



ALLOCATING AND SPENDING THE COMMUNITY INFRASTRUCTURE LEVY IN HERTSMERE

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PLANNING FOR GROWTH
LOCAL PLAN
HERTSMERE

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Allocating and Spending the Community Infrastructure Levy (CIL) in Hertsmere

Guidance

Introduction

When development is built in the borough, there can be an increased demand on local services and infrastructure, such as roads, schools and GP surgeries. Providing new and improved infrastructure to support all new development needs financial investment. The Community Infrastructure Levy (CIL) enables Councils to raise funds from developers undertaking building projects to help fund new infrastructure.

CIL receipts collected by the Council will not be sufficient to cover the entire cost of delivering the infrastructure required in our area. This means that most infrastructure projects will need to be funded through a variety of sources.

This leaflet explains how we will decide to allocate money received through the Community Infrastructure Levy (CIL) and how service providers may bid to us for CIL funds. It is for anyone thinking about putting forward a project to be considered for CIL funding and explains:

- What CIL is
- What the money raised through CIL can be spent on
- Who can promote projects and spend CIL
- Town and Parish council arrangements
- How CIL is allocated
- Criteria for successful bids
- How to make an application
- How CIL grants are paid to successful applicants

What is CIL?

The Community Infrastructure Levy (CIL) is payable when certain types of new building projects are undertaken. In Hertsmere, development which results in net additional residential, retail or hotel floorspace over 100 sq m is potentially liable to pay CIL in accordance with the council's adopted charging schedule. The Elstree Way Corridor in Borehamwood, which is also a nationally designated Housing Zone, is the only location in the borough which is currently exempt from any CIL charges.

Full details of development which may be liable for CIL in the borough and the charging schedule which applies are available at [https://www.hertsmere.gov.uk/Planning--Building-Control/Planning-Policy/Community-Infrastructure-Levy-\(CIL\).aspx](https://www.hertsmere.gov.uk/Planning--Building-Control/Planning-Policy/Community-Infrastructure-Levy-(CIL).aspx)

It is important that developers are aware of the legal requirements around CIL before commencing any development on site and separate advice is set out about this on our website.

What can the money raised through CIL be spent on?

The government has provided a broad definition of Infrastructure which CIL can potentially help fund, but typically these are things like:

- **Transport**
roads, bus and cycle routes, rail network
- **Education facilities**
schools, colleges and adult learning centres
- **Communities facilities**
libraries, sports and leisure facilities, community centres
- **Health care**
hospitals, local GP surgeries and clinics
- **Green spaces**
playing fields and sports pitches;
- **Utilities and flood defences**
Water, power grids, sewers and flood alleviation schemes
- **Emergency services**
fire, police and ambulance facilities
- **Communication systems**
Superfast broadband and 4G reception

The regulations state that CIL can be spent on ‘the **provision, improvement, replacement, operation** or **maintenance** of infrastructure to support the development of the borough’. This means that the allocation of CIL is not just limited to new facilities but can be used towards the costs of improving or extending existing facilities.

We are required to publish a list of the type of infrastructure projects that we intend to fund partly or wholly using CIL. This is known as a Regulation 123 list.

The current Regulation 123 list is not in any priority order and it does not signify a commitment from the council to fund all types of projects listed, or the entirety of any one project, through CIL. We can also fund projects that are not on this list but we are not allowed to secure s106 developer contributions to spend on items on our Regulation 123 list. The only exception to this is where s106 funds are specifically required for infrastructure necessary to make the development acceptable in planning terms, for example a new primary school within a large housing development.

Hertsmere's Regulation 123 list

This list applies unless the need for the infrastructure arises directly from five or fewer developments, where s106 arrangements may continue to apply if the infrastructure is required to make the development(s) acceptable in planning terms.

- Education facilities (with the exception of those in the relation to the Elstree Way Corridor)
- Transport and highways improvements (with the exception of those in the relation to the Elstree Way Corridor) including those set out in Urban Transport Plans
- Publicly accessible leisure facilities (including children play areas and outdoor/indoor facilities)
- Publicly accessible open space provision and allotments
- Health care facilities
- Library services
- Emergency services
- Youth Services
- Childcare & Early Years Services
- Town Centre and public realm improvements

CIL therefore provides us with additional money that can be spent on a broad range of new and existing facilities. Examples of projects that have been suggested or agreed for CIL funding elsewhere include improving access to an expanded school, provision of additional primary school places, new nursery provision, road and footpath improvements, new pedestrian crossings, traffic calming, improved cycling facilities, sustainable transport corridor, land drainage scheme, streetscape improvements, new bus shelters, a new bus route, play areas, parks and green spaces, district heating schemes, police stations and other community safety facilities.

There is considerable flexibility in how we use CIL, but there are a few dos and don'ts to be aware of:

CIL can be used

- to expand, improve or repair existing infrastructure to support development; or
- on its own or jointly with funds from other councils, to fund infrastructure located outside, but that will benefit, the development of the borough.

CIL can't be used

- to fund affordable housing - except when using the neighbourhood share (15% or 25% - see below) allocated to town and parish councils or the equivalent share in unparished areas.

CIL shouldn't be used

- to make up for existing deficiencies in infrastructure provision unless those deficiencies will be made more severe by new development;
- to pay for all the infrastructure required locally: CIL is just one of a range of funding sources that the council and other service providers can use;
- to fully fund individual projects: priority will be given to those projects where CIL money levers in additional funding from other sources. CIL should be seen as potentially filling funding gaps that arise when other identified sources of finance for a project have been exhausted; or
- as an alternative to normal sources of maintenance funding or for revenue costs such as salaries

Who can promote projects and spend CIL funds?

The council has its own strategic funding list which provides an indication of new or improved strategic infrastructure needed across the borough. This may include infrastructure provided by organisations other than the council who are responsible for providing infrastructure and services which benefit our communities and are needed to support development in the borough. As well as statutory bodies such as the NHS and Hertfordshire County Council, individual service providers such as schools, health care facilities, and publicly accessible leisure cultural and arts facilities can submit bids. Hertfordshire County Council will need to have been consulted prior to any education bids being submitted by individual schools with any response included in the bid. Similarly, the relevant Clinical Commissioning Group or NHS trust will need to have been consulted prior to the submission of any health-related bids and any response must be included in the bid.

Town and Parish councils

There are special arrangements for Town and Parish Councils. 15% of the council's CIL receipts which have been generated from developments within their areas (capped at £100 per dwelling in the parish) is currently allocated to the relevant parish or town. Parish and town councils use this money for:

- the provision, improvement, replacement, operation or maintenance of infrastructure; or
- anything else that is concerned with addressing the demands that development places on their area.

Service providers are also encouraged to bid directly to parish and town councils who will have their own local priorities. We are keen to develop partnership working and joint bids to a parish or town council and to Hertsmere Borough Council are very much encouraged, in order to maximise the impact of CIL funds generated locally.

Town and parish councils do have more flexibility than the borough council in how they use CIL as they are not limited to using it to fund infrastructure – they can use it for other purposes designed to mitigate the effects of development in the area. This could for example include contributing to the cost of preparing a neighbourhood plan. They can also use it to fund affordable housing provision within their area.

If a neighbourhood plan has been adopted the parish or town's income increases to (an uncapped) 25% of locally generated receipts; the funds do however have to be spent within the neighbourhood plan area and all parish and town council CIL receipts must be spent within five years of being received.

Further guidance on the distribution of CIL has been issued to parish and town councils and is available at <https://www.hertsmere.gov.uk/Documents/09-Planning--Building-Control/Planning-Policy/CIL-Distribution-guidelines-Aug16.pdf>

How is CIL allocated?

The council's Executive decides on how CIL funding is allocated, based on recommendations from the [CIL Investment Panel](#). The CIL Investment Panel is a cross-borough, cross-party group of councillors representing each of the borough's main settlements. The Panel considers bids for funding put forward by community infrastructure and service providers, NHS trusts, health, transport and education authorities, with the opportunity for bidders to present their submission at the meeting and answer questions from Councillors

The Panel is also advised by the council's Capital Strategy Group; when bids are submitted they are assessed by council officers in consultation with relevant stakeholders and then passed to the Panel with any advice from the Capital Strategy Group. An Infrastructure Delivery Plan is currently being drawn up which will inform consideration of CIL bids

The Investment Panel invites bids for funding twice a year. The Panel aims to allocate a minimum of 50% (inclusive of any Parish/Town Council top slice) for infrastructure projects that will benefit the local area where the CIL has been generated, with the remaining funds being allocated to projects meeting wider infrastructure requirements in the borough.

What criteria should projects meet?

Projects seeking CIL funding will be assessed against criteria including:

- Is the investment required to enable or mitigate the impacts of growth?
- Does the proposal support any objective of the adopted local plan or any other local investment strategy?
- Would investment lead to potential income generation – such as enabling more CIL liable development to come forward
- Would investment reduce on-going costs placed on the council and local community in the long-term
- What would be the impact if investment was delayed (additional cost)?
- Are there more cost effective options for delivery?
- Does the investment lever in funding from another source?
- What other funding mechanisms available are available in future?
- Are there existing s106 funds held by either Hertsmere Borough Council or Hertfordshire County Council which could be allocated to the proposal instead?
- How would any future revenue costs associated with the investment be funded?
- How deliverable is the infrastructure scheme?
- Are there risks associated with the infrastructure scheme?
- Are other statutory consents required before the infrastructure scheme could proceed?

We are particularly interested in considering projects which are at an advanced stage of preparation with planning permission in place, and also those where opportunities for cross-funding exist.

There is no pre-determined upper limit on the amount of CIL funding requested for a specific project; bids will be considered against the criteria listed above. Officers from the Planning and Economic Development team will be happy to discuss your project and give advice as to whether it could be suitable for CIL funding.

Grants of less than £5,000 may be more appropriately considered for funding through Hertsmere's Ward Improvement Initiative Scheme or Community Grants scheme or HCC Members' locality budget where eligibility criteria for these sources of funds are met. .

How can bids for CIL funding be made?

In the first instance potential requests may be discussed with the relevant council service (or the Planning and Economic Development team) so that advice can be given on the suitability of the project.

Projects will need to be funded through a variety of sources and the Council will need evidence of this as part of any bids received for

The image shows a sample bid form for CIL funding. The form is titled 'CIL Bid Form' and includes sections for 'Description of Scheme', 'Funding Requirements', and 'Funding Sources'. It contains several tables for detailing costs and funding sources.

Item	Quantity	Unit	Rate	Total
...

Source	Amount	Notes
...

CIL funding including the ability for CIL monies to generate additional project funding from other sources.

Bids must be submitted on the CIL Bid form which is available on the website at [https://www.hertsmere.gov.uk/Planning--Building-Control/Planning-Policy/Community-Infrastructure-Levy-\(CIL\).aspx](https://www.hertsmere.gov.uk/Planning--Building-Control/Planning-Policy/Community-Infrastructure-Levy-(CIL).aspx). Bids should be submitted through the relevant department in HBC (e.g. 'Parks' for open space projects).

Projects which are in receipt of CIL funding will be expected to have been subject to a procurement process in line with the council's own procedures. This is to ensure that value for money is being achieved and that the process for allocating public funds is transparent. Where the cost of the project is less than £50,000, three quotes for the work should be obtained and copies provided with the bid form. For projects valued in excess of £50,000 a full tendering process should be undertaken. Where quotations /tendering has not been undertaken prior to a bid being submitted, any offer of CIL funding will be conditional upon this process being satisfactorily completed.

How will payment be made?

Payment will normally be made following satisfactory completion of the work (for which proof may be required) and submission of invoices. On larger projects payments in instalments may be appropriate; this will need to be agreed prior to the letting of any contract and will again be subject to the receipt of invoices and satisfactory completion of the relevant work.

In the event that the applicant requires funding up-front and the council agrees that this would be appropriate, we would require evidence of expenditure within three months of payment. If the money has not been spent in accordance with the bid and/or any conditions applied to the approval of funding you will be asked to return the money.

Funds which have been allocated will be available for a period of 12 months; if the funds have not been drawn down during this period, the bid will be treated as having been withdrawn and the funds will cease to be available for that project.

All payments made will be made by Banker Automated Clearing Service (BACS) and will be made to the body making the original application for funding. Payment direct to contractors will not be made unless this has been agreed prior to the commencement of works. Under no circumstances will cheques or cash be issued.