



**FULL COUNCIL**  
**Wednesday, 27 September 2023**

<b>Subject</b>	CIL Reporting and Governance
<b>Cabinet Member</b>	Councillor Kay Yule Cabinet Member with responsibility for Planning and Coastal Management
<b>Report Author(s)</b>	Nicola Parrish Infrastructure Delivery Manager <a href="mailto:Nicola.parrish@eastsoffolk.gov.uk">Nicola.parrish@eastsoffolk.gov.uk</a>  Ben Woolnough Planning Manager (Development Management) <a href="mailto:ben.woolnough@eastsoffolk.gov.uk">ben.woolnough@eastsoffolk.gov.uk</a>
<b>Head of Service</b>	Phillip Ridley Head of Planning and Coastal Management <a href="mailto:Philip.Ridley@eastsoffolk.gov.uk">Philip.Ridley@eastsoffolk.gov.uk</a>
<b>Director</b>	Nick Khan Strategic Director <a href="mailto:Nick.Khan@eastsoffolk.gov.uk">Nick.Khan@eastsoffolk.gov.uk</a>

Is the report Open or Exempt?	OPEN
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Category of Exempt Information and reason why it is <b>NOT</b> in the public interest to disclose the exempt information.	Not applicable
<b>Wards Affected:</b>	All Wards

## Purpose and high-level overview

### **Purpose of Report:**

Councillors should be aware of the developer contributions received and spent in the East Suffolk Area and should understand the projects that have been provided and supported through CIL Funding, together with proposed projects listed in the Infrastructure List of the Infrastructure Funding Statement (IFS) 2022-23. (**Appendix A – a 3-part document: CIL Report, s106 Report, Infrastructure List**). The Infrastructure Funding Statement is a statutory document which must be produced and published annually by 31 December. This is agreed by Cabinet every autumn before being finalised for publication.

The papers presented with this report include **Appendix B: District CIL Funding 2023-24**. This is a summary of the recently approved and rejected District CIL bids for 2023-24.

The CIL Spending Strategy (**Appendix C**) has been updated to fine tune CIL Spending and ensure East Suffolk continues to operate a good practice governance of CIL. The Strategy includes ongoing review and has been updated to reflect the Councils commitment to spend CIL on infrastructure projects in areas where there are strategic sites that are £0 CIL rated.

These papers assist Councillors (and all stakeholders) to understand how developer contributions are being used, and to consider their individual role in terms of monitoring Neighbourhood CIL spend on local priorities and leading their areas to focus on delivering on local infrastructure priorities. Councillor Training is currently being planned for the Autumn to aid further understanding of CIL and s106 developer contributions.

### **Options:**

Cabinet were provided with these alternative options to the decisions made on 5 September:

Failure to produce and publish the Infrastructure Funding Statement 2022-23 would place the council in breach of the CIL Regulations. There is no alternative option.

Failure to approve the use of CIL Funds to support the delivery infrastructure projects would make planned development unsupported and unsustainable, increasing journeys for services (education, waste, community facilities, etc) to alternative locations, reducing customer support/service. If planned infrastructure projects are not delivered in a timely manner this could make planned housing growth unsustainable and potentially result in refusal of planning permissions in areas where there is insufficient infrastructure to support growth.

Other unintended impacts such as increased fly tipping, poorly educated children, increased risk to health, etc could also be linked to a failure to deliver infrastructure to support growth.

Failure to review and update the CIL Spending Strategy could negatively impact on the Councils good reputation for best practice in this field.

For Councillors, a lack of understanding of this field could prevent opportunities to support Parish Councils to spend Neighbourhood CIL effectively, through focussing on

local priorities and to comply with the spending and reporting legislation within the CIL Regulations 2010 (as amended).

**Recommendation/s:**

That the contents of the developer contributions papers and the updated CIL Spending Strategy approved by Cabinet be noted, to further aid councillors' understanding and knowledge of Developer Contributions.

## Corporate Impact Assessment

**Governance:**

To ensure that best practice and good governance is adopted and applied to the Council's management of developer contributions through implementation and review of the CIL Spending Strategy. The CIL Spending Working Group are responsible for deciding the Local CIL Fund bids and for the review of District CIL Funding bids and for making recommendations to Cabinet for approval of the proposed District CIL Funding allocations. The CIL Spending Working Group also review the content of the Infrastructure Funding Statement, which is set out through Regulation 121A and Schedule 2 of the CIL Regulations 2010 (as amended) and make the recommendation to publish this year's IFS.

**ESC policies and strategies that directly apply to the proposal:**

CIL Spending Strategy

East Suffolk Council - Waveney Local Plan

East Suffolk Council - Suffolk Coastal Local Plan

East Suffolk Council – Leisure Strategy

East Suffolk Strategic Plan Objectives: –

- Economy - Support and Deliver Infrastructure
- Communities - Maximising health, well-being, and safety in our District
- Sustainable – Optimising our financial investment and grant opportunities
- Transformation – Effective use of data
- Environment – Minimise Waste, reuse materials and increase recycling

**Environmental:**

The CIL Funding bid for improvements to the Foxhall household waste recycling centre directly meets the council's Strategic Environmental objectives to minimise waste, reuse materials and increase recycling. Other projects also allow for the expansion of education and provision to support and make our communities healthier and resilient, for example, through the delivery of modern environmentally and energy efficient early years

education buildings, and through leisure, sport, play and open space projects supporting health and wellbeing.

**Equalities and Diversity:**

Environmental Impact Assessment EQIA530872203 has been completed and submitted to the Communities Team for review. There are no identified negative impacts on those with protected characteristics.

**Financial:**

The unallocated District CIL Fund is currently holding approximately £16m (on 31 March 2023), being sufficient available funds to approve the infrastructure projects that are recommended to be either partially or fully funded through District CIL Funding in the 2023 Bid Round. The CIL Spending Working Group are mindful of the impacts of overallocation of District CIL when large, District CIL Funded infrastructure projects are in the pipeline for upcoming years. The Infrastructure Team who manages CIL collection and spend are currently self-funded from CIL Admin receipts. This is dependent on collection levels of CIL and on timely payment of CIL by developers.

**Human Resources:**

The proposals in this report do not have any material Human Resources impacts.

**ICT:**

The Exacom 'live time' developer contributions database is publicly available and continues to be the main back-office management system for developer contributions and the portal through which all stakeholders can understand the potential, due, received, allocated and available CIL Funds, together with details of individual amount received, allocated and spend and details of all District CIL spending.

[East Suffolk PFM - CIL \(exacom.co.uk\)](http://exacom.co.uk)

Currently the Infrastructure Team are adding the historic financial data for s106 to the system in order to fully reconcile the entire developer contribution system to the Council's financial management system. The project will provide an overview of 30+ years of developer contributions history and activities.

Councillors will be provided with training on how to use the public system to understand CIL income and spend and how to view Neighbourhood CIL income, spend and the CIL reporting by parish councils.

**Legal:**

There is a statutory requirement to report on Developer Contributions in line with the CIL Regulations 2010 (as amended) and to spend CIL in accordance with the CIL Regulations

**Risk:**

Failure to produce and publish the Infrastructure Funding Statement 2022-23 would place the Council in breach of the CIL Regulations. There is no alternative option.

Failure to approve the use of CIL Funds to support the delivery infrastructure projects would make planned development unsupported and unsustainable, increasing journeys for services (education, waste, community facilities, etc) to alternative locations, reducing

customer support/service and potentially resulting in refusal of planning permissions in areas where there is insufficient infrastructure to support the planned growth.

Other unintended impacts such as increased fly tipping, poorly educated children, increased risk to health, etc could also be linked to a failure to deliver infrastructure to support growth.

Failure to review and improve governance of developer contributions could result in poor practices and management of funding for infrastructure.

**External Consultees:**

Statutory consultees are met with regularly to discuss the delivery of new homes across East Suffolk and the impacts on services such as Education, Health, Waste, Emergency Services and Highways. The infrastructure List is review regularly in order to update priorities and to add/remove projects where new impacts are understood. Parish Councils in areas of £)-rated Strategic Sites have been consulted in relation to the addition of the commitment statement within the updated CCIL Spending Strategy. Governance arrangements for developer contributions have recently been reviewed through the Planning Advisory Service and actions have been completed to further enhance the system.

## Strategic Plan Priorities

Select the priorities of the <a href="#">Strategic Plan</a> which are supported by this proposal: <i>(Select only one primary and as many secondary as appropriate)</i>		Primary priority	Secondary priorities
<b>T01</b>	<b>Growing our Economy</b>		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P02	Attract and stimulate inward investment	<input type="checkbox"/>	<input type="checkbox"/>
P03	Maximise and grow the unique selling points of East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P04	Business partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P05	Support and deliver infrastructure	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>T02</b>	<b>Enabling our Communities</b>		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P08	Maximising health, well-being and safety in our District	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input type="checkbox"/>
<b>T03</b>	<b>Maintaining Financial Sustainability</b>		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input type="checkbox"/>
P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P14	Review service delivery with partners	<input type="checkbox"/>	<input type="checkbox"/>
<b>T04</b>	<b>Delivering Digital Transformation</b>		
P15	Digital by default	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
<b>T05</b>	<b>Caring for our Environment</b>		
P20	Lead by example	<input type="checkbox"/>	<input type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input type="checkbox"/>
P23	Protection, education and influence	<input type="checkbox"/>	<input type="checkbox"/>
<b>XXX</b>	<b>Governance</b>		
XXX	How ESC governs itself as an authority	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>How does this proposal support the priorities selected?</b>			
<p>The use of developer contributions for supporting the delivery of the proposed infrastructure projects helps to meet several of the corporate objects. The infrastructure projects to be funded from CIL range from increasing recycling and reuse of domestic waste, provision of early years education and improving community sport facilities. New buildings and facilities are required to meet sustainability and efficiency targets set out within the recently updated Building Regulations, together with access requirements for those with disabilities.</p>			

The expansion of education (and early years childcare), sports, and waste recycling facilities supports our communities to live sustainably, to work, to learn and develop, and to be healthy and active. By expanding and providing new facilities locally in areas of growth it also reduces the need for people to travel further for these services.

The continued work on the Exacom Developer Contributions Project will support the transformation, transparency, and electronic reporting, supports the publication of the IFS and demonstrates the golden thread between the Local Plan growth and the delivery of infrastructure. The system is future proofed to enable East Suffolk to transition to the new Infrastructure Levy at a future date.

The publication of the IFS 2022-23 supports the Council’s corporate governance requirements by complying with the CIL Regulations 2010 (as amended). It is a statutory requirement to produce the IFS annually and publish it by the 31 December, following the end of the reported financial year.

The continuous review of our developer contributions governance arrangements ensure East Suffolk Council can continue to demonstrate good practice and continue to improve the way we work and deliver services.

Officers have a strong ongoing working relationship with infrastructure providers. This includes with the County Council who play an integral role in shaping the Infrastructure Funding Statement. The production of this annually assists in prompting opportunities for CIL spending, particularly on Education projects which are linked to housing delivery. Officers also engage regularly with the two NHS Integrated Care Boards (ICBs) covering the district to identify where housing growth is increasing demands on Primary Healthcare. The ICBs then work with the local Doctors Surgeries and Medical Centres to identify infrastructure expansion opportunities. This work is always ongoing and there is currently a particular focus on the Felixstowe and Trimleys area.

## Background and Justification for Recommendation

1 Background facts	
1.1	Lead Councillors considered that these papers should be read by all councillors and that it is important that all councillors understand that they have a role in knowing how much Neighbourhood CIL is being received in their areas, ensuring that the Neighbourhood CIL is spent in line with the CIL Regulations and on identified local priorities, and in making sure that Parish Councils are Reporting on their Neighbourhood CIL income and expenditure in accordance with the CIL Regulations.
1.2	The papers have been approved by Cabinet.

2 Current position	
2.1	Councillors may not have read these papers and may not understand the opportunities presented to them, with regards to their roles in supporting good governance.
2.2	

### 3 How to address current situation

3.1	These papers assist Councillors to understand how developer contributions are being used, and to consider their individual role in terms of monitoring Neighbourhood CIL spend on local priorities and leading their areas to focus on delivering on local infrastructure priorities.
3.2	Councillor Training is currently being planned for the late Autumn to aid further understanding of CIL and s106 developer contributions.

### 4 Reason/s for recommendation

4.1	To make all councillors aware of this subject area.
4.2	To improve governance and increase understanding and awareness.

## Appendices

### Appendices:

<b>Appendix A</b>	<b>The Infrastructure Funding Statement (IFS) 2022-23.</b> (A 3-part document: The CIL Report, The S106 Report, The Infrastructure List).
<b>Appendix B</b>	<b>District CIL Funding 2023-24</b> (A Summary of the recently approved and rejected District CIL bids for 2023-24)
<b>Appendix C</b>	<b>The CIL Spending Strategy v8</b> (A document explaining CIL funding, allocation, spend and governance arrangements).

### Background reference papers:

Date	Type	Available From
	Webpage Guidance for Parish Councils	<a href="#">CIL parish support » East Suffolk Council</a>
	Webpage and guidance on CIL Bids	<a href="#">CIL spending » East Suffolk Council</a>
	Developer Contributions Database	<a href="#">East Suffolk PFM - CIL (exacom.co.uk)</a>
	Published Infrastructure Funding Statements	<a href="#">Infrastructure Funding Statement (IFS) » East Suffolk Council</a>