

Business Change Mandate (Including Budget Mandates) Proposal Number: B6

Title: Community Infrastructure Levy

All information requested must be completed on the proposed mandate to enable the Cabinet to decide whether to proceed with the proposal.

Mandate Completed by	<i>Mark Hand</i>
Date	<i>01/09/2015</i>

How much savings will it generate and over what period?
£50k reduction in spend on infrastructure from 16/17, with spending replaced by S106/CIL funding streams
Directorate & Service Area responsible
Planning / Enterprise secures S106/CIL however the savings realised by reduced expenditure (offset by CIL/S106) will be met by other departments e.g. Leisure and Operations.
Mandate lead(s)
Mark Hand / Kellie Beirne

Final mandate approved by Cabinet	Date:
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1. Vision and Outcomes of the Mandate

Give a business context for the mandate. This must pick up on the vision and what the new / improved / reduced service will look like in the future including the anticipated experience of users. It must also consider any impact on the Council's key priorities and strategic outcomes. Similarly does it impact on service performance within the immediate service area or any impact on other services provided by the authority / any other providers. In doing so, the mandate must be tested against the equality impact assessment and sustainable development impact assessment and must consider impact in relation to the new Future Generations Bill.

What is the issue that the proposal is seeking to address?

Better use of Community Infrastructure Levy (CIL) and S106 Developer Planning Contributions to reduce MCC infrastructure capital and revenue costs on more strategic projects by £50k.

What evidence have you got that this needs to be addressed?

Reduced budget settlements from the Welsh Government mean that Local Authorities must seek to reduce the costs of the services provided, or where appropriate deliver the services differently or cease service delivery.

Select Committee for Economy and Development has highlighted concerns that S106 monies could be better spent on more strategic projects, rather than on multiple small scale local projects which often result in future revenue (maintenance) costs and mean other sources of finance are required for the more strategic projects. Directing S106/CIL funding towards more strategic projects will free up the existing sources of funding as a saving.

How will this proposal address this issue

S106 and (in the future) CIL monies are collected for a variety of infrastructure projects to offset the additional impact of new development. Some S106 money is currently spent on small scale community level projects or on multiple small scale leisure facilities, e.g. small equipped play areas. Money is allocated following community engagement and bids from interested groups, which is good practice.

However, the resultant infrastructure is not always the best solution in terms of cost-effectiveness or wider community benefit. Contributions could instead be directed towards more strategic improvements that would benefit a larger number of people. Moreover, these schemes could be financed via S106/CIL monies and therefore reduce the financial burden from other MCC budgets. It is from these areas that the £50k budget mandate saving would be achieved.

The scope of S106 contributions are tightly controlled by regulations and the contribution must be necessary to make the proposed development acceptable in planning terms. In other words it must be used to fund essential infrastructure, e.g. additional school

places, affordable housing, leisure provision to make that development acceptable, and not on wider 'nice to haves'.

The emerging Community Infrastructure Levy operates like a roof tax on new development, with contributions held centrally for MCC to decide how they are spent on infrastructure projects from an approved list (Regulation 123 list). The CIL regulations require that a meaningful proportion (15%) of CIL income goes to the community in which the development is located. It is anticipated that these funds will be administered by the Town or Community Council for that area. This can be spent by the TC/CC on local infrastructure projects and offers an opportunity for some infrastructure to be devolved to TC/CCs and funded via the 15% CIL contribution rather than being administered and funded by the County Council. It is anticipated that CIL will be adopted by MCC in mid 2016/17. Experience from other Local Planning Authorities (LPAs) is that very little income is received during the first couple of years.

What will it look like when you have implemented the proposal

Spend of S106 income (and, once adopted, CIL too) will be focussed on more strategic products instead of smaller scale local level projects. This will reduce financial pressures on MCC for funding those more strategic level projects, resulting in a budget saving to MCC.

The local level projects will either no longer be provided, delivered in a more cost effective way, or, following CIL adoption, could be provided via Town or Community Councils using their 15% share of CIL income for development within their area. This 15% share could equate to approximately £150k per annum for the whole County Council area. The money would go to the TC/CC in which the development is located, however by definition that is where the additional infrastructure demand/costs would be incurred too.

It is expected that this change will primarily affect how leisure-related S106 is spent. S106 contributions for highways and education would be essential to access/service the site or to meet the demand generated by the development. On-site affordable housing is required to create sustainable communities.

Expected positive impacts

Council expenditure on infrastructure will be reduced by £50k, with those projects instead funded by S106 contributions or CIL.

Scarce resources will be focussed on infrastructure projects that benefit more people.

There will continue to be scope for local level projects to be funded via the 15% community level CIL receipts.

Expected negative impacts

Provision of small scale local level infrastructure (for example multiple local areas of play within close proximity to one another) will be reduced. However, as stated above there will continue to be scope for local level projects to be funded via the 15% community level CIL receipts.

Current high levels of community engagement in where S106 monies are allocated is likely to reduce, insofar as small scale projects will have less opportunity to secure funding. However, once CIL is adopted, this work can be continued by the Town and Community Councils using their community infrastructure fund from CIL.

2. Savings proposed

Show how the budget mandate will make savings against the current service budget. This must cover each year implicated. This section must also cover any other efficiency that will arise from the mandate.

What savings and efficiencies are expected to be achieved?								
Service area	Current Budget £	Proposed Cash Savings £	Proposed non cash efficiencies – non £	Target year				Total Savings proposed
				16/17	17/18	18/19	19/20	
Operations/Leisure		50,000	n/a	50,000	0	0	0	50,000

3. Options

Prior to the mandate being written, an options appraisal will have taken place. Summarise here the outcome of the Options considered and detail the rationale on why they were disregarded. (see options appraisal guide for further information)

Options	Reason why Option was not progressed	Decision Maker
Offer a lesser saving	Corporate objective of maximising savings to offset LG settlement cuts not achieved.	MH
Offer a greater saving	There is considerable uncertainty at present how successful this mandate will be, and therefore it would be very unwise to attach greater savings to it until such a move is properly evidenced. S106 contributions currently secured are the maximum possible, taking into account site viability.	MH

4. Consultation

Have you undertaken any initial consultation on the idea(s)?		
Name	Organisation/ department	Date
Ian Saunders/Rachel Jowitt	Leisure/Operations	14/09/2015
Martin Davies	Planning Policy	15/09/2015

Has the specific budget mandate been consulted on?		
Function	Date	Details of any changes made?
Department Management Team		
Other Service Contributing to / impacted		
Senior leadership team		
Select Committee		
Public or other stakeholders		
Cabinet (sign off to proceed)		

Will any further consultation be needed?		
Name	Organisation/ department	Date
Mike Moran/Tim Bradfield	Leisure	23/09/2015
S106 Working Group	MCC	13/11/2015
Town and Community Councils		Prior to adoption of CIL

5. Actions to deliver the mandate

Describe the key activities that will be undertaken to deliver the mandates and the action holders. This includes any actions contributed to by other services. Give the timescales to complete the work. This must also factor in any business activities that will need to be done differently or cease in order to achieve the mandate.

Action	Officer/ Service responsible	Timescale
Liaise with key service areas to identify strategic infrastructure projects	Planning/Leisure/Operations	31/12/2015
Align projects with known emerging development proposals	Planning	28/02/2016
Identify small scale community projects that are best delivered via community	Planning/Leisure/Operations/Estates	31/03/2016

CIL contributions, and review how those services are delivered		
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6. Additional resource/ business needs

Describe any additional finance, resource and capability needed in order to carry out the proposed mandate successfully. For example new funding, expertise e.g. marketing and knowledge etc..

Any additional investment required	Where will the investment come from	Any other resource/ business need (non-financial)
Funding for strategic infrastructure projects to offset MCC spend	S106 planning contributions/CIL	n/a

7. Measuring performance on the mandate

How do you intend to measure the impact of the mandate? This could include: speed of service; quality of service; customer satisfaction; unit cost; overall cost. For advice on developing performance measures you can contact Policy and Performance Team, for advice on unit costs speak with your directorate accountant.

Focus- Budget / Process / Staff / Customer	Indicator	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Target 2016/17	Target 2017/18	Target 2018/19	Target 2019/20
Budget	S106 contributions secured (£)								
Budget	S106 directed to more strategic projects (£) to contribute to mandate saving target.								
Process	Number of strategic level projects identified for S106 spend instead of small scale local level schemes								
Process	Adoption of CIL by Summer 2016								

8. Key Risks and Issues

Are there any potential barriers and risks that will need to be managed in delivering the mandate, including any negative impacts identified in section 1 that need to be accounted for. Also, set out the steps that will be taken to mitigate these. The risks should be scored in accordance with the [council's policy](#).

Barrier or Risk	Strategic/ Operational	Reason why identified (evidence)	Risk Assessment			Mitigating Actions	Post mitigation risk level
			Likelihood	Impact	Overall Level		
Other budget/funding cuts mean that redirecting S106 spend to strategic projects does not realise a budget saving.	Operational	The operational success of this mandate is unknown and strategic projects and their current sources of funding are unknown, and therefore the level of saving is unknown at this time.	Low	High	Medium	Identify strategic projects for best use of S106 funds. Deliver mandate via S106 working group.	Medium
CIL is not adopted	Strategic	CIL adoption is a Council decision. If not adopted, local communities will not receive the 15% CIL fund and therefore small scale local projects will have reduced levels of funding.	Low	High	Medium	Members have been briefed on CIL throughout the process and have not, to date, expressed in-principle objections.	Low
Following CIL adoption, Town and Community Councils use their community CIL monies for projects other	Strategic	The TC/CC can decide how it spends the money.	Low	Medium	Low	TC/CCs will be encouraged to operate a similar system to MCC's current method of allocating S106 leisure monies. However ultimately it is their (TC/CC's) decision.	Low

than those that would bid for S106 money under the current process.							
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9. Assumptions

Describe any assumptions made that underpin the justification for the option.

Assumption	Reason why assumption is being made (evidence)	Decision Maker
MCC adopts CIL	CIL adoption will be a Council decision, but there has been no indication from Member meetings to date that there is a fundamental objection.	Council
That there are strategic type projects that can be funded from S106 instead of MCC budgets, in order to realise the saving.	Discussions with key officers while drawing up this mandate.	Mark Hand
That Town and Community Councils will use their 15% CIL allowance to fund appropriate local infrastructure.	The CIL regulations require that 15% of CIL goes to the community in the area where the development is taking place, and that this money be spent on local infrastructure to support the approved development/community.	This requirement is set out in legislation. Town and Community Councils would decide how they allocate funding.

10. Monitoring the budget mandate

The budget mandates must be monitored through directorate budget monitoring. This will lead into corporate budget monitoring. In addition the action plan, performance measures and the risk assessment must be transferred into the service plans for the business area in order to monitor and challenge the delivery of the budget mandate, including the savings being achieved and the level of impact.

11. Evaluation

It is important to evaluate the impact of the mandate once it has been fully delivered to know whether it has successfully achieved what it set out to do and to ensure that findings can be used to inform future work.

Planned Evaluation Date	Who will complete the evaluation?
30/04/2017	Mark Hand

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