

Performance Scrutiny Committee – 5 January 2017

S.106 Agreements & the Community Infrastructure Levy (CIL)

Report by the Director for Environment & Economy

Purpose of this report

1. This report addresses a series of questions which members have raised about the operation of Planning Obligations and CIL processes in Oxfordshire.

Introduction

2. Towards the end of last year, a group of members of this Committee collated a series of questions about the processes for defining, securing, recording and managing contributions from developers towards the provision of essential, growth-related infrastructure in the county. Such contributions - or “Planning Obligations” - are traditionally secured via legal agreements jointly signed by developers and planning authorities, but increasingly they will be obtained through the new Community Infrastructure Levy (CIL) as it is rolled-out across the county. By way of context, background information about planning obligations and the implications of CIL is provided with this report in the form of a House of Commons Briefing Paper published in 2016.
3. The Performance Scrutiny Committee is asked to note the information provided in the report about:
 - a) The increasing scale of development activity in Oxfordshire;
 - b) The operation of S106 processes; &
 - c) The implications of CIL for S106 and the future funding of infrastructure

Volumes of activity and capacity

4. At the time of writing, the number of major new planning applications¹ being submitted in Oxfordshire is running at over 800 per annum, with an additional 200+ applications per annum to discharge or vary the conditions of already consented major applications. The month-by-month breakdown in the six months to November 2016 is as per Table 1 below.

¹ A major planning application is one for 10+ dwellings; or over 1,000m² of commercial/retail space

Table 1: Major planning applications, June - November 2016

	New Applications	DoC ² & S73 ³ Applications	Total
June	74	15	89
July	55	16	71
August	66	22	88
September	55	21	76
October	73	23	96
November	82	25	107
Total	405	122	527

5. By District, the breakdown for the same period is as per Table 2 below, from which it can be seen that largest volumes of major applications are in the Cherwell, South Oxfordshire and Vale of White Horse district council areas.

Table 2: Major planning applications⁴ by District, June-November 2016

	Cherwell	Oxford	South Oxon	Vale of WH	West Oxon	Total
June	22	10	23	29	5	89
July	20	5	20	16	10	71
August	24	4	22	30	8	88
September	27	1	19	22	7	76
October	24	7	27	31	7	96
November	28	4	32	28	15	107
Total	145	31	143	156	52	527

6. The volume of major planning applications submitted in the county in the last quarter of 2016 was well over double the level for the same quarter in 2013.
7. The County Council is consulted by the District Councils on all major planning applications and since 2013 has co-ordinated its comments through a process called "Single Response". There is a corporate target for this process of a minimum of 80% of responses to be submitted within the statutory deadline of 21 days, unless extended deadlines have been agreed with the District Councils in which case the target also embraces these. Despite the huge upturn in development activity, the County Council has repeatedly met or exceeded the target each month since the inception of Single Response, with only a couple of recent exceptions⁵. This is partly the result of additional resources having been brought in (refer below) and the process is generally well-regarded by the Districts.
8. In addition to the major applications that go through Single Response, the County Council is consulted on around 5,000 minor planning applications per

² Discharge of Conditions

³ Variation of Conditions

⁴ Including Discharge and Variation of Conditions applications

⁵ Exceptions related to particularly high application volumes and temporary staffing problems

year, broadly those of under 10 dwellings and householder proposals. Where comments are required, these are generally returned to the Districts directly by individual service teams.

9. In view of the very considerable upturn in development activity across Oxfordshire, the County Council has had to expand some of its teams to contend with the much increased workload. The Road Agreements & Adoptions Team⁶ (fully funded by income) is now more than double the size it was three years ago, for example. The Infrastructure Funding Team has likewise increased its permanent establishment and is now a third larger than it was in 2012, while additional resources have also been put into the Transport Development Control service, now part of our Locality Teams. Despite the steps that we have taken to bolster our capacity, demands on our services in relation to new development continue to increase and it can accordingly still prove very challenging at times for us to do all that is required, particularly when staff move on and suitable replacements have to be found in a limited and intensely competitive market.

10. Where an appropriate case exists and the relevant tests⁷ can be satisfied, our representations on planning applications include requests for financial and/or in-kind contributions from developers towards essential infrastructure, requests which, if supported by the District Councils⁸, are subsequently embedded in planning decisions made by those authorities. By no means all planning applications generate a need for such contributions; neither do such contributions always relate to County Council infrastructure or services. Over the past five years, new S106 agreements involving the County Council (generally taking the form of “tripartite” agreements with the developer and the District Council) have averaged a little over 100 p.a. – see Table 3 below.

Table 3: New S106 Agreements to which the County Council is a party

	2016-17*	2015-16	2014-15	2013-14	2012-13	2011-12	Total
Cherwell	16	33	37	21	23	29	159
Oxford	1	2	3	20	4	26	56
South	7	21	22	10	14	20	94
Vale	24	37	32	47	22	20	182
West	3	15	16	9	16	15	74
Total	51	108	110	107	79	110	565

*To November 2016

11. Table 4 below indicates the level of contributions that were secured in respect of County Council services and infrastructure each year from 2011/12 to 2015/16. Although the agreements have been signed there is no guarantee as to when and if all of the contributions will be paid across; this will in large part

⁶ The Road Agreements & Adoptions Team processes legal agreements made under Sections 38 & 278 of the Highways Act 1980 for alterations to the public highway and for the adoption of new roads; as well as technical auditing, site inspections and monitoring.

⁷ The CIL Regulation 122 tests: See paragraph 20 below

⁸ As the determining planning authorities

be determined by the progress of the individual corresponding development proposals by which the contributions are triggered.

Table 4: Contributions secured towards County Council infrastructure and services

Financial Year	Contributions secured (£'m)
2011-12	10.9
2012-13	17.8
2013-14	50.3
2014-15	59.6
2015-16	57.9
2016-17*	18.8

*To November 2016

12. In total, the County Council currently manages and monitors close to 900 signed S106 agreements, which collectively represent £112m of “held” and a further £150m of “secured” financial contributions from developers. However, as indicated above, a large proportion of the secured funding will not actually be received from many of the developments in question until those developments have reached certain stages of completion, their associated S106 agreements defining “trigger points” at which specified payments fall due. More details of the way in which developer contributions are managed are set out below.
13. So far as negotiations with developers are concerned, the County Council has a small number of specialised negotiators in its Infrastructure Funding Team, but staff from other service areas (particularly Transport Development Control in the Locality teams) also involved in this process⁹ and in the subsequent issuing of instructions to colleagues in Legal Services.

The calculation of 106 contributions

14. Such contributions are not calculated as proportion of the total cost of development or by the limited profitability of the scheme. Rather, any required contributions will reflect the actual nature and scale of the mitigation required to address the development’s impacts and take into account the ability of the existing infrastructure serving the development to absorb these impacts.
15. In calculating the impacts of a development and the contributions required to mitigate them the following methodologies are employed in respect of each planning application on which the County Council is consulted.

For Transport related impacts:

⁹ Transport officers lead on the detailed negotiations for the vast majority of transport matters. Both CEF and Property officers help with other non-transport infrastructure negotiations.

16. Officers will consider the Transport Assessment which is submitted with the planning application. Using the data drawn from the planning application, its design and access statement as well as its Transport Assessment officers will determine what if any requirements need to be secured and whether such needs are to be “in-kind” or financial contributions. The assessments largely relate to the types of development (residential or non-residential) and their forecast travel demands/impacts. The traffic generation expected is assessed using a national database (TRICS)¹⁰. The requirements for contributions relate to the number of dwellings¹¹ and or the estimated traffic generation.
17. In areas such as the Science Vale where there is a costed package of works proposed to address the growth demands the costs are divided across the expected amount of development (housing and commercial uses) to arrive at a cost per dwelling (and per m² for non-residential uses).

For non-transport impacts:

18. The key metric here is the number of people expected to be generated by the development, which enables the impacts on infrastructure and services to be assessed. A specialist tool called “PopCal”¹² is used to calculate the population either by a bespoke¹³ assessment or by reference to standardised results. This tool allows the overall number of people likely to be generated by the development to be calculated, disaggregated by age-group cohort.
19. If viability is an issue then that is dealt with during the negotiation process. It is not likely that the Council will be aware of any viability issues at the time of responding to the initial planning application consultation. However, the scale of contributions finally agreed and secured in an agreement may be limited by a development’s proposal’s forecast viability/profitability. Any viability issues would normally be made clear to the relevant District Council’s planning committee before a resolution on the proposal is made.

Restrictions

20. Any S106 contributions requested need to be “CIL compliant” i.e. they have to meet the three tests set out in Regulation 122 of the CIL Regulations 2010, in that they must be:
- a. Necessary to make the development acceptable in planning terms;
 - b. Directly related to the development; and
 - c. Fairly and reasonably related in scale and kind.

¹⁰ Trip Rate Information Computer System.

¹¹ In the case of commercial development the gross floor area is the metric used rather than dwellings.

¹² The PopCal is based upon data obtained by County Council surveys of new housing across Oxfordshire. (A new survey is about to be undertaken in the New Year).

¹³ A bespoke assessment of a development’s population will take into account various factors including: location, scale, type of dwellings, forecast speed & timing of occupations.

21. The fact that any/all contribution requirements need to be capable of passing tests is not new as prior to the CIL Regulations, the same assessment used to be made against five very similar tests set out in earlier Government guidance¹⁴. Also, due to current restrictions on the pooling of contributions (refer Briefing Paper circulated with this report) the contributions now have to be requested for specific projects. These restrictions affect the amount collected and can mean that a piece of infrastructure is not able to be fully-funded from new developments.
22. For example, an infrastructure project could cost £2,500,000 and serve 500 homes. This would equate to a contribution of £5,000 per dwelling¹⁵. However, the Council may not know how many planning applications will be submitted to make up the 500 homes that would be needed to fully fund the infrastructure in question. Previously¹⁶, for each planning application containing 10 dwellings or more the Council would have requested £5,000 per dwelling proposed and there were no restrictions on the number of planning applications/developments that could pay (via a S106 agreement) towards the project. Now, however, contributions to a specific project can only be requested through a maximum of five planning obligations¹⁷ applications, which means that any other developments will not be contributing to the required infrastructure. In order to minimise any such losses contributions would ideally be sought from the largest developments, but as the authority may not know what applications will be submitted and when (especially where speculative development is involved) this is not always possible.
23. One impact of the pooling regime was to encourage District Councils to introduce CIL as a means of funding area wide infrastructure. Clearly, the effect of the current “five agreement” restriction has even more of an impact where a District does not have CIL levy in place to partly compensate for the reduction in contributions.
24. As a consequence of the above-mentioned regulation the clauses in a S106 legal agreement are now be more restrictive, for example by limiting the spending of contributions to “A Cycle Path between A and B” where previously the agreement clauses would have been more flexible and allowed for expenditure on “Cycle safety measures serving the site”.

How identified contributions and other benefits are secured

25. A report to this Committee in July 2015 outlined the process for identifying the need for contributions arising from individual development proposals (see **Appendix 1**).

¹⁴ ODPM Circular 5/05 – Planning Obligations.

¹⁵ Here, assuming all dwellings are the same size (e.g. 3 bedroom units).

¹⁶ Before the CIL Regulations came into operation on 6 April 2015.

¹⁷ In counting the 5 planning obligations one has to take into account any planning obligation since April 2010 which specifically secures a contribution to the project. So if prior to April 2015 five or more S106 Agreements had secured contributions to a specified project no further contributions from development applications could be secured post 6th April 2015.

26. The County Council's three Locality teams are the key channels for the authority to advise on infrastructure needs arising from proposals in emerging Local Plans; Infrastructure Delivery Plans prepared within the county; and Neighbourhood Plans prepared by our Parish and Town Councils. Together with the Infrastructure Funding Team these teams represent the infrastructure interests of the County Council with regard to major development proposals. Both sets of teams also draw upon relevant documents such as the Pupil Place Plan and the Local Transport Plan (LTP) to inform their responses to development proposals.
27. The relevant Local Member(s) is/are consulted on major applications in their area as a matter of course through the Single Response process. This provides members with the opportunity to comment on major proposals and if they consider it appropriate, to press the case for any related infrastructure improvements they consider necessary.
28. Most of the larger major planning applications (and all strategic proposals) are submitted as outline planning applications; that is to say that some of the details are not fixed when the initial proposal is considered and permitted. This is the case regarding the mix of dwellings to be provided, hence when an initial assessment of impacts and contributions is made it will be based on a certain mix of 1-bed, 2-bed etc. housing. Clearly if the initial assessment (as guided by the information in the planning application) is based on a development comprising 25% 4 & 5-bed properties and subsequently the development is built out with 40% 4 & 5-bed dwellings, the impacts upon such as school places would be greater. To militate against the impacts arising from such variables the S106 agreements usually include a matrix to ensure that the contributions reflect the nature and scale of the needs.
29. Use of the matrix also has the benefit to the developer in that it provides for flexibility; allowing the detailed delivery of the housing to be different from that illustrated in the planning application documents without needing to go back to the local authorities to renegotiate contributions. Table 5 below provides an example of a matrix in use in one of our Districts.

Table 5 – Example of a matrix: £ per dwelling (West Oxfordshire District area)¹⁸

Service area	1 Bed	2 Bed	3 Bed	4+ Bed
Primary Education	0.00	2,316.40	4,401.16	6,370.10
Secondary Education	0.00	1,745.50	4,189.20	7,680.20
Sixth Form	0.00	185.71	557.13	1,485.68
S E N	0.00	105.49	221.18	362.10
Libraries (incl. Bookstock)	108.80	163.20	249.05	355.30
Waste Management	81.92	122.88	187.52	267.52
Total	191	4,639	9,805	16,521

¹⁸ Contributions per dwelling vary according to dwelling size

Phasing of S106 payments/works and the use of Bonds

30. Where contributions or the scale of the facilities are significant relative to the size of the development and/or where the construction of the development is to be phased over a significant period of time, it is usual to include the phasing of obligation payments or provisions. As the various contributions are index-linked any phasing of contribution payments should not affect the real value. The phasing of contributions helps progress the agreements without impacting untowardly on the subsequent on the mitigation of the various impacts.
31. The simple phasing of payments can be illustrated in the case of contributions to provide a new school. The bulk of the contributions are required to meet costs once the contract for building the school is let. However early feasibility and preliminary design and investigations do take place, hence officers usually secure an early contribution payment of c10% of the primary school contribution with the remaining 90% to follow, phased in 3 instalments related to the occupations of dwellings and the likely timing of the school construction contract.
32. An example of the phasing of contributions on a strategic site is shown at **Appendix 2**.
33. Where the various contributions are not all paid across at the start of the development, there is a risk that the development progresses and the developer contributions are either not paid or are slow in being paid. To safeguard against slow payment or payment default the County Council seeks bonds in association with significant contributions – e.g. over £1m deferred to payment post-implementation.
34. There is a cost to the developer in providing a bond and so a sophisticated bond mechanism has been developed to balance the demands (by the Council) for security and (by the developer) to keep costs down. An example of this is provided at **Appendix 3**.
35. Where the developer/applicant refuses to provide a bond that matter is reported to the Capital & Assets Programme Board (CAPB). If a relaxation is agreed that would only be done subsequent to a credit check on the company. An example of a draft bond is shown at **Appendix 4**
36. Bonds to secure prompt payment are not considered necessary for the majority of agreements. This in part recognises that contributions from some developments are contributions towards (rather than the full funding of) infrastructure items. So, given that the County Council can't control the timing of a development and hence the payment of contributions, a bond is not deemed either reasonable or necessary.

Following the signing of S106 agreements

37. For the terms of a signed/completed S106 agreement to become live and enforceable the planning permission has to be granted and the decision notice has to be issued. Once this occurs then the obligations within the agreement are operative and enforceable. Each agreement is different and the conditions to be met for making a payment or completing works will vary from agreement to agreement.

38. An example of payments in a simple agreement would be:

Prior to implementation

- to pay¹⁹ the Education contribution to the County Council; &
- not to implement the development until such payment has been made.

Prior to 1st Occupation

- to pay the Transport contribution to the County Council; &
- the 1st dwelling not to be occupied until payment has been made.

39. In short, payments are triggered by and subsequent to the initial commencement of a development. The subsequent triggers may be in relation to the progress of development (e.g. number of dwellings occupied) or occasionally by dates following certain events (e.g. 6 months following the due date of an earlier payment). Where the County's fast track Unilateral Undertaking²⁰ process is used, the payments are all made upfront prior to completion of the deed.

40. While the agreements provide requirements for developers to notify the County Council of impending development milestones (e.g. commencement, first occupation taking place etc.) it is rare for developers proactively to notify the County Council of these events and they hardly ever make a payment without the authority providing a calculation first.

41. The collection of payments is carried out by the County Council's Infrastructure Funding team (IFt). This team also periodically checks the status of each development site, which is time-consuming but necessary given the disparity of information forthcoming from the development sector.

¹⁹ Agreements are worded with both positive ("*... to pay the Education contribution to the County Council ...*") and negative ("*... not implement until such payment has been made ...*") covenants, placing the onus on the developer to make the required payment/s on time, so that enforcement (potentially stopping the development) can be an effective tool if necessary.

²⁰ Unilateral Undertakings are S106 planning obligations where applicants/developers provide a S106 to the Council but where the County Council is not an actual party to deed. The covenants are all made by the applicant/developer with no reciprocal provisions by the County Council. They are generally used in cases where there are low value contributions or where an applicant cannot agree with either the County Council or the District Council, particularly at appeals and public inquiries.

42. If the IFt finds a development with a triggered contribution then payment is pursued. The team can only request payments that have been triggered. Once requested, payments are usually made without issue. The team has only had to refer developers to debt recovery on a couple of occasions and has had to write-off 5 contributions (totalling £107k) over the past 15 years

43. If the team were to find that a developer had gone bankrupt then depending on the status of the development the impact on the Council would vary. Different scenarios and the outcomes in such an eventuality might be as follows:

- The development is partly completed and there is no bond:

If/when sold to a new developer then any outstanding and still to be triggered obligations will be passed on to the new developer, unless there is wording in the S106 agreement that prevents this. This is because the new owners are “successors in title” and as such, they are obliged to fulfil the obligations.

- The development is partly completed and there is a bond:

The Council may decide to call in the bond.

- The developer has completed the development and sold all properties and there is no bond:

This would have to be pursued through debt recovery and may mean that any outstanding sums would need to be written off.

- The developer has completed the development and sold all properties and there is a bond:

The Council will have the option and ability to call in the bond

44. The last two examples above should not occur, however, as the team monitors all sites on a regular basis.

Accounting for contributions received

45. All of the S106 agreements which secure contributions to County Council service infrastructure are individually referenced (using an alpha numeric coding) to aid referencing and to help track the contributions through the Council’s finance system

46. S106 contributions are held under a specific profit centre and multiple general ledger codes within the Council’s Balance Sheet.

47. To abide with current financial regulations several processes have to be followed. Individual contributions have to be recorded under one of four codes

within the Council Balance Sheet accounts. There is a code for each of the following:

- Contributions with repayment conditions (longstops):
 - (a) which must be spent on revenue expenditure;
 - (b) which can be spent on either capital or revenue expenditure;
- Contributions with no repayment conditions (longstops):
 - (a) which must be spent on revenue expenditure;
 - (b) which can be spent on either capital or revenue expenditure;

48. Individual expenditure transactions incurred during the year may be from contributions received in the year or from contributions received in previous years. Each must accordingly be separately identified. Likewise, it is necessary to identify, for every individual balance held with a repayment condition, whether it is a short-term or long-term creditor and whether or not it is going to be used or repaid in the next financial year.

49. To assist in the robust monitoring and auditing of the agreements the County Council must be able to identify the individual payments received, interest accrued and expenditure incurred for each type²¹ of contribution within an individual agreement separately. To enable this to happen the authority's Infrastructure Funding team (IFt) uses further sub-coding which enables the team not only to identify individual agreements but also the service area to which they are connected.

50. The IFt is also responsible for ensuring that the general ledger codes under which the contributions are held within the balance sheet are regularly monitored and reconciled and that all contributions and any movements within the accounts are accounted for. The team therefore produces a "year-end" work paper for Corporate Finance and this is submitted as part of the Council's final accounts to the auditors for auditing.

51. Throughout the financial year the IFt raises invoices for the various developer contributions and updates the databases holding the financial records, including the various payments made. At the year-end the corresponding expenditure is added to the team's database and so too interest allocations accrued on balances through the year. The interest allocations serve to help secure the real value of received contributions and are put where necessary towards delivering the various infrastructure items. Where interest accrual is not necessary to deliver the infrastructure provision it may be retained²² as a corporate resource.

²¹ E.g. Primary education, Secondary education, library, bus transport etc.

²² Except in cases where the accrual of interest is a requirement of the S106.

Reporting on S106s

52. Information on developer contributions is prepared twice per year for all Locality meetings. An example of the typical information provided is shown in Annex 6 of **Appendix 1** (link below); this information is provided by the IFt. Similar information is also provided upon request to individual parish and town councils.
<http://mycouncil.oxfordshire.gov.uk/documents/s29647/6a.%20S106%20Allocation%20Management%20Annex%20to%208.pdf>
53. The information provided is a summary snapshot of the data set out by the Locality teams, identifying the uses to which the contributions are to be put and the parishes within which the individual developments which give rise to the contributions actually sit.
54. The schemes to which the funds are allocated are set out by the Locality teams with respect to transport infrastructure and services and by the corresponding service areas with respect to other infrastructure.
55. The County Council is developing an integrated spreadsheet for strategic infrastructure tying in the developer contributions funding to other funding available/sought. This Master Spreadsheet lists all strategic schemes for identified growth areas, including all Local Transport Plan 4 (LTP4) schemes and those identified on the Council's Capital Programme. However, it does not include minor potentially S106/S278 related schemes. A parallel comprehensive spreadsheet for that element of infrastructure is being planned.
56. The various S106 funds identified in each Locality area come from a variety of S106 agreements across the corresponding District Council areas and copies of all County Council related agreements are available from the IFt. In addition, the websites of South Oxfordshire District Council and the Vale of White Horse District Council both contain copies of legal agreements securing contributions to both District and County functions. However, both sites include monies and agreements related to S278 agreements (highways works) as well as S106 agreements.

Expenditure

57. Allocation of funding and approval to spend follows the County Council's capital programme process. Guidance as to the governance of allocating S106 capital resources in line with corporate objectives and priorities is available on the intranet. The most numerous categories of developer contributions are those under Transport where the allocation of contributions is managed by the appropriate Principal Infrastructure Planner for each Locality²³. The specific contact details for the key officers in determining and agreeing allocations are provided to each Locality meeting as part of the regular reports.

²³ For South and Vale: Cathy Champion; For Cherwell & West: Jacqui Cox; For Oxford: Martin Kraftl

58. Because of the number and sporadic nature of transport contributions a key officer²⁴ progresses the allocation and expenditure/delivery of non-strategic funding and schemes. This (transport) Developer Schemes Co-ordinator, who operates from County Hall, liaises with both local members and Parish/Town councils to move forward delivery utilising held developer contributions. This liaison includes consideration of potential reassignment of S106 funds towards infrastructure from the prime intention specified and allowed for in the S106 agreements. Potential reassignment of non-transport funds, if considered, can be raised again through the contact officers identified in the Locality Reports.
59. The assessment of any reassignment will be considered both by the relevant contact officers as well as the IFt and the Principal Infrastructure Planners in Locality Teams in the light of the content of the specific S106 agreements. Where necessary, the payers of the contribution and the relevant District Council will be contacted so that any obstacles (including potential payback of the monies) are addressed prior to confirmation of alternative uses.
60. As with all S106 agreements where there are longstops for potential repayment of unspent monies, if such funds are not spent by that date the developer may request the repayment of the contributions, Officers monitor (and report as a KPI) any contributions where the longstops fall within the next two years on a rolling programme. Officers will seek to renegotiate a use of a contribution where the return of funds would otherwise be considered likely if the original use of funds was no longer feasible.

Community Infrastructure Levy

61. Unlike the S106 process, where both the County Council and the District Councils are able to enter into agreements, the Community Infrastructure Levy (CIL) is a infrastructure funding process led and to a large extent controlled by the District Councils. CIL charges are set by the Charging Authorities (Districts & City in Oxfordshire), based on the size and type of the new development and the viability of development in that area.
62. The CIL Regulations provide for local authorities to set out a list of those projects or types of infrastructure that will or may be wholly/partly funded through the levy. This is known as the Regulation 123 (Reg 123) list. Once a Reg 123 list is approved (by the District) in practice neither District or County councils are able to seek S106 contributions towards items on the list. The levy is intended to provide infrastructure to support the development of an area, rather than (as in the case of S106s) making individual planning applications acceptable in planning terms. As a result, site specific impact mitigation via S106 provisions may still be necessary in order for a development to be granted planning permission.

²⁴ The Developer Schemes Co-ordinator (Geoff Barrell)

63. Currently in the county, only Oxford City Council (since October 2013) and South Oxfordshire DC (since April 2016) Oxfordshire are operating a CIL. In Oxford the County and City Councils consider the allocation of CIL funds by means of a protocol setting out the liaison and bidding/allocation process to secure funds from the levy. A corresponding protocol with SODC has yet to be concluded. It is expected that similar provisions will be agreed with the remaining Districts (possibly through a county-wide arrangement) as CIL is further rolled out over the next two years.
64. There is no predetermined proportion of CIL which is passed to the County Council. However local Parish and Town Councils receive between 15% & 25% of the levy²⁵ raised by the development in their communities. The District Council is also able to spend 5% of the total levy receipts on administering the CIL process. Consequently between 70% and 80% of the actual levy received by the Districts will be available to help fund the District's and/or their partner's (such as the County Council's) infrastructure requirements.
65. Summary information for Oxford City since the inception of CIL charging arrangements in that area is shown in Table 6, overleaf.

Table 6: CIL receipts and expenditure in Oxford City

	2013/14	2014/15	2015/16	2016/17	Total
	£	£	£	£	£
Total receipts	7,064	1,379,000	2,046,196	3,345,196	6,777,456
Total Expenditure	0	0	350,000	350,000	700,000
Applied to Administration	353	68,950	103,510	172,813	345,626
Passed to a local council	0	14,895	18,941	33,836	67,672

Conclusions

66. This paper has sought to address the series of questions which members have raised about the operation of S106 and CIL processes in Oxfordshire and to set these in the context of the greatly-increased levels of development activity in the county. Officers will be pleased to assist with any further questions which members may have about these and other related matters at the meeting.

RECOMMENDATION

67. The Committee is **RECOMMENDED** to note the report.

Bev Hindle, Acting Director for Environment and Economy

Contact Officer - Chris Kenneford, Service Manager - Planning Regulation
01865 815615

²⁵ With an approved Neighbourhood Plan in place 25% of any CIL receipts related to development within that Parish/Town must be passed on to the Parish/Town Council. Otherwise it is 15%.