

# **Methodology for Allocation of CIL Funds to Schemes on the Infrastructure Funding Statement**

**December 2019**

## Introduction

1. This document sets out how collected receipts for Community Infrastructure Levy will be allocated to infrastructure projects on the published Chorley's Infrastructure Funding Statement (IFS).
2. This process will only be used to allocate collected receipts. No decisions are to be made regarding invoiced but not collected CIL or forecasted income.
3. The [Community Infrastructure Levy \(Amendment\) \(England\) \(No. 2\) Regulations 2019](#) allows authorities to choose to pool funding from different routes to fund the same infrastructure provided that authorities set out in their infrastructure funding statements which infrastructure they expect to fund through the levy and through planning obligations. This enables CIL funds to be used with S106 contributions for the same piece of infrastructure.
4. The Council's Infrastructure Funding Statement identifies the infrastructure projects or types of infrastructure which Chorley Council intends will be, or may be, wholly or partly funded by the Community Infrastructure Levy; whilst indicating other sources of funding that can be pooled to fund the same infrastructure projects shown. The Infrastructure Funding Statement is on the Council's website. The Council will review the IFS at least once a year as part of its monitoring of CIL collection and expenditure and will need to publish the IFS annually.
5. The principles by which the council will allocate CIL receipts to infrastructure are
  - Strategic priority and Local priority
  - Deliverability
  - % match funding
6. This document sets out the methodology which will be used to collate essential data necessary to assess each scheme however the council reserves the right to exercise its discretion in making decisions whilst always acting reasonably.

## Procedure

7. The regulations set out the methodology for how monies collected from the CIL are to be distributed as illustrated in the table below.

Purpose of Funding	% Allocated
Administration	5% of all receipts
Neighbourhood area portion	15% of CIL collected within that area capped at £100 per dwelling
*Neighbourhood area where there is a neighbourhood plan in place (25%)	25% of CIL collected within that area uncapped.
CIL Infrastructure	Remaining CIL receipts collected for the financial year.

## Step one Identifying Available CIL Monies for Infrastructure

8. A full breakdown of the CIL receipts collected for the previous financial year along with the distribution of those monies is published in the Annual CIL Monitoring report, although this will be superseded by the published Infrastructure Funding Statement (Part b) to be published from December 2020.

9. This is the first step in carving up the CIL monies and establishing the total amount of CIL available to be allocated to the Infrastructure Funding Statement Projects.

## Step Two: Assessing Infrastructure Funding Statement Projects

10. The projects specified on the Infrastructure Funding Statement are strategic and local priority projects.
11. Strategic, long term schemes can require significant lead in times in order to secure the necessary funding, resourcing and decision-making processes are in place. Therefore, at any one time, some of these projects will be more deliverable than others.
12. Local Priority projects will be local to a specific area or locality.
13. Strategic and Local projects may also include those schemes that already have an element of S106 contributions and/or other source of funding and a CIL allocation of funds will make up the funding gap to enable delivery of that project.
14. The second step in identifying which schemes are recommended for an allocation of CIL is a desktop gathering exercise.
15. The infrastructure projects are led by a range of statutory authorities and infrastructure providers and therefore a Data Collection Form will be sent to the appropriate bodies for completion and should be returned to the Spatial Planning Team, Chorley Council.
16. Upon return of the data sheets for each project, the information will be collated and scored in accordance with the following criteria illustrated in the table below.

Criteria	Pass/Fail	Desirable	Example Evidence Upon Request
1. Strategic Priority and/or Local Priority	✓		Strategic priority :Referenced in a published corporate document or masterplan.  Local Priority: referenced in a Local Plan or action plan.
2. Timeline for Delivery (start and end)	✓		Detailed project plan or timeline demonstrating project is feasible
3. Total Cost £	✓		High level budget
4. Match funding secured to date (£)	✓		Details of budget gap
5. Contribution from CIL sought (if known) (£)	✓		Details of the budget gap and confirmation no other capital source can be identified.  Details should also be provided if there is an element of S106 contribution and/or other source of funding
7. Included within the local plan		✓	Referenced in the published Chorley Local Plan and/or emerging Local Plan

17. Any scheme not achieving a pass in any of the essential criteria will automatically fail to

progress to stage 3 as these are considered not to be deliverable at this time. For as long as a scheme remains on the Infrastructure Funding Statement, it will continually be assessed annually for an allocation of CIL.

18. If a project has been completed the project will be removed from the Infrastructure Funding Statement. If a project has been completed and then there is a request for CIL funding, the Council will not provide retrospective funding of CIL.
19. Where a project is no longer being pursued and remains on the Infrastructure Funding Statement, for the purpose of this exercise it will simply be omitted from the assessment and accounted for in the next review of the Infrastructure Funding Statement.
20. If a project is not included within the Local Plan, officers will need to verify that the proposal is policy compliant and does not contravene either Chorley Council's Local Plan or associated Central Lancashire Core Strategy and SPDs and any emerging Local Plan Information may be followed up from the lead authority to demonstrate that the project is acceptable in planning terms.
21. Projects need to be identified to start within the following financial year to be considered. This start does not have to be an actual start on site but it must be clear in any evidence requested that there is a clear project plan which illustrates the need for preparatory work to commence. CIL monies cannot be used to pay for the design of infrastructure.
22. In the event that a formal decision of the start date is subject to confirmation of CIL funding, this is acceptable however payment of any CIL monies will only be made upon written confirmation of that start date with evidence of the formal approval within the organisation, statutory body etc and receipts to be verified by the Planning Obligations Officer.

### **Step Three: Ranking of Schemes According to Financial standing**

23. Projects which have passed in all the essential criteria will then be assessed based on their financial standing and ranked according to *deliverability*. This ranking will be based on the amount of gap funding required, as a % of the total project cost required to enable the project to be delivered, starting with the smallest % first. For example,

Project A-total cost of £800,000 Capital  
secured to date £700,000  
CIL contribution sought £100,000 (12.5%)

Project B-Total cost £5M Capital  
secured to date £1.25M  
CIL Contribution sought £3.75 (75%)

Project C- total cost £5M Capital  
secured to date £4.5M  
CIL contribution sought £500,000.(10%)

Project D –total cost £3M Capital  
secured to date £2.5M  
CIL contribution sought £2.5M (50%)

24. The Council will only allocate CIL where there is sufficient CIL available to provide 100% of the funding sought. The Council will not allocate a fraction of the CIL contribution sought as this may still mean that the scheme is not immediately deliverable. This will not negate the scheme from being reconsidered for CIL monies in future rounds. Project costs and finance information can be reviewed and updated at any time prior to the CIL allocation process.

25. The projects are ranked as illustrated in the table below.

<b>Infrastructure Scheme</b>	<b>Funding Secured</b>	<b>Funding Required</b>	<b>Scheme Start if Capital Secured</b>	<b>CIL Contribution Recommended</b>
Project C	£4.5M	£500,000	2017/18	£500,00
Project A	£700,00	£100,00	2017/18	£100,000
Project D	£2.5M	£2.5M	2017/18	NIL
Project B	£1.25M	£3.75M	2017/18	NIL

## Step Four

26. The final step will consist of a series of recommendations to Executive Cabinet for approval which will include a summary of the projects, what they will deliver and whether any other sources of funding are provided to bring forward the project. This will be provided along with confirmation of the total CIL funding for infrastructure. It is not necessary for all the monies to be allocated in the cycle; some may simply roll over for allocation in the next round.

27. The information to be provided will include the following:

<b>Infrastructure Project</b>	<b>Lead Authority</b>	<b>What the Project will deliver</b>	<b>Capital Secured</b>	<b>Start and complete Dates</b>	<b>Recommended CIL allocation</b>
<i>Project C</i>	<i>CBC</i>	<i>XXX</i>	<i>£4.5M</i>	<i>March 2017</i>	<i>£500,00</i>
<i>Project A</i>	<i>LCC</i>	<i>XXX</i>	<i>£700,000</i>	<i>April 2017</i>	<i>£100,000</i>

Total Allocation of CIL	£600,000
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## Step Five

Upon the allocation of the monies to schemes, this will be presented to Council as part of the budget cycle and the successful accountable body (where it is not Chorley Council) will be formally notified of the allocation.

Information regarding the allocation of CIL funds will be published in the annual CIL monitoring report, although this will be superseded by Infrastructure Funding Statement (Part b) to be published from December 2020.



