KEY ISSUES

- 5.1 This report has been prepared having considered the results of an Equality Impact Assessment EQIA163077948. No further actions are required.

6 CONSULTATION

- 6.1 No consultation has been necessary for this recommendation.

7 OTHER OPTIONS CONSIDERED

In respect of the implementation of Exacom

- 7.1 Do Nothing - This would involve no purchase costs of system, which has already recognised is of limited effect. Staffing savings would be made but additional expense incurred in the long term through unnecessary tasks being performed manually to achieve the same outcomes as Exacom. Also see above section on risks.
- 7.2 Introduce Exacom without any additional staffing resource - This would considerably impact on existing officer time. It would result in a compromised CIL service, poor customer service, lost CIL through possible mistakes and limited resource to undertake recovery of unpaid CIL. Full roll out of CIL would take longer and result in inadequate reporting of CIL collection and spend.

In Respect of the CIL Spending Strategy

- 7.3 Do Nothing – This would require the previous process to continue, utilising Local Plan Working Group and a case-by-case basis of reviewing bids for CIL. This would be more time consuming and risks CIL being spent on less essential infrastructure and without a full evidence-based picture of infrastructure needs and cost. It may result in a shortfall in CIL to spend on larger future essential projects.
- 7.4 Undertake improvements to the spending strategy but operate on a bid led basis. Therefore, only confirming/ringfencing spend when bids are received. This would fail to demonstrate a good management of CIL funds and would provide less confidence that CIL will enable infrastructure recognised as being required at Local Plan and planning application stages.

8 REASON FOR RECOMMENDATION

- 8.1 The content of this report and recommendations demonstrate how the recently formed Major Sites and Infrastructure Team has performed on the recommendations for its formation to Full Council in November 2018 to deliver a comprehensive improvement to the way in which the growth and infrastructure needs of the District and its communities can be addressed. The improved management of developer contributions by the Infrastructure arm of the team has already commenced allowing an increasing workload and expanding CIL collection and spend to be efficiently addressed. This will be further improved and maximised through the digital enhancements provided by Exacom, including

greater transparency, and additional team resources will allow efficient roll out to meet public and government expectations. The draft CIL spending strategy will ensure that the CIL held and collected over future years will be spent where it is most required in order to deliver infrastructure projects to best support planned growth. This will therefore achieve the sustainable development objectives which underpin our Local Plans.

RECOMMENDATIONS

1. That the introduction of the Exacom software be noted and that the staffing resource required to implement the Exacom project and service improvements over a two-year period (as set out at paragraph 2.22) be agreed.
2. That the Draft CIL Spending Strategy and Terms of Reference for the CIL Spending Working Group be agreed, to enable the governance of spending District CIL funds and receive recommendations for the projects to be funded and reported in the annual Infrastructure Funding Statement.

APPENDICES

Appendix A	Draft CIL Spending Strategy
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BACKGROUND PAPERS - None