



# **Hertsmere Borough Council**

## **Strategic Community Infrastructure Levy (CIL) Spend Procedure**

May 2024

## 1. Introduction

- 1.1 Hertsmere Borough Council is responsible for making the final decisions on the allocation of funding raised through the Community Infrastructure Levy (CIL) in the borough. The purpose of this procedure document is to ensure that the decision-making process is transparent.
- 1.2 Guidance is available on how to apply for CIL funding and is available here: [Community Infrastructure Levy Fund - Hertsmere Borough Council](#)
- 1.3 Decisions on how CIL income should be spent within Hertsmere Borough Council lies with Hertsmere Borough Council for the Strategic CIL funding pot and with Town and Parish Councils in relation to the Neighbourhood portion of CIL. In unparished areas, the Council are responsible for spending the CIL on the areas behalf. For further information on the Neighbourhood Portion in parished areas, please contact Parish/Town Councils direct.

## 2. Allocation of funds

- 2.1 CIL collected will be used to provide infrastructure to support growth within Hertsmere Borough Council. The allocation of funds is as follows:
  - 5% of CIL receipts will be used for administration, to provide a dedicated resource for the monitoring and management required by the CIL Regulations.
  - The appropriate proportion of receipts will be allocated to the relevant town or parish council in line with the CIL Regulations ('Neighbourhood portion'). Towns and Parishes with an adopted Neighbourhood Plan will receive 25% of receipts accruing from development within their parish. Parishes without an adopted plan including those where a plan is in preparation will receive 15%, capped annually at £100 per existing council tax dwelling within the parish in accordance with the CIL Regulations.
  - The remaining receipts ('Strategic CIL') the Council will commit to spending CIL income on projects that are highlighted in the Infrastructure Funding Statement (IFS) as being of highest priority in the borough, regardless of their geographic location.
- 2.2 Each individual town and parish council can determine how their portion ('Neighbourhood portion') of CIL receipts are spent, however it is recommended that they work closely with Hertsmere Borough Council to agree and discuss spending.

### 3. What can CIL be spent on?

- 3.1 Hertsmere Borough Council must spend its CIL funds on the provision, improvement, replacement, operation, or maintenance of infrastructure<sup>1</sup> needed to support the development of the area.
- 3.2 There is more flexibility regarding the use of the Neighbourhood Portion which can also be applied to 'anything else that is concerned with addressing the demands that development places on an area'. If an organisation would like to apply for funding from the Neighbourhood Portion, they will need to contact the local Parish/Town Council directly.
- 3.3 CIL receipts are intended to provide new infrastructure and should not be used to remedy pre-existing deficiencies unless they will be made more severe by new development, and then should be proportionate to the growth it supports. It is important to recognise that CIL receipts can only be spent on capital projects, although associated revenue spending to maintain those capital items is also permissible. It can be used to increase the capacity of existing infrastructure (such as extending a school) or to repair failing infrastructure (such as a community building) if that is necessary to support additional development (assessed on a case by case basis).

### 4. Process for Strategic CIL funding allocation

#### 4.1 Application process

- 4.1.1 Hertsmere Borough Council invite organisations to submit projects/schemes for Strategic CIL funding throughout the year.
- 4.1.2 Those who have identified a project/scheme should complete the application documentation and submit to: [cil.monitoring@hertsmere.gov.uk](mailto:cil.monitoring@hertsmere.gov.uk).
- 4.1.3 An application form has been prepared that organisations must complete if they are seeking CIL funding towards an infrastructure project. This requires information to be provided on:
  - Need for the project/scheme
  - Public benefit of the project/scheme
  - Funding arrangements
  - Associated costs and maintenance
  - Deliverability
  - Constraints and risks

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<sup>1</sup> Infrastructure is defined as including roads and other transport facilities, flood defences, schools and other educational facilities, medical facilities, sporting and recreational facilities, and open spaces (S216, Planning Act 2008, as amended by Regulation 63).

4.1.4 Organisations can provide supporting evidence associated with the project/scheme including:

- Existing demand and potential demand associated with new development.
- Capacity of existing infrastructure or services.
- Estimated costs of infrastructure being provided or improvements to existing to meet additional demands.
- Costs of the scheme and timeframe for implementation.

4.1.5 Guidance is available on how to apply for CIL funding here: [Community Infrastructure Levy Fund - Hertsmere Borough Council](#)

## **4.2 Assessment of proposed projects/schemes by officers**

4.2.1 All proposed schemes submitted will be evaluated.

4.2.2 The initial assessment will be undertaken by the Infrastructure and Delivery Team. Only those bids that Officers consider can demonstrate a 'yes' response to each criteria of assessment (based on the information provided) will progress.

4.2.3 Once the Infrastructure and Delivery Team have reviewed the bids received, a discussion will be held with the Planning Strategy Manager and the Head of Planning and Economic Development, ahead of the final recommendations of projects/schemes to progress to the CILIP assessment stage.

## **4.3 Assessment of recommended proposed projects/schemes by the Community Infrastructure Levy Investment Panel (CILIP)**

4.3.1 Members of CILIP will be sent the information on the projects/schemes which have passed through the Officer-level assessment to review.

4.3.2 Members of CILIP will then attend a meeting to discuss the Strategic CIL bids received. There will need to be clear comments on the reasons for decisions made by the panel.

4.3.3 If the bids which are recommended by officers are above the funding cap agreed, then CILIP will have to prioritise the funding. Members will need to refer to the Infrastructure and Delivery Plan prioritisation of projects/schemes, with those which are 'Critical' being funded instead of 'Essential' and 'Important'. In addition, part of the prioritisation will also look at where the borough has experienced the most growth and therefore where the infrastructure is most needed.

## **4.4 Cabinet**

4.4.1 The projects/schemes which are recommended for funding from CILIP will then seek formal authorisation from Cabinet.

## **4.5 Formal decision**

4.5.1 Once formal approval has been secured at Executive, applicants will be notified of the outcome.

## **5. Factors considered when determining whether projects/schemes are to be funded through Strategic CIL**

5.1 Officers will determine whether a scheme should receive CIL funding based on a number of factors. The factors listed include:

- The need for the project/scheme – is it identifiable in the Council's Infrastructure Funding Statement and Infrastructure Delivery Plan and other relevant strategies and plans?
- The public benefits of the project/scheme.
- Whether the CIL contribution will be only part of the funding and the project/schemes is to be funded from a number of other sources too, including funding from the CIL paid to town and parish councils. The Council will not fund 100% of infrastructure schemes.
- Project management
- Deliverability

5.2 There are further factors listed on the officer assessment criteria<sup>2</sup>, so this document can be referred to for further detail on how projects/schemes will be assessed.

## **6. Timetable**

6.1 Applications are invited to be assessed at the meetings of the Community Infrastructure Levy Investment Panel (CILIP) the dates of which are published on the Council's website. In order for any bids to be assessed at the relevant meeting of the CILIP they will need to be received 3 weeks prior to the meeting. Should bids be received after this date, they will be considered at the following meeting. All the information needed to apply is on the Council's website at: [Community Infrastructure Levy Fund - Hertsmere Borough Council](#)

## **7. Post-decision**

7.1 The promoters of the successful projects/schemes for Strategic CIL funding will be expected to maintain communication with the Council as they progress.

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<sup>2</sup> Officer assessment criteria is available on the Council's website: [Community Infrastructure Levy Fund - Hertsmere Borough Council](#)

7.2 The promoters should continue to provide information until the project/scheme has been completed and all Strategic CIL funding has been spent. The minimum requirement is that an annual return is completed, as the Council will need to provide information on the progress of each scheme that funding has been allocated to in order to fulfil its monitoring requirements under the CIL Regulations.

## **8. Payment of funds**

8.1 Invoices will be paid in arrears after completion of works or stages of work, evidence of this to be provided. If there are any difficulties with this method, with relevant evidence, the Council will work with the organisation on a case by case basis to resolve any issues.

8.2 Reports should be provided to Hertsmere Borough Council at regular intervals on the progress of schemes, so that the Infrastructure and Delivery Team can keep up to date on the project/scheme and also inform the finance team for monitoring purposes.

8.3 If the project does not progress as stated in the project plan and there are no sufficient mitigating circumstances to justify the carrying forward of funding, then the Council reserves the right to withdraw the funding allocated to the project/scheme. Funding will also be withdrawn if the spend is not in relation to the agreed project/scheme.

## **9. Monitoring**

9.1 The Council will report on the amount of CIL that has been received, how it was spent and the sums remaining in the Infrastructure Funding Statement (IFS). It will also be reported to Operations Review Committee.