

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**CABINET****23RD JULY, 2015****REPORT OF THE DIRECTOR, LEGAL & DEMOCRATIC SERVICES****COMMUNITY INFRASTRUCTURE LEVY (CIL) – REGULATION 123 LIST****1. PURPOSE OF THE REPORT**

To present, for Cabinet Members' information and approval the proposed process of dealing with the Regulation 123 list, as endorsed by the Finance and Performance Scrutiny Committee on the 15th June, 2015.

2. RECOMMENDATIONS

It is recommended that the Cabinet approve the proposed process for formulating, monitoring and revising the regulation 123 list as set out in paragraph 3.4 of the report.

3. BACKGROUND

3.1 Following Cabinet Members consideration of the Community Infrastructure report on the 30th October, 2014 Cabinet Members requested that the 'appropriate scrutiny committee include in its work programme the CIL paying particular regard to the Regulations 123 list and engagement with Town / Community Councils.'

3.2 Subsequently, Cabinet endorsed the proposed engagement strategy put forward by the CIL scrutiny working group on the 14th May 2015.

3.3 The CIL scrutiny working group also considered a draft proposal setting out how a process for formulating, monitoring and revising the Regulation 123 list could be taken forward.

3.4 Following minor amendments to the draft by the Working group, the process (as outlined below) was presented and endorsed by the Finance & Performance Scrutiny Committee on the 15th June, 2015. The report present to the Finance & Performance Scrutiny Committee is attached as appendix 1:-

a) In the first instance officers (usually Planning, Highways and Education) need to consider what projects are needed to support the

LDP and other growth and where necessary discuss with their Cabinet Member.

- b) Once a draft list is prepared the relevant officers and Cabinet Members should agree it. Only then should it be reported to Cabinet for Approval.
- c) In a similar vein, decisions around when to spend money and on what projects can be agreed using the same process
- d) Advice should be sought from Finance and Legal and other officers where necessary
- e) A 123 List monitoring report and a financial report on what CIL has been received, spent, etc should be prepared on an annual basis
- f) That the appropriate scrutiny Committee should review the operation of the list on a six monthly basis and consider the annual 123 list , monitoring report and annual CIL financial report and make recommendations to Cabinet where appropriate.

APPENDIX 1

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2015-16

**FINANCE & PERFORMANCE
SCRUTINY COMMITTEE**

15 JUNE 2015

**REPORT OF THE DIRECTOR OF
LEGAL & DEMOCRATIC SERVICES**

Agenda Item No. 2
2ND REPORT OF THE CIL SCRUTINY WORKING GROUP

1. PURPOSE OF THE REPORT

The purpose of this report is to inform the Committee of the recommendations of the Community Infrastructure Levy (CIL) Working Group in relation to the process of dealing with the Regulation 123 List.

2. RECOMMENDATIONS

It is recommended that Members:-

- 2.1 Note the content of this report.
- 2.2 Endorse the proposed process for the formulating, monitoring and revising the Regulation 123 List as set out at paragraph 4.3 and forward this to Cabinet;
- 2.3 to agree to the continuation of the CIL Scrutiny Working Group with its existing membership until completion of its tasks;

3. BACKGROUND

- 3.1 At the meeting of the Cabinet held on 30th October 2014, Cabinet Members considered the report of the Director of Regeneration & Planning in relation to the introduction of the Community Infrastructure Levy (CIL). It was agreed by Cabinet **“that the appropriate Scrutiny Committee be requested to include in its Work Programme the CIL paying particular regard to the Regulation 123 list and engagement with Town/Community Councils”**.
- 3.2 As a result, a special meeting of the Corporate Services Scrutiny Committee was held on 18th November 2014 to consider the issues and it was decided that a working group should be formed to consider the matter in more detail.
- 3.3 A Working Group was duly formed comprising County Borough Councillors M Norris, S Carter, J David, P Griffiths, G Stacey, (Mrs) J S Ward, P Wasley and C Willis which met for the first time on 12th January 2015 to agree terms of reference and scope. (This is attached at Appendix 1.)

- 3.4 The Working Group reported to the Corporate Services Scrutiny Committee on 9th April 2015 who endorsed the proposals for an engagement strategy with the Community/Town Councils. This strategy and was subsequently considered and agreed by Cabinet on 14th May 2015.

4. **CURRENT POSITION**

- 4.1 The Community Infrastructure Levy Regulations 2010 (as amended) require the Council to publish an Infrastructure List (known as the Regulation 123 List). This list should set out the infrastructure which the Council considers it is likely to apply Community Infrastructure Levy (CIL) revenue to. Failure to publish such a list would have substantial implications on the use of planning obligations in the County Borough. The CIL Regulations place a number of restrictions on the use of section 106 planning obligations. When CIL is introduced a planning obligation should not provide for the funding of infrastructure contained within the Regulation 123 List. However, if no Regulation 123 List is published by the Council a planning obligation should not provide for the funding of any strategic infrastructure.
- 4.2 When Council met on 10th December 2014 to consider the implementation of CIL, a number of procedural matters were agreed in relation to the Regulation 123 List. However, Council endorsed the view of Cabinet that the Corporate Services Scrutiny Committee should have a role in developing these procedures and a role in monitoring its operation.
- 4.3 The Working Group met on 13th May 2015 to consider draft proposals put forward by the Service Director for Planning which set a process for formulating, monitoring and revising the Regulation 123 List. Following discussion, the Working Group agreed to endorse the draft proposals subject to minor amendment and these proposals are set out below:
- (i) In the first instance officers (usually Planning, Highways and Education) need to consider what projects are needed to support the LDP and other growth and where necessary discuss with their Cabinet Member.
 - (ii) Once a draft list is prepared the relevant officers and Cabinet Members should agree it. Only then should it be reported to Cabinet for approval.
 - (iii) In a similar vein, decisions around when to spend money and on what projects can be agreed using the same process.
 - (iii) Advice should be sought from Finance and Legal and other officers where necessary.
 - (iv) A 123 List Monitoring report and a financial report on what CIL has been received, spent, etc should be prepared on an annual basis.

- (v) That the appropriate scrutiny committee should review the operation of the list on a six monthly basis and consider the annual 123 List Monitoring report and annual CIL Financial report and make recommendations to Cabinet where appropriate.

5. NEXT STEPS

- 5.1 The Committee is asked to endorse the draft process for formulating, monitoring and revising the Regulation 123 List and forward this to the Cabinet for its consideration.
- 5.2 Whilst changes to the Council's scrutiny framework has meant that there is no longer a Corporate Services Scrutiny Committee, it is proposed that the CIL Scrutiny Working Group should continue with its existing membership to provide input into the finalisation of the mechanisms to be put in place with regard to the spending of CIL in those areas without a community or town council.

LOCAL GOVERNMENT ACT 1972

as amended by

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

LIST OF BACKGROUND PAPERS

FINANCE & PERFORMANCE SCRUTINY COMMITTEE

15 JUNE 2015

REPORT OF THE DIRECTOR OF LEGAL AND DEMOCRATIC SERVICES

Item – Report of the CIL Scrutiny Working Group

(Officer to Contact: Ann Edwards, Committee Services Officer – Telephone No.
01443 424102)

APPENDIX 1**CORPORATE SERVICES SCRUTINY COMMITTEE****SCRUTINY WORKING GROUP****COMMUNITY INFRASTRUCTURE LEVY****Terms of Reference**

- (i) to consider how the Regulation 123 List is developed and maintained;
- (ii) to develop a strategy for engaging with Town and Community Councils on how the local element of the CIL will be administered;
- (iii) to consider how the local element of the CIL will be administered, including management of and accountability for funds; development of projects; agreement of projects (including any revenue costs arising from capital projects); project delivery, project evaluation;etc;
- (iv) to consider a mechanism whereby scrutiny can monitor the spend of the CIL money
- (iv) on completion of the work to make recommendations to Cabinet.

Scope:

- To gain an understanding of the operation of the CIL and how it differs to Section 106 contributions;
- To consider any guidance in relation to the development of the R123 list and examine Rhondda Cynon Taf's draft Regulation 123 list;
- To consider how the R123 list can be reviewed and maintained;
- To examine the Community/Town Council framework across the County Borough to establish those communities which are not represented by a community/town council and consider how these areas can be defined for the purpose of spending the community element of the revenue.
- To develop a clear protocol with regard to engagement with Community/Town Councils and establish what support may be required by these to enable them to utilise their portion of the CIL.
- To consider the implications for those areas of the County Borough unlikely to have infrastructure projects suitable for the Regulation 123 list.

