

**AGENDA ITEM 5****RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL****CABINET****14<sup>TH</sup> MAY, 2015****ENGAGING WITH COMMUNITY COUNCILS ON THE COMMUNITY INFRASTRUCTURE LEVY (CIL)****REPORT OF THE DIRECTOR, LEGAL & DEMOCRATIC SERVICES.****1. PURPOSE OF THE REPORT**

To present, for Cabinet Members' information and approval the draft Engagement Strategy as endorsed by the Corporate Services Scrutiny Committee on the 9<sup>th</sup> April, 2015.

**2. RECOMMENDATIONS**

It is recommended that the Cabinet approve the draft engagement strategy for engaging with Community Councils on the Community Infrastructure Levy.

**3. BACKGROUND**

- 3.1 Following Cabinet Members consideration of the Community Infrastructure report on the 30<sup>th</sup> 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 A working group of the Corporate Services scrutiny Committee was created to look in detail at the matter.
- 3.3 During its meetings, the working group considered a draft engagement strategy put forward by the Service Director Planning and following minor amendments by the working group, the group endorsed the draft strategy.
- 3.4 On the 9<sup>th</sup> April, 2015 the Corporate Services Scrutiny Committee endorsed the draft strategy, which is attached as Appendix 1 to this report, for cabinet members consideration.



## APPENDIX 1

### Draft Engagement Strategy

#### Engaging with Community Councils on the Community Infrastructure Levy (March 2015)

##### Background

The Community Infrastructure Levy (CIL) Regulations require charging authorities (the Council) to pass a proportion of CIL receipts to community and town councils from developments that take place in their areas. The Council will be required to pass 15% of CIL receipts to relevant community and town councils arising from developments in their areas.

As this is a new process for both the County Borough Council and the Community and Town Councils, discussions need to take place to ensure that the process will operate smoothly and given the financial sums involved operates robustly and in an open and transparent manner.

The CIL Regulations (issued by the Department of Communities and Local Government (DCLG)) do prescribe the amount (15%) of CIL collected that should be passed to community councils and when it should be transferred (6 monthly). However, there is less guidance about what the 'local' CIL can be spent on, how it is accounted for and what happens when there is not a community council in place.

The Council commenced the Community Infrastructure Levy on 31 December 2014. Any planning applications that are liable for CIL approved after this date will need to pay the Levy when they commence work on the approved scheme. In all reality the Council is unlikely to start receiving payments under CIL until late in 2015. This provides an opportunity to engage with Community and Town Councils about how the CIL will operate in RCT. This approach is encouraged in guidance issued by DCLG (*Spending the Levy*) which says: "*Once the levy is in place, Parish, Town and Community Councils should work closely with ... the charging authority to agree on infrastructure spending priorities.*"

##### Engagement Strategy

The proposed engagement strategy could be as follows:

**May/June 2015:** Hold a series of CIL **overview workshops** for Town and Community Councillors. The workshops would be grouped based on the CIL Charging Zones:

- Zone 3 – Llanharan, Llanharry, Llantrisant, Llantwit Fardre, Pontyclun Taffs Well
- Zone 2 – Pontypridd and Tonyrefail
- Zone 1 – Gilfach Goch, Hirwaun & Penderyn, Rhigos and Ynysybwl

The purpose of these workshops would be to introduce all community councillors to CIL and its purpose but will not look at spending priorities in each area or contain detailed discussions around financial arrangements between this Council and the community council. The workshops could be held in a venue that is central for all parties or if preferable, the Council Chamber in Clydach Vale could be used.

The workshops would be led by officers from Regeneration and Planning

**July/Aug 2015:** Hold a series of individual meetings with the Chair and Clerk of each community or Town Council to start to discuss the areas where the 'local' CIL should be spent. The community councils should be encouraged to develop their own Regulation 123 list so that their intentions and priorities are open and transparent for their community. They may also consider it appropriate to consult with their community on their 123 list. The meeting can highlight the fact that where appropriate the community council can use their CIL money to support infrastructure projects that the County Borough Council intends to carry out.

The meetings would be attended by Regeneration and Planning staff and officers from Democratic and Legal Services.

**Sept/Oct 2015:** Once the spending priorities have started to take shape, then a further series of meetings should take place with the clerk of each community council to discuss the financial arrangements that need to be put in place to transfer any CIL payments due to the community council and when the transfer should take place. DCLG advice states:

*“Charging authorities and Parish, Town and Community Councils are free to decide the timing of neighbourhood funding payments themselves. However, in the absence of such an agreement, Regulation 59D specifies that the neighbourhood portion of levy receipts must be paid every six months, at the end of October and the end of April”*

Discussions should also take place around the auditing mechanisms for ensuring the CIL money is 'properly' spent and accounted for. (Section 151 of the Local Government Act 1972 and the Accounts and Audit (Wales) Regulations 2005 will be the starting point).

The meetings would be attended by Regeneration and Planning officers and officers from Finance.

**Ongoing:** Once these CIL procedures are fully operational regular meetings (every 6 months) should take place between the County Borough and community councils to discuss ongoing issues such as spending priorities and expected income.

In addition to engaging with town and community councils, the Council also needs to consider how it will spend money that is collected from developments that come forward in area that do not have a community council. The guidance published by DCLG advises:

*“If there is no Parish, Town or Community Council, the charging authority will retain the levy receipts but should engage with the communities where development has taken place and agree with them how best to spend the neighbourhood funding. Charging authorities should set out clearly and transparently their approach to engaging with neighbourhoods using their regular communication tools e.g. website, newsletters, etc. The use of neighbourhood funds should therefore match priorities expressed by local communities”*

Unhelpfully, there is no definitive guidance in the CIL regulations for where money should be spent arising from development in an area where there is no community council. However following discussions with our Legal officers it is considered that the money should be ring fenced to the ward in which the development took place. So long as we consult on this approach with the established community bodies in those areas then there is no reason why this could be challenged.

The following strategy is suggested to implement CIL in the areas of RCT without town and community councils.

**May 2015:** Undertake a scoping exercise of all community bodies that the Council currently engages/consults with in the areas of RCT without a town or community council.

**May/June 2015:** Report the findings of the above exercise to the CIL Scrutiny Working Group

**June/July 2015:** Invite representatives of those bodies to an overview workshop at the Council Chamber in Clydach Vale to introduce them to the concept of CIL and its operation.

**July/Aug 2015:** Produce a draft protocol for determining mechanisms and priorities for the spending of CIL in areas without a town or community council and seek endorsement from the CIL Scrutiny Working Group prior to wider consultation;

**Sept 2015:** Seek Cabinet approval to consult on the draft protocol;

**Oct/Nov 2015:** Seek Cabinet approval to adopt protocol.

It is not proposed to engage with the representative bodies on actual spending priorities in a particular area until such time as the Council is confident that it is likely to receive a CIL payment from a development taking place in that area.

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