

# **Chichester District Council**

## **CORPORATE GOVERNANCE & AUDIT COMMITTEE 19 January 2016**

### **Implementation of CIL including Revised Section 106 and CIL Protocol**

#### **1. Contacts**

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#### **2. Recommendation**

- 2.1 That the committee endorses the Section 106 and CIL Protocol and notes the planned actions to ensure the successful implementation of CIL on 1 February 2016 following its adoption by the Council.**

#### **3. Background**

- 3.1. The Council has prepared a CIL Charging Schedule relating to that part of the district covered by the adopted Local Plan. The Charging Schedule has been subject to an independent examination following public consultation and the examiner has recommended that it be approved. Formal approval by the Council will enable CIL to be collected to fund the infrastructure needed to support the growth of the area. It is anticipated that Council will be asked to adopt the CIL at its meeting on 26 January 2016, for implementation on 1 February 2016.
- 3.2. The Council currently operates a Section 106 Protocol to ensure a consistent approach is taken to the negotiation and implementation of Section 106 planning obligations. This needs to be amended and updated because of the impending introduction of the Community Infrastructure Levy (CIL).

#### **4. Outcomes to be achieved**

- 4.1 Provision of an up to date S106 and CIL joint protocol setting out the procedures for monitoring and implementing both S106 and CIL.
- 4.2 To ensure the timely and effective implementation of the CIL on 1 February 2016.

#### **5. Proposal**

- 5.1 It is proposed to adopt a revised protocol to enable a consistent and coordinated approach to be taken to the negotiation of Section 106 (S106) agreements and implementation of both S106 and CIL (which is non-negotiable) to ensure the effective use of financial contributions and to demonstrate transparency and accountability by robust monitoring. The updated protocol is attached as an Appendix to this report.

- 5.2 In order to ensure the timely implementation of the CIL, a number of actions are being taken in relation to securing an appropriate IT solution to oversee the collection and governance of CIL and S106 funds; operational and transitional arrangements in respect of planning applications, publicity in relation to CIL implementation and training.

#### IT System (Exacom)

- 5.3 The Council's current system for managing the Development Management process is the Idox Uniform System. The CIL module has a very basic interface for the recording of CIL liability and would require a separate system for managing the process of collection and spending of CIL receipts. The CIL collection structure is process driven and is heavily dependent on the timely issue of notification and liability correspondence and results in a complex system of financial apportionment between projects and also to Parish Councils.
- 5.4 In response to the complexities of the CIL process, the Council has purchased a tailored software solution, Exacom. It is a unique product developed in partnership with Idox, the providers of the Council's Uniform database system. The key benefits of this system are:
- A significant reduction in the risk of missed payments or collection.
  - Ensures that the process is kept up-to-date with current legislation and assures that the Council adheres to legal requirements.
  - Provision of dedicated and integrated software for the ongoing governance of the CIL receipts and Section 106 obligations.
- 5.5 As of 21 December 2015, a test system has been secured and all necessary letter templates have been setup. Officers are currently testing the system in order to ensure a 'live' system will be available for use prior to 1 February 2016.

#### Operational arrangements

- 5.6 Much of this work has been undertaken leading up to and during the CIL examination process. Upon adoption, the Council will have in place a CIL Charging Schedule, a Payment by Instalments Policy and a Planning Obligations and Affordable Housing Supplementary Planning Document. These documents will provide the basis on which the Council will seek to collect CIL and any additional Section 106 obligations as necessary. Since the CIL examination it has become apparent that the proposed instalments policy will need to be amended in order to work with the purchased software and provide certainty over delivery of funds for proposed projects. The instalments policy has been amended to reflect these requirements, notice of which must be published for 28 days prior to its introduction.
- 5.7 A dedicated Planning Officer role has been created to assist in the collection and administration of CIL. This post was filled in October 2015 and will be funded through a proportion of CIL receipts, allowable under the CIL regulations. To ensure that CIL is implemented effectively and to ensure continuity of CIL processes in the absence of the lead officers, a procedure manual is in the process of being drafted.

## Publicity

- 5.8 It is important that all relevant parties are aware of the Council's intention to adopt CIL on 1 February 2016. To that end, the Council's website has been updated to reflect the anticipated date of adoption. Officers have notified the Planning Inspectorate in relation to relevant outstanding appeals and notification has been sent to all developers, applicants and agents that have recently used the Council's Planning Services and those for which planning applications are currently pending.
- 5.9 A factsheet has also been prepared for publication on the Council's website on 1 February 2016, upon the adoption of CIL.

## Training

- 5.10 Implementation will involve training of the CIL Planning Officer in the use of the Exacom software and also other Development Management and Admin officers in the wider operation of the levy. It is expected that Exacom training will be completed by 25 January and more general training on the operation of CIL by the end of January 2016.
- 5.11 Briefing for members and Parish Councils in relation to CIL and how it will operate was undertaken earlier in 2015.

## **6. Alternatives that have been considered**

- 6.1 To prepare separate protocols for S106 and CIL, rather than the combined protocol presented with this report. This may however lead to a lack of co-ordination and inconsistency in the approach to the collection and spending of funds.

## **7. Resource and legal implications**

- 7.1 As indicated in para 5.7 above, a new planning officer post has been created to support the operational management, collection and monitoring of CIL.
- 7.2 The Exacom IT software has been purchased and future maintenance costs can be met from existing budgets.

## **8. Consultation**

- 8.1 Consultation has been undertaken with the Head of Finance and Governance Services.

## **9. Community impact and corporate risks**

- 9.1 This protocol provides a transparent process for managing and spending S106 and CIL receipts in order to support the delivery of infrastructure within local communities.

## 10. Other Implications

Are there any implications for the following?		
	Yes	No
<b>Crime &amp; Disorder:</b>		✓
<b>Climate Change:</b>		✓
<b>Human Rights and Equality Impact:</b>		✓
<b>Safeguarding:</b>		✓
<b>Other (Please specify):</b>		✓

## 11. Appendix

11.1. Section 106 and CIL Protocol

## 12. Background Papers

13.1 None