ENCLOSURE 2

KENILWORTH TOWN COUNCIL

COMMUNITY INFRASTRUCTURE LEVY

POLICY AND PROCEDURE

Date of Approval – July 2020

Date of Review – 8 September 2022

The Community Infrastructure Levy (CIL) is a charge that is levied by local authorities on new development in their area. It is an important tool for local authorities to use to help them deliver the infrastructure needed to support development in their area.

The levy can be used to fund a wide range of infrastructure, including transport, flood defences, schools, hospitals, and other health and social care facilities. This definition allows the levy to be used to fund a broad range of facilities such as play areas, open spaces, parks and green spaces, cultural and sports facilities, healthcare facilities, academies and free schools, district heating schemes, police stations and other community safety facilities.

Kenilworth Town Council (KTC) receives 25% of the total levy received by Warwick District Council (WDC) for chargeable developments within the area of the town council. The CIL receipts received by KTC must be spent to support the development of the town council's area "by funding the provision, improvement, replacement, operation or maintenance of infrastructure; or anything else that is concerned with addressing the demands that development places on the area". Refer to https://www.gov.uk/guidance/community-infrastructure-levy#spending-the-levy for full details.

At the KTC Meeting 16 January 2020, it was decided to produce a Policy and Procedure statement for allocating CIL funds (hereafter CIL refers to levy funds received by KTC).

CIL Priorities

While KTC will consider all requests for CIL money brought to it, members will prioritise types and means of project spending under three headings.

Ethical priorities

- Projects identified through consultation and survey of residents and the community;
- Capital projects that will benefit the community as a whole - 'the common good';
- Projects that involve young people and their future.

Strategic priorities

- Long-term investment in infrastructure over any other expenditure;
- Addressing demands imposed by the increase in population in the town;

Management priorities

- Seek joint funding/partnership arrangements with WDC/WCC and external bodies (e.g. universities, Sustrans, English Heritage) for infrastructure;
- Explain publicly how the CIL receipts are forecast, managed and reported;
- Explain publicly how CIL has been spent and allocated;
- Ensure that the costs of consultation and project management are covered.

CIL Allocation

In principle, KTC will consider all of the following acceptable use of CIL receipts where it can be demonstrated that the spend will a) address directly the demands put upon the area by new development or b) is essential for the effective delivery of the CIL spend:

- Capital costs (partial or whole) of infrastructure projects

- Donations to community or charity organisations.

- Professional costs (e.g. legal, technical, feasibility, evaluation and project management). KTC reserves the right to spend CIL money on expertise, surveys and feasibility studies prior to making a decision on any proposed project.

- Repair, replacement and on-going maintenance costs for equipment or infrastructure that will remain the responsibility of the KTC.

Consultation, Engagement and Decision-Making

The KTC anticipates spending CIL money against three types of requests a) priorities identified by the *community* in consultation/surveys; b) *strategic priorities* set by KTC; and c) *direct applications* approved by KTC.

The last consultation by KTC on possible CIL spending was conducted professionally in June/July 2021 and the headline results can be accessed at https://kenilworthweb.co.uk/information/cil/

Town Council initiated CIL projects will be scrutinised by the CIL Working Group taking into account the listed CIL Priorities (above) before making a recommendation to the Finance & General Services Committee/ Full Council for a final decision.

Up to £5,000 – Requests for Approval for spending can go directly to either Finance & General Services Committee Meeting or Full Town Council meetings (whichever is the sooner)

Between £5,000 to £10,000 - Requests for Approval for spending go directly to Full Town Council meetings

Over £10,000 – Requests to go initially to Finance & General Services Committee for initial consideration and then to Full Town Council for approval.

External bids received by KTC will initially be scrutinised by the CIL Working Group and their findings reported to the Finance & General Services Meeting. The Finance and General Services Committee will review each bid, and can approve a bid of up to £5,000, or will make a recommendation to the Full Council for a final decision of bids which are greater than £5,000.

KTC will be willing to use KTC CIL funds proactively in partnership with CIL monies held by other public bodies to achieve our aims, where the amount involved is greater than the available CIL resources of a single body. In such circumstances KTC should be willing to initiate making approaches to other bodies.

A sub-committee/working group may be appointed to oversee major projects with a total value of more than £50,000 in order to enable proper scrutiny and oversight, monitoring and evaluation.

Bids for any CIL spend may be rejected on the grounds that there are insufficient funds.

Making Applications

All applications (*community/strategic/direct*) need to demonstrate how the proposed spend will a) address directly the demands put upon the area by new development or b) is essential for the effective delivery of the CIL spend.

Direct applications to KTC may be made at any time.

All applications for CIL money should include both a full and detailed business case for the proposal and (where relevant) the audited accounts of the applying organisation.

Recipients are expected to provide a report to KTC and WDC on the spend which may also be used in local publicity.

In addition to formal reporting to WDC, it will be important to communicate to residents as to how the money is being spent. Every application should include a communications plan.

Financial Regulations

In managing CIL expenditures, KTC will be guided by WDC's legal agreements and procurement procedures.

On receipt of CIL payments, funds will be moved immediately to an ear-marked reserve account (EMR).

Each determined tranche of CIL spend will require a legal agreement to be signed by the recipients, KTC and WDC in order for funds to be released.

KTC will report to Warwick District Council, the "Charging" Authority, annually the CIL money spent and allocated to approved projects. The information will also be reported on the KTC website (https://kenilworthweb.co.uk/media_category/statutory-documents/

KTC will consider any money allocated to a project to have been spent in terms of the 5-year spending time limit placed upon them. If a project runs over time KTC will expect WDC to allow KTC to honour the contracts entered into and not to recall the funds.

If KTC has no prospect of spending CIL money that has only one year left of the five-year period it will consider spending it on WDC's CIL Project List.

CIL Administration

KTC will keep a record of all staff time (in block of one hour) spent on CIL projects (including writing and reviewing this policy) so that it can justify a claim of up to 5% per annum of CIL £ in recovery of administration costs.

Progress in spending KTC's CIL funds should be monitored regularly by the Town Council.