

Improving the Governance of Developer Contributions

Guidance handbook

Introduction

The contents of this handbook are intended to help improve the ways that councils manage and allocate developer contributions. This is to ensure that money collected is used to deliver infrastructure in an efficient, transparent, robust and effective way.

This handbook builds on the 'Start with the spend in mind' best practice guide that we published in February 2020. This guidance was aimed at helping senior leadership teams understand the role of developer contributions within the context of an authority's wider approach to developing and delivering infrastructure.

Where the 'Start with the spend in mind' guide was intended to be used as a starting point for senior leadership teams, this handbook aims to provide a more detailed consideration of the governance around infrastructure planning, funding and delivery.

This handbook provides a series of fundamental recommendations to consider in order to create the conditions for good governance of developer contributions.

For a more a more detailed way to identify how you might improve your governance processes and some practical steps to help you get there, we have developed a 'Self-Assessment' toolkit which will allow you to evaluate your current processes.

Who is this handbook for?

While the key audience for this handbook will be primarily officers responsible for developer contributions, it is intended that the handbook along with the self-assessment can be used as part of a process of assessment and improvement that could also be of benefit to a range of stakeholders who are involved in the governance of developer contributions. This could include officers in planning, finance, or across other services who are responsible for infrastructure delivery, leadership teams, elected members and external stakeholders such as community groups or other bodies responsible for infrastructure delivery.

We understand that change invariably starts from the top, so securing the support and buy-in of senior officers is an important first step towards improvement.

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About developer contributions

Developer contributions is the term used to refer to the Community Infrastructure Levy (CIL) and planning obligations “(commonly referred to as ‘Section 106’ or S106 contributions after Section 106 of the Planning Act). These are planning tools used to secure financial or non-financial contributions towards the provision of infrastructure to support and enable development and to mitigate the impact of development.

The focus of this handbook is on how developer contributions are managed in the context of infrastructure delivery. However, it is acknowledged that developer contributions in the form of S106 extend beyond matters of infrastructure and are used to secure other forms of contractual obligations. The assessment tool could, along with some of the principles within this guidance, also be applied to the governance of other forms of obligations.

Why is good governance of developer contributions important?

It can support communities and good growth

Developer contributions are a key component of any council’s approach to planning and delivering infrastructure for their area. Taking an integrated approach towards infrastructure funding and delivery can maximise how income is used, ensure it is allocated towards the right infrastructure priorities, leading to sustainable development and growth.

There is a growing need for transparency

This guidance has been produced against a backdrop of increased scrutiny as to how developer contributions are being used, from the development industry, the media, elected members or other interested parties.

The recent introduction of [Infrastructure Funding Statements \(IFS\)](#) requires councils to report how much money has been collected through developer contributions, as well as where it has and will be spent.

Rather than be seen as a regulatory burden IFS’s present an excellent opportunity to demonstrate capable governance around developer contributions and promote how they are used to ensure the effective funding and delivery of infrastructure.

To respond to potential changes in the planning system

This guidance has been developed following the publication of the government's proposed changes to the planning system as outlined in the ['Planning for the future'](#) White Paper (August 2020).

The White Paper included a series of proposed changes to the current system of securing developer contributions. This included a consolidated single Infrastructure Levy that would replace S106 and CIL in securing funding towards infrastructure. The option of allowing more freedom to local authorities over how they spend the Infrastructure Levy was also included in the consultation.

It is not clear yet exactly what changes will be brought forward in future planning reforms. The Queen's speech in May 2021 did however, make clear that they will include replacing the existing systems for funding affordable housing and infrastructure with a new more predictable and more transparent levy. So we can expect to see more detail on this going forward.

Replacing CIL and S106 with a new combined levy may still not bridge the capital funding gap that is required in most areas to deliver all of the infrastructure that is needed. Competing demands on a finite amount of funding is therefore likely to continue. The requirement to ensure that there are robust governance processes in place to allocate any future levy to the right projects will therefore continue to be important.

Addressing all parts of the system

The ['Start with the spend in mind'](#) document introduced infrastructure planning within the wider context of what was called the 'delivery framework'. This is about considering infrastructure planning through the Local Plan alongside wider corporate approaches to providing infrastructure. Effective and efficient decision-making is required to support the delivery of infrastructure in both of these contexts.

This guidance expands on this concept to think about these things as a 'system' of infrastructure planning and delivery, within which there are a number of interdependent parts, none of which are more important than another. Whilst the component parts are important, understanding them as part of a system, which needs to operate in an integrated and supported way, is important to address for it to work effectively and efficiently.

This system goes beyond just how developer contributions are allocated, and includes the resources available to administer them and the organisation around them; the processes and systems for how developer contributions are collected, monitored and managed; how decisions are made; the policy and evidence which support these decisions; and the resources and capabilities available to ensure projects are delivered to realise their intended outcomes.

The key elements of this “system” are described in more detail below.

- **Leadership & resources:** The councils leadership team & their support, people and resources, and how different parts of the council work together in order to achieve effective infrastructure planning and delivery.
- **Governance:** The governance structures and how decisions are made for how developer contributions are allocated, as well as enabling the processes and procedures for infrastructure planning and delivery.
- **Policy and evidence:** Local Plans, infrastructure evidence and delivery plans, infrastructure funding statements and guidance for developer contributions; and ensuring there is a ‘golden thread’ or alignment of infrastructure priorities across councils plans, services and delivery agencies.
- **Systems and processes:** Processes for monitoring, managing or allocating developer contributions, IT systems, project management systems, and ensuring these are fit for purpose, that they are effective and that they are under consistent review, and that financial and human resources are available to service the systems.
- **Project Delivery:** Ensuring appropriate and effective resources and capabilities are available for project delivery, and the monitoring and reporting processes are in place.

The 'maturity model'

In order to help you understand your current situation, and where it can be improved we have used the concept of a 'maturity model'. A maturity model can help organisations assess the current effectiveness of a delivery model, and identify ways to improve performance through measures and feedback.

It uses a scale ranging from 'ad-hoc' through to 'integration' to measure the effectiveness of the different elements of the 'system' described above. 'Ad-hoc' applies to where things are done in an inconsistent or un-structured way, whereas 'integrated' describes where things are done in a managed and controlled way, and consistently across teams or the council.

We understand that good practices and behaviours vary across different parts of this system, and whilst at an organisational level this system might be operating effectively, the component parts of this system may not be operating at the same level of effectiveness. This is why we suggest considering how different parts of the system are operating when considering how and where to improve, rather than the systems as a whole.

By considering where on this scale you currently are can provide a platform on which improvement can be planned and implemented. It is important to recognise your own circumstances when considering change - improvements and changes can be incremental, or focused in certain areas. The maturity model recognises this.

The [self-assessment tool](#) is focussed around an analysis of each of the five identified parts of the system and by considering it as a whole it will help you to identify where you might be performing well and where there may be areas for improvement. It uses the maturity model in a more detailed way to understand the effectiveness of your current practices. The framework below provides an overview of the application of the maturity model to the system described above and should provide a helpful reference point.

	Level 1 – ad-hoc.	Level 2 –Organised but inconsistent.	Level 3 – Managed and integrated
<p>Leadership & resources. Leadership & support, people and resources, and how different parts of the council work together.</p> <p>Governance The governance structures and decisions are made for how developer contributions are allocated.</p>	<p>Limited, informal or unstructured support and leadership. Inconsistency in resources. No integration with other services or teams.</p> <p>Governance is used on an ad-hoc basis and is not very well controlled or managed.</p>	<p>Organised support & leadership and resources, but lack of integration or consistency across the council.</p> <p>Governance is established in the organisation but used inconsistently.</p>	<p>Fully supportive leadership. Integrated across the Council. Sufficient resources with a focus on continual improvement.</p> <p>Governance is used in a measured and controlled way and is integrated across the council.</p>
<p>Policy and evidence Local plans, infrastructure evidence, infrastructure funding statements and guidance for developer contributions.</p>	<p>Policy and evidence may be out of date, or is used in an ad-hoc way or used inconsistently.</p>	<p>Policy and evidence is up to date and organised, but used inconsistently across the council.</p>	<p>Policy and evidence is consistently used in an integrated way and regularly reviewed and updated.</p>
<p>Systems and processes Processes for monitoring, managing or allocating developer contributions, IT systems, PM systems.</p>	<p>Systems may not be in place, or are used in an ad-hoc way and separately for each other.</p>	<p>Systems or processes exist but are used inconsistently.</p>	<p>Systems and processes are automated and integrated across different services or teams and are transparent and efficient.</p>
<p>Project Delivery Resources and capabilities, and the monitoring and reporting for project delivery.</p>	<p>Project delivery is person dependent, with monitoring and reporting done in an ad-hoc way.</p>	<p>Resources and monitoring and reporting for project delivery are used in an organised way but inconsistently across the council.</p>	<p>Resources and monitoring and reporting for project delivery are integrated across the council. Practices and ways of working are continually improved.</p>

How to use this handbook

Step 1: Consider your circumstances

Every council has a different set of circumstances which need to be factored in when considering the appropriate level of governance around managing and allocating developer contributions.

These circumstances primarily relate to the level of income you collect, the extent of infrastructure priorities to which income will be allocated to, and the resources available for you to manage them.

For example, if your income from CIL or S106 is relatively modest, and is generally used to fund one or a small number of priorities, then there will be less of a requirement for more sophisticated approaches around how money is allocated, or the systems and processes to manage it. Understanding these circumstances should be borne in mind through each part of this handbook.

Step 2: Identify the areas for change or improvement

The maturity model framework and self-assessment tool is intended to help you identify which parts of the system require change or offer the potential for improvement. This should be done with a consideration of your own circumstances, including the resources (people or funding) available to manage and implement change, and what any challenges may be.

Step 3: Consider the guidance

The guidance provides a number of key principles that, through our research and working with a number of councils in developing this handbook, we consider are the fundamental things that all councils should consider when seeking to improve their governance around developer contributions.

Step 4: Plan and implement change

The guidance, along with the resources including case studies and links to examples of best practice from elsewhere are intended to help support you. Identify actions for change and once you have identified the areas for improvement then these practical steps and supporting resources will help plan the specific actions required to enable improvement.

Other sources of advice and support

PAS has a number of other resources

- The [‘Start with the spend in mind’](#)
- The [Infrastructure Funding Statement handbook](#)
- [Background guidance on Government legislation on CIL and S106](#)

Government has also produced planning practice guidance on developer contributions which includes links to the relevant legislation.

Recommendations for creating the conditions for good governance

The following recommendations outline what we consider to be the fundamental things that create the conditions for good governance to enable infrastructure delivery, and which reflect the different elements of the 'system' described above.

These are based on our work with a number of councils in developing this guidance. Case studies and other resources have been provided to illustrate good examples of practice.

1. Leadership and Resources

1.1 Have a recognised infrastructure planning and delivery function

Ensure that you recognise infrastructure planning and delivery as a specific function, responsible not only for the collection and monitoring of developer contributions but also wider infrastructure planning and delivery matters. This doesn't have to be a separate team, and where this function sits will be dependent on your circumstances and resources and so could be hosted within your existing service. Whilst many councils may have a specific monitoring function the planning and delivery of strategic infrastructure matters are often dealt with in other ways.

A specific infrastructure planning and delivery function would take ownership and accountability for not just collecting and monitoring developer contributions but also managing the process for allocation and the governance surrounding it. This would include managing the evidence needed for ensuring

there is a credible pipeline of projects suitable for funding, managing the relationships with various stakeholders, and preparing your Infrastructure Funding Statement (IFS) and Infrastructure Delivery Plan (IDP) and any other infrastructure planning and delivery documents linked to the development and growth of your area.

Consider whether you have the resources within your organisation to deliver this dedicated function. Where additional resources are required administration fees can be levied through the Community Infrastructure Levy (CIL) or Section 106 planning obligations. There is not a right answer for the size and structure of such a function, and it will relate to the amount of development and therefore developer contributions you collect, the budget available (which can be linked to your retained administration fees), and the number of infrastructure priorities and projects to deliver.

Consider carefully the various skills required for this function, which may sit outside of traditional planning disciplines. For example, owning and maintaining systems for the monitoring and management of developer contributions may be suited to people from a finance or data management background, or managing the governance processes may be suited to people from a project and programme management background.

1.2 Secure support and buy-in from senior leaders and councillors

The 'Start with the spend in mind' guidance document concluded that "the absence of leadership is the biggest predictor of an absence of effective spend". Securing and maintaining buy-in and support from senior leadership teams and councillors is vital for the system to work effectively. Infrastructure planning and delivery is of relevance across many council services and therefore requires corporate-level engagement and support.

At the start of the process, or if you are seeking change and improvement, appointing an informal 'champion' or a more formal project sponsor to coordinate this area of work and improvement at a corporate level may be required.

Over time the relationships on which this support and buy-in depends needs to be nurtured as people or priorities change. How you do this is dependent on the way you and your council works, but at a practical level Board or decision-making meetings that are well run and organised with clear agendas,

decisions required, with actions or outputs followed up will create credibility amongst stakeholders.

Periodic written or verbal briefings or updates - especially where there are changes in personnel - can both maintain the profile of the infrastructure planning and delivery function and ensure there is a sufficient level of technical understanding of developer contributions at a senior level. Informal and interpersonal relationships are also important in securing and maintaining this support.

CASE STUDY | Islington council: Strategic-Local CIL

In April 2019 the council introduced a strategic-local CIL allocation category to strike a balance between local and strategic CIL. This enables ward councillors to allocate 35% of CIL money to local projects which are strategically significant to the borough. The process also provides greater flexibility and aides cross boundary cooperation between wards as they are able to allocate to projects or themes outside of their ward.

Link: [Islington Annual Infrastructure Funding Statement 19/20](#)

1.3 Develop an integrated approach to engagement

An effective system for infrastructure planning and delivery is also dependent on effective engagement with a range of stakeholders both in and outside of your council. Bringing all the key stakeholders on board and keeping them there will be critical to the success of this system.

There will need to be a degree of integration across a number of stakeholders which will require at various stages interactions on a number of things. This could include the exchange of financial data on collection or spend, agreeing and evaluating project proposals, as well as communicating and engaging with a range of people including council officers, councillors, external agencies, and community representatives.

In order to manage this effectively you may benefit from undertaking a stakeholder mapping exercise or producing an engagement plan to better understand how you should engage and manage the range of stakeholders relevant to your governance processes. This exercise could include:

- Who your stakeholders are
- How you engage with them
- The purpose and scope of engagement
- How often you engage with them.

Whilst some engagement with key stakeholders may currently be taking place, by undertaking this exercise it may help give you more transparency and visibility of the range of

stakeholders involved in the process and manage resources effectively. This can also have benefits for the stakeholder - they understand the process, what is expected of them and how they can work better towards meeting the infrastructure requirements of their service areas. It will help them engage in the planning system for your area more holistically by perhaps understanding better how to engage in the Local Plan process as well as on individual sites. It may also give additional resilience by ensuring these relationships are less person-dependent and more systematically managed, should staff leave or join, or where councillors have changed.

CASE STUDY | Redbridge: Using crowdfunding to manage and allocate neighbourhood CIL

Redbridge Council is launching the [#CommunityCrowdfunding programme in partnership with Spavehive](#). Through the programme, local community groups and organisations in the borough will create and fund projects to celebrate and improve their local areas.

The council will utilise Neighbourhood CIL funding to pledge match-funding toward local crowdfunding projects which meet selection criteria. Projects must meet the borough's key objectives to regenerate the borough, be a great place to live with family, and tackle the root cause of social challenges.

There will be a selection panel to confirm projects meet the full selection criteria before the award of match funding. Available funds which community groups can bid for vary from under £1000 for small projects to £20,000 for large projects. The public can "like" projects, pledge donations or volunteer time to show support.

2. Governance

2.1 Ensure you have appointed some formal senior-level governance

Having some form of governance at a senior level can be vital to keep key stakeholders on board, unblock barriers to progress, and ensure corporate priorities are considered in order to enable timely and effective spend. The form this governance takes, the degree of authority it has over decision-making, and how it links in with other governance bodies will be dependent on your council and your circumstances. However, infrastructure planning and delivery is of corporate-level importance and therefore should be recognised as such within your internal governance.

Governance at a senior level can ensure a coordinated approach is taken towards understanding what infrastructure is required from different services across the council, and better prioritise how developer contributions can be used alongside other funding streams and programmes to deliver the infrastructure that is required to support the local area.

Councils that use developer contributions effectively often align the use of developer contributions with other sources of funding, including considering them as part of a capital programme. If this is the case in your authority your senior level governance may already feed into your existing capital programme or budget-setting processes. If not, you could consider expanding the scope of the capital programme board

to include developer contributions ensuring that projects funded this way includes infrastructure that would support development of the area.

To ensure the governance body is clear of its roles and responsibilities, terms of reference should be drawn up and agreed. The exact nature of these will vary according to your circumstance but could include responsibility for:

- Setting and agreeing infrastructure priorities, in line with the councils 'strategic framework' set by the development plan for the area and / or corporate plans or strategies
- Assessing and recommending project proposals to be put forward for the allocation of developer contributions
- Advise on and approve key infrastructure planning documents (eg. Infrastructure Funding Statements)
- Receive monitoring and reporting on income, expenditure and project delivery.

To establish and maintain productive engagement with this group ensure the your meetings are well organised, and good quality information is provided to enable well-informed and evidenced decision-making. This includes issuing agendas and minutes in a timely fashion, and providing clear and concise

dashboard reports and / or proposals. Whilst these things may sound obvious, they can be vital in creating and maintaining support and buy-in from senior leadership teams.

CASE STUDY | Greater Norwich Growth Board

The Greater Norwich Growth Board (GNGB) is a partnership between Norfolk County Council, Norwich City Council, South Norfolk District Council, Broadland District Council and the New Anglia Local Enterprise Partnership. They have chosen to work together to accelerate the delivery of infrastructure within the wider Greater Norwich area,

Since 2014 the partnership has allocated over £21m of funding and £40m of CIL supported borrowing which has levered in at least an additional £180m to deliver infrastructure projects within the Greater Norwich area.

https://www.broadland.gov.uk/downloads/file/6455/february_9_2021_-_papers_-_cabinet

2.2 Establish an officer-level steering Group

Once the senior-level governance structure is established it will be important to introduce an officer-level group to coordinate day-to-day infrastructure planning and delivery matters. This group should manage, take ownership and have accountability for the information and data that will allow your senior level(s) of governance to make well-informed decisions as to what contributions should be used for.

This will include:

- monitoring and assessing project proposals prior to making recommendations for allocation by your senior level governance;
- to discuss infrastructure priorities based on an understanding of infrastructure requirements;
- own the process for updating your infrastructure evidence which in turn is informed by evidence on development and population projections.

Membership of this group will vary depending on which services (or external agencies) require developer contributions for infrastructure projects. If you are a two-tier authority and / or part of a Combined Authority (CA) you should consider officer representation from your County Council and CA on this group.

The frequency of meetings, and the timing of the 'cycle' of updating evidence, assessing projects and making recommendations for spend will be a matter for each council.

A terms of reference should be used to provide clarity on roles and responsibilities, and process guides can be used to provide transparency on how your processes work.

Roles and responsibilities could include:

- Sharing information on relevant projects within each service area with each service area having established their own process for determining what are priority projects that should be brought to this working group
- Discussing efficient and effective ways of working to ensure successful infrastructure planning and delivery
- Collectively facilitate the process of updating of the evidence for infrastructure projects including the infrastructure delivery plan
- Agree proposals to be taken forward for approval at board level
- Own and manage the production of documents such as the Infrastructure Funding Statement.

3. Policy and Evidence

3.1 Develop a system to deliver robust and up to date infrastructure planning evidence

Infrastructure Delivery Plans (IDP) have been used to provide evidence to support the development of Local Plans and then are often not updated for a number of years. In the context of infrastructure planning and delivery your IDP should be considered as a delivery document and your project schedule should be updated regularly. This should allow you to understand what infrastructure is required to support development in a more integrated way, with more up to date information. This can then provide a credible pipeline of

projects which can be identified through your prioritisation framework, and will help you make better informed spending decisions based in real time.

The process of reviewing and updating the IDP could be the responsibility of the officer steering group using them to create ownership and accountability, with processes for updating it to be established with this group. In order to help understand what the future infrastructure requirements are, information on expected levels of development can come from your five year

housing land supply, or demographic projections that your council may have. It would not require the same level of examination in public where it is being updated outside of the Local Plan process and so could be proportionally reviewed annually and renewed when deemed necessary. Over time you may be able to align service-level plans and strategies to the process for updating this evidence (such as open space assessments or pupil place planning studies).

CASE STUDY | Essex County Council

Essex [published a guide](#) to promote a consistent and transparent approach towards working with developers so that they can be assured they are making a fair contribution to the infrastructure needed to support growth, and local residents can understand how development in their area makes a positive contribution to their community. The Guide also aims to assist Local Planning Authorities in producing Local Plans and supporting evidence they require, and where applicable, the Community Infrastructure Levy (CIL).

Consider including within a meeting of your senior leadership team a mechanism to allow oversight of the development of your evidence and identifying priorities. This would give some corporate ownership of the priorities within it. By giving more corporate ownership of your infrastructure evidence it could

help facilitate delivery and also inform the progress of other corporate strategies and plans, including the Local Plan.

The production of your evidence and identifying the priorities within it should be aligned with the production of your Infrastructure Funding Statement (IFS). This includes setting out in the agreed IFS the priorities for funding identified from your IDP and approved through your established governance process. This will help to provide public transparency on those priorities and by going through a formal approval process more organisational and councillor support.

3.2 Understand your corporate strategic framework

Your strategic framework is set through the key aims and objectives in your top-tier corporate documents. This normally includes your Local Plan, corporate plan, medium term financial strategy, capital programme or key thematic documents which are seen as being of council wide significance (for example climate change or economic growth). Understanding this framework can help you ensure that infrastructure priorities that address these ambitions are included for funding in your area.

Your strategic framework will be formed from the relevant issues, themes, objectives or targets that shape development or growth in your area and can provide the 'golden thread' to inform and guide your approach for infrastructure planning and delivery. These corporate policy objectives should be considered in the assessment and decision-making process for the use of developer contributions (whilst also meeting the legal tests and conditions for spend). This is especially important in

an environment where there is competition for a limited amount of funding, and so decisions have to be made as to what the priorities are.

Through your agreed assessment process(es) individual project proposals or business cases can demonstrate how they are contributing towards meeting corporate policy priorities. Being clear about what these priorities are will aid better decision making.

3.3 Infrastructure Funding Statements

Infrastructure Funding Statements (IFS) are now a mandatory requirement for Local Planning authorities. What must be included in your IFS is set out in the Community Infrastructure Levy (CIL) regulations 2010 (as amended) and associated Planning Practice Guidance. We have also provided more detailed guidance on how they can be produced and structured.

The first version of your IFS may have been a challenge to produce through deciding the correct format and content, compiling the required data and evidence, and establishing the appropriate approval and sign-off procedures. Subsequent versions should be more straightforward having been through the process once. If you are seeking to change and improve other parts of your systems and processes, such as how you manage and report data on collection, or how you identify infrastructure priorities, then this will put you in a better position to produce the IFS next time round.

The IFS is a public document and is aimed at helping to improve transparency on developer contributions for stakeholders including local communities. In future versions of your IFS consider how you can use it as an opportunity to demonstrate and promote ways in which developer contributions have been used effectively. For example, this could include highlighting examples of project delivery, or collaborative working with external bodies on using developer contributions in an integrated way.

Where you have large amounts of unspent and / or unallocated developer contributions it is important that you set out clearly in your IFS the reasons for this and how this funding is likely to be used in the future.

CASE STUDY | Chichester District Council Infrastructure Business Plan

In response to the need for track and monitor infrastructure requirements and the corresponding Community Infrastructure Levy (CIL) available, Chichester District Council's Cabinet agreed to put governance arrangements in place in order to prioritise how CIL is spent. It was agreed that an [Infrastructure Business Plan \(IBP\)](#) be produced. The IBP prioritises the infrastructure needed to support growth identified in the Local Plan via a five-year rolling programme for its delivery, together with possible funding broken down by source.

4. Processes and Systems

4.1 Develop a clear set of priorities

A clear process and set of criteria for the assessment of projects will allow you to ensure that funding is being allocated to projects that are required to support development and growth in your area. This will ensure that there is a clear, transparent and robust way to identify projects for spend. You can use your Infrastructure Funding Statement as a way of telling communities and developers what your priorities for spend are in a given year.

What the criteria or priorities are within this framework will be particular for your area. Your Local Plan, IDP or list of infrastructure priorities in your published IFS will help you identify priorities. Your strategic framework as described above also will enable you to identify wider corporate priorities and may be considered if you are seeking to align the use of developer contributions with other sources of funding.

There are a number of other considerations you can make when assessing and identifying projects for the allocation of developer contributions. Again these can be particular to your area and circumstances, but could include the ability to leverage other funding streams (especially as developer contributions on their own are unlikely to meet the full cost of infrastructure demands), the deliverability of the projects, or evidence of community support. Your officer-level governance can inform the setting of these priorities through its understanding of infrastructure need, and your senior-level

governance or councillors can have a say in setting these priorities to ensure they are relevant to your strategic framework.

A useful framework to help you develop your priorities which also mirrors how projects may be developed is to use the Treasury Five Cases model for business case development. The strategic case is made by how the projects relate to your strategic framework, the economic case recognises the benefits of the project, the financial case addresses financial costs, funding and affordability, the commercial and management cases address how it will be procured and delivered. Many of your projects may be developed through a business case and so may be suited to providing this information which will in turn help determine the deliverability of the project.

As well as this prioritisation framework you also need to set a clear process as to how projects are prioritised, when and how long this process will take, and who will be making the approvals and decision. This process will depend on your circumstances but you're up to date infrastructure evidence provides a starting point, your officer-level governance plays an important role in assessing or putting forward project proposals, your senior-level governance in making recommendations or decisions. This will ensure that decisions on the allocation of developer contributions are made in a clear, transparent and robust way.

4.2 Develop an integrated system for managing data

Being able to efficiently and accurately collect and monitor developer contributions is fundamental in supporting infrastructure planning and delivery. A systems approach that allows this data to be managed in an integrated way across relevant parts of the council can make the whole system be more effective.

The overall responsibility for the system may sit with your infrastructure planning and delivery function but ownership and management of the data can be spread to other relevant parts of the council, such as planning or finance. This provides additional resilience and accountability across the council.

Consider how effective and efficient your existing system(s) are, in order to identify what improvements can be made or if you should consider a replacement. Consider how this system integrates with existing systems, for example for planning administration or your financial data system. You may have a separate system for handling S106 and CIL, the viability of which over the longer term will need considering if these are replaced through planning reforms by a single levy. You may also wish to seek a system that not only stores, monitors and manages developer contributions data but also infrastructure spend and project delivery information. To ensure resilience in the management of data it should not be the sole responsibility of one individual and should be stored safely (for example backed up regularly or stored on a cloud-based system) to ensure it can withstand technological issues and remain safe and secure.

You should be able to interrogate your system to generate reports to provide up to date information on developer contributions. Providing useful, clear management information to your senior-level governance through timely and accurate reports on how much money has been collected will build credibility for your other processes. This will also make the job of producing the information you require for your Infrastructure Funding Statement a lot easier.

The set up and maintenance costs associated with improving your existing or creating a new system is clearly a consideration, but your CIL admin fee could be used to pay for this and the increased efficiency and effectiveness of implementing it will help make the business case.

CASE STUDY | Sevenoaks District Council interactive CIL dashboard

Sevenoaks has developed an interactive CIL dashboard to ensure that developers and residents alike can access information on all CIL allocations across the council.

[This interactive CIL tool shows in real-time](#) the amount of CIL that has been received by Sevenoaks and the total value that has been passed to the relevant town or parish council. It also provides a link to the planning applications that have contributed to CIL in each parish.

4.3 Income projections can aid better infrastructure planning

Undertaking income projections for CIL will enable your council to take a more informed approach towards funding infrastructure projects. You can then start to plan in advance how you will allocate expected funds against projects in your infrastructure planning evidence or programme, taking into account the prioritisation of these in the context of your strategic framework. This can help to ensure projects can be identified before the money is received and delivered in a timely fashion.

We recognise that income projections have their limitations and you may need to manage expectations, but they can be

beneficial. Initially calculate income projections from CIL Demand Notices. Over time you can also use your development pipeline or housing trajectory (from your five-year housing land supply) to help you with longer-term projections of CIL income. You may wish to explore how you can undertake income projections from S106 by analysing agreements over a set period to provide an average, and apply this to information you have from your development trajectory.

These projections can also provide an indication of the level of income from admin fees, which will enable you to also plan for the resources (both people and IT systems if needed) that are required for an integrated approach towards infrastructure planning and delivery.

5. Project Delivery

5.1 Appoint a sufficiently skilled and resourced delivery function

The whole system only operates effectively and the outcomes for which developer contributions are collected can only be realised if projects are delivered in a timely fashion. Therefore the project delivery needs to be appropriately resourced and sufficiently skilled to be able to ensure the delivery of priority infrastructure projects.

The skills and capabilities to deliver vary significantly across the project types. Like almost everything else, success will be predominantly determined by the team delivering the project

and how it is led. Governance and decision-making is vital for project quality and pace; hence appropriately weighted governance should unblock barriers to progress and keep the key stakeholders on board.

5.2 Develop an integrated approach towards funding

Developer contributions on their own are rarely if ever sufficient to cover the whole cost of the infrastructure required to support development and growth across an area. Therefore, you may need to start thinking about the funding of infrastructure through

a more strategic and integrated consideration of funding sources, such as funding for the capital programme. This may require a change to your existing governance and processes for developer contributions to align with those for your capital programme. To be able to take this more strategic approach an integrated approach depends on good information from your infrastructure evidence, income projections, and clear and robust prioritisation framework to help make those decisions.

You may also wish to pool contributions with sources of funding external to your council for things like transport or health improvements, which will require additional arrangements to be put in place in your governance or processes such as memorandum of understanding or legal agreements if you are transferring money to outside bodies.

5.3 Ensure robust project monitoring and reporting

To enable and track successful project delivery you should introduce regular and reliable reporting into your governance structures on projects. Then if there are issues or risks, reporting can be backed up by decisive management action. Project management isn't about reporting the lack of progress; reporting should be used as an essential project management tool for successful delivery.

This could include dashboard reports and an imperative for reporting at key milestones. Reporting should cover progress against programme, budget, risks and issues. Over time this will help demonstrate progress and success; as well as feed into your IFS. This will enable reporting on project progress and allow for better engagement of project managers and senior officers, in pursuit of more regular and effective project delivery.

Conclusion

We hope that the recommendations above show how the various elements of the 'system' work together. That by taking a systematic, holistic approach towards the governance for developer contributions can lead to better informed decisions based on good information and evidence, made in a robust governance framework, against clear and transparent priorities, ultimately leading to the timely delivery of infrastructure to support development in your area.

We urge authorities to consider where improvements can be made to your governance of developer contributions to help enable this delivery. You can start today by using the self-assessment tool to evaluate your current practices and receive direct recommendations on where improvements can be made. If you need any help with this please get in touch with us at pas@local.gov.uk

Links to other resources

Sevenoaks District Council

- [Sevenoaks District Council CIL Spending Board Terms of Reference](#)
- [Sevenoaks District Council CIL bids guidance notes](#)

Elmbridge District Council CIL resources

- [Elmbridge CIL Application Scoring Assessment Overview](#)
- [Elmbridge Strategic Priority Programme Application Pack](#)
- [Elmbridge CIL Weighted Scoring Assessment Calculator](#)
- [Elmbridge CIL Process Flow Chart](#)
- [Elmbridge CIL Local Funding Application Form – Guidance Notes](#)
- [Elmbridge CIL Local Funding Application Form](#)

Chichester CIL & S106 resources

- [Chichester S106 and CIL Protocols](#)
- [Chichester CIL Spending Performance](#)
- [Chichester CIL Funding Agreement](#)

Cornwall Council's CIL Fund for Communities

- [Cornwall's CIL Fund](#)
- [Cornwall's CIL Fund Guidance](#)
- [Cornwall's CIL Fund Application Form](#)

Memorandum of understanding

- <https://cdn.havant.gov.uk/public/documents/Memorandum%20of%20Understanding.pdf>
- <https://neighbourhoodplanning.org/toolkits-and-guidance/developing-memorandum-understanding/>

Governance

Officer Level Steering Group

LBTH Infrastructure Delivery Steering Group Terms of Reference
<https://democracy.towerhamlets.gov.uk/mgConvert2PDF.aspx?ID=92488>

Surrey CC Infrastructure Working Group Terms of Reference
<https://mycouncil.surreycc.gov.uk/documents/s16569/CIL%20TOR%20annex%201.pdf>

Policy & Evidence

Infrastructure Evidence

Greater Norwich Growth Board
<https://www.southnorfolkandbroadland.gov.uk/downloads/file/1821/february-9-2021-papers-broadland-cabinet>

<https://www.greaternorwichgrowth.org.uk/dmsdocument/2652>

Infrastructure Funding Statement

<https://new.enfield.gov.uk/services/planning/infrastructure-funding-statement-planning.pdf>

Publishing data on developer contributions

Sevenoaks interactive CIL dashboard

<https://app.powerbi.com/view?r=eyJrIjoiMTQxNWRINGItNzQ4YS00YTc5LTg4NzQtYzc0NmMzMDVhZWFiZWJmZjM5YjYwLWMyNjgtNGM1Ny1hZDY4LTU4YTFlOWU1NTk4OCJ9>

Chichester developer contributions public facing module

<https://pfm.exacom.co.uk/chichester/index.php>

Cornwall Council S106 and CIL mapping

<https://cornwallcouncil.maps.arcgis.com/apps/Cascade/index.html?appid=90098f3eca8542ce8a0d6056a0ba9f25>

Processes and Systems

A clear set of priorities

Chichester Infrastructure Business Plan

<https://www.chichester.gov.uk/article/29784/Infrastructure-Business-Plan-including-CIL-Spending-Plan>

Strategic CIL processes

Islington Council CIL apportionment

<https://www.islington.gov.uk/-/media/sharepoint-lists/public-records/planningandbuildingcontrol/information/factsheets/20202021/20201223Ibiinfrastructurefundingstatement19201.pdf?la=en&hash=7A90A67E2A1BAD74622FFF2C93F7B166E6B99837>

Project Delivery

Monitoring and Reporting

CPCA Capital Programme Dashboard

<https://www.fenland.gov.uk/localgov/documents/s7798/Cabinet%20Report%20and%20Schedules%201-3.pdf>