REPORT TO COUNCIL

Date of Meeting: 16 June 2026

Report of: Strategic Director for Place

Title: CIL and S106 Decision-Making Framework

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council.

1. What is the report about?

1.1 This report seeks Council approval for a clearly defined decision-making framework for the allocation, prioritisation and monitoring of strategic Community Infrastructure Levy (CIL) and, where appropriate, aggregated Section 106 (S106) developer contributions. It does not apply to Neighbourhood CIL. This report is about agreeing the approach, principles and process rather than approving any allocations to individual projects; any future allocation decisions will be brought forward separately through the appropriate decision-making route within that agreed framework.

The framework responds to matters identified through Internal Audit and a Planning Advisory Service review and sets out a clearer, more transparent and constitutionally aligned decision-making process for identifying infrastructure priorities, assessing funding proposals and supporting Member oversight.

The report proposes a structured annual decision-making process for considering strategic infrastructure funding, alongside the establishment of a cross-party, politically balanced Advisory Forum to provide non-binding Member observations on officer recommendations. The proposals are intended to support delivery of the Exeter Plan, Infrastructure Delivery Plan and Corporate Plan, while providing clearer roles, transparency and effective management of risks associated with developer contributions.

2. Recommendations:

2.1 That Council:

1. Approves the adoption of the decision-making framework for strategic CIL and, where appropriate, aggregated S106 contributions, as set out in this report and appendices.

2. Approves the establishment and Terms of Reference for a cross-party, politically balanced Advisory Forum, as set out in Appendix A.

3. Notes that this report does not propose or approve allocations to individual projects and does not apply to Neighbourhood CIL; any future decisions on individual allocations of strategic CIL and any aggregated S106 funding will be brought forward separately through the appropriate decision-making route in accordance with the

Council's Constitution and budget framework—typically to the Executive where the allocation can be made within the approved Capital Programme/budget, or to full Council where a new budget provision or Capital Programme change is required.

3. Reasons for the recommendation:

3.1 The Council is asked to approve a clearly defined decision-making framework to ensure that CIL and, where appropriate, aggregated S106 contributions are managed in a transparent, consistent and constitutionally aligned manner.

Recent Internal Audit findings and advice from the Planning Advisory Service highlighted areas where existing arrangements would benefit from greater formalisation, transparency and stronger oversight of the monitoring and timely use of developer contributions. The proposed framework addresses these points by introducing a clear annual process, defined roles and responsibilities, and stronger Member oversight.

Approval of the framework and the Terms of Reference for the Advisory Forum will support consistent decision-making, improve public confidence in the use of developer contributions and ensure that investment is aligned with the Exeter Plan, Infrastructure Delivery Plan and the Council's Corporate Plan.

4. What are the resource implications including non-financial resources:

4.1 There are no direct additional financial implications arising from the approval of the decision-making framework. This report does not commit the Council to any specific allocation of CIL or S106 funding.

The framework formalises and structures processes that are already being undertaken by officers, including the coordination, assessment and monitoring of developer contributions. These activities will be managed within existing staff resources.

There are no additional non-financial resource implications arising from the establishment of the Advisory Forum. The Forum will operate on an advisory basis only, will meet on a limited number of occasions each year and will be supported through existing Democratic Services and officer capacity.

5. Section 151 Officer comments:

5.1 There are no financial implications arising from the report. Regardless of process, it remains the case that only Council can allocate resources to a budget.

6. What are the legal aspects?

6.1 CIL is a statutory charge governed by the Planning Act 2008 and the Community Infrastructure Levy Regulations 2010 (as amended) and states that CIL receipts must be used to fund the provision, improvement, replacement, operation or maintenance of infrastructure needed to support development in the area. S106 obligations are established under the Town and Country Planning Act 1990. The Council is required to ensure that developer contributions are collected, allocated and spent in accordance with the relevant legislation, adopted policies and the Council's Constitution. The Council must ensure that both CIL and S106 funds are applied in accordance with their statutory purposes to avoid the risk of challenge or the need to return/reallocate funds.

The proposed framework does not alter the statutory basis for CIL or S106 obligations. Instead, it sets out a clearer, more transparent and constitutionally aligned decision-making process for the identification, prioritisation and oversight of strategic funding proposals.

Council approval is required for the adoption of the decision-making framework and for the Terms of Reference of the Advisory Forum. This report does not approve individual allocations. Following adoption, decisions on individual allocations of CIL and any aggregated S106 funding will be taken separately through the appropriate decision-making route in accordance with the Constitution and budget framework.

The Advisory Forum will operate on a non-statutory, advisory basis only and will not exercise any delegated decision-making powers. Its role is limited to providing non-binding observations to inform Member decision-making.

7. Monitoring Officer's comments:

7.1 The proposed framework is consistent with the Council's Constitution and its other statutory requirements. It provides appropriate clarity on roles, maintains proper decision-making arrangements and supports transparent and robust governance for (the strategic element of) CIL and S106 funding and help deliver the Exeter Plan and other priorities.

8. Equality Act 2010 (The Act)

8.1 In recommending this proposal, potential impacts on people with protected characteristics have been considered. An Equality Impact Assessment (EQIA) has been completed and is included in the background papers for Members' attention.

The decision-making framework relates to decision-making processes rather than the allocation of funding to individual infrastructure projects. No direct or differential equality impacts are therefore anticipated at this stage. Equality impacts will be assessed as individual infrastructure proposals are brought forward for decision under this framework.

9. Carbon Footprint (Environmental) Implications:

9.1 The recommendations in this report relate to decision-making arrangements and processes only and do not approve or deliver specific infrastructure projects.

There are no direct carbon or environmental impacts arising from the adoption of the decision-making framework itself. Environmental and carbon considerations, including alignment with the Council's climate emergency commitments, will be assessed as part of the appraisal of individual infrastructure proposals when they are brought forward for decision under this framework.

10. Report details:

10.1 This report sets out a clearly defined decision-making framework for the management of strategic CIL and, where appropriate, aggregated S106 developer contributions. It explains the background to the proposal, including relevant audit findings, and describes the proposed annual process for identifying, assessing and prioritising strategic infrastructure funding.

This decision-making framework does not apply to Neighbourhood CIL, which will continue to operate under existing arrangements.

Neighbourhood CIL is the proportion of CIL receipts that must be passed to the local area where development takes place, or retained and spent for that area in accordance with the Community Infrastructure Levy Regulations and government guidance. In parished areas, this is normally passed to the relevant town or parish council. In unparished areas such as Exeter, the Council retains the neighbourhood portion and allocates it on behalf of residents, informed by community engagement. The neighbourhood portion is generally 15% of relevant CIL receipts, capped at £100 per existing council tax dwelling per year, rising to 25% with no cap where there is a made neighbourhood plan. In Exeter, Neighbourhood CIL is currently used through existing arrangements to support neighbourhood priorities, including the Community Grants Programme and Wellbeing Exeter. It sits outside the strategic CIL decision-making framework proposed in this report and will continue to operate separately.

The report also sets out the role, remit and Terms of Reference of a cross-party, politically balanced Advisory Forum. The Forum will comprise six elected members appointed on the basis of political balance, together with the Portfolio Holder for City Development. The Forum will provide non-binding Member observations on draft officer recommendations relating to strategic CIL and any aggregated S106 proposals considered through the same framework, which will be included in future reports when individual allocations are brought forward for decision.

10.2 Annual decision-making process (summary)

To support transparency and consistency, the framework operates through an annual cycle aligned to the Council's capital programme.

10.2.1 Strategic Management Board (SMB) reviews the officer-scored list of proposed strategic projects, agrees a draft set of priorities, and confirms which proposals proceed to the Advisory Forum and then to the Executive for decision.

10.2.2 Advisory Forum (cross-party and politically balanced) considers the same draft officer recommendations and provides non-binding observations to support transparency and cross-party understanding. Panel members will be provided with the officer scoring outputs (including scores and a short rationale/summary) for the projects under consideration. The Forum does not make decisions and cannot amend officer recommendations; its observations (including any differing views) are captured in notes and included in the officer report.

10.2.3 Decision stage: The final officer report (incorporating SMB input and Advisory Forum observations) is presented for decision through the appropriate route in accordance with the Constitution and budget framework—typically the Executive where the allocation can be made within the approved Capital Programme/budget, or full Council where a new budget provision or Capital Programme change is required.

This report does not propose or approve allocations to individual infrastructure projects. Decisions on specific funding proposals will be brought forward separately through the

appropriate decision-making route in accordance with this framework and the Council's Constitution and budget framework.

11. How does the decision contribute to the Council's Corporate Plan?

11.1 The proposals support delivery of the Council's Corporate Plan by providing a clearly defined process for how developer contributions are prioritised, allocated and monitored to support sustainable growth and infrastructure delivery.

By improving transparency, consistency and Member oversight in the use of CIL and S106 funding, the framework helps ensure that investment is aligned with agreed strategic priorities, including the delivery of the Exeter Plan, critical infrastructure and improved outcomes for communities.

The proposals also support effective use of resources and public confidence by setting out a transparent, consistent route for developing recommendations and taking decisions.

12. What risks are there and how can they be reduced?

12.1 There is a risk that, without a clear and consistent decision-making process, decisions on the use of CIL and S106 funding could lack transparency, be insufficiently prioritised, or expose the Council to risks associated with unspent or misallocated developer contributions.

This risk is mitigated by the proposed framework, which introduces a structured annual assessment process, clearer decision-making routes, and strengthened Member oversight. The establishment of an Advisory Forum supports transparency and shared understanding while ensuring that decision-making remains constitutionally compliant.

There is also a risk that the proposed annual decision-making process could add complexity or delay decision-making. This is mitigated by the advisory-only role of the Forum, its limited meeting frequency and its focus on providing concise, non-binding observations rather than determining outcomes.

13. Are there any other options?

13.1 The option of retaining existing arrangements was considered. However, recent Internal Audit findings and advice from the Planning Advisory Service identified areas where the current approach would benefit from clearer prioritisation, greater transparency and stronger management of developer contributions. Maintaining the status quo would not satisfactorily address these points.

An alternative option of introducing more informal or officer-only arrangements was also considered but was discounted, as this would not provide sufficient Member oversight or transparency and would not fully align with the Council's governance and constitutional requirements.

The recommended approach provides a proportionate response by defining a clear decision-making process, improving clarity and consistency, and supporting informed Member input, without delegating decision-making or introducing unnecessary complexity.

Director Ian Collinson, Strategic Director for Place

Author: Roger Clotworthy, Head of City Development

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

Equality Impact Assessment (EQIA) – CIL and S106 Decision-Making Framework

List of Appendices:

- Appendix A – Terms of Reference
- Appendix B – Application and Assessment Process
- Appendix C – Scoring Framework
- Appendix D – Annual Infrastructure Funding Statement 2024/25

Appendix A – Terms of Reference

Purpose

The Advisory Forum is established to support a clear and transparent decision-making process for how strategic Community Infrastructure Levy (CIL) and, where relevant, aggregated Section 106 (S106) contributions are prioritised and allocated, with the Forum offering non-binding observations only. It does not apply to Neighbourhood CIL. This responds directly to internal audit and Planning Advisory Service recommendations.

The Advisory Forum will:

Consider officer recommendations on strategic CIL allocations and receive short, high-level S106 context where relevant.

Receive information on how proposed CIL allocations align with the Infrastructure Delivery Plan, Exeter Plan, and Corporate Plan priorities.

Scope

The Advisory Forum will focus on strategic CIL allocations, supported by high-level S106 context where this affects proposed strategic CIL decisions. It will not consider Neighbourhood CIL or approve individual, site-specific S106 spend decisions, which continue to be progressed through the Council's existing financial and delegated approval arrangements in accordance with the Constitution. Where it is proposed to aggregate S106 contributions for strategic infrastructure (including any associated budget allocation), officers will assess the proposal through the Council's annual infrastructure funding process. This will normally include officer appraisal, consideration by Strategic Management Board (SMB), review by the Advisory Forum, and then a decision through the appropriate constitutional route in accordance with the Constitution and budget framework. A similar process applies to strategic CIL allocations.

Membership

Six elected members, appointed on the basis of political balance (confirmed annually by the Monitoring Officer).

The Portfolio Holder for City Development is a standing member of the Advisory Forum (in addition to the six politically balanced Members).

Chair: Head of City Development (or nominated senior officer).

The Forum is a Member Advisory Forum; it is chaired by an officer to support the process and provide professional advice, but it remains advisory only and does not exercise delegated decision-making powers.

Core officer membership: Local Plans, CIL & S106, Finance, Legal, and other relevant Heads of Service depending on projects.

Advisory only: Members have no voting rights; collective observations (including differing views) are reflected in the officer report and reported onward through the appropriate constitutional route for decision.

Meeting Frequency and Reporting

The Forum will normally meet twice a year, aligned to the capital programme, with the option of having a third meeting if required.

Papers for each meeting will include the officer-scored project assessments (scores and a short rationale/summary) and the draft officer recommendations.

The Forum will not receive separate monitoring reports. Officers will provide only concise, high-level contextual information.

Notes of meetings will be kept at a high level, capturing key points and collective observations only.

Decision-Making and Reporting

For strategic CIL allocations, and for any aggregated S106 proposals considered through the same framework, officers prepare and assess proposals, including project scoring and draft recommendations. Strategic Management Board (SMB) then considers the strategic fit of those proposals, after which the Advisory Forum provides non-binding observations. Those observations are included in the officer report before a final decision is taken through the appropriate decision-making route in accordance with the Constitution and budget framework.

The Advisory Forum is advisory only. It cannot determine allocations or direct officer recommendations; its role is limited to providing non-binding observations for inclusion in the officer report.

Final decisions on individual allocations are taken through the appropriate decision-making route in accordance with the Constitution and budget framework, typically by the Executive where the allocation can be made within the approved budget or capital programme, or by full Council where a new budget provision or capital programme change is required.

The Council retains full discretion over the strategic CIL decision-making framework, including the ability to set overarching priorities (for example, alignment with manifesto and Corporate Plan commitments) and, where justified, to make no allocations in a particular year so that funds can be accumulated for major strategic infrastructure projects.

These arrangements sit alongside ongoing informal engagement between officers and the Executive, ensuring that Portfolio Holders have multiple opportunities to shape understanding and priorities before formal decisions are taken.

Monitoring and Review

Monitoring of CIL and S106 will be undertaken by officers and reported through existing governance routes (e.g., SMB). The Advisory Forum has no monitoring function.

Appendix B – Application and Assessment Process

Application Process

The process runs annually in line with the Council's capital programme cycle.

City Development coordinates and identifies potential projects, working closely with other services and infrastructure providers.

Consultation expectations
Where proposals are developed internally, project leads are expected to comply with the Council's Consultation Charter (as applicable) and to summarise the consultation undertaken or planned. Where proposals are submitted by external organisations, applicants are expected to demonstrate that appropriate consultation and engagement has been undertaken (proportionate to the scheme) and to explain how feedback has been considered.

City Development leads the scoring and assessment of these projects using the published framework (Appendix C). As part of the annual process, officers may recommend that no allocations are made where deferring spending would better support the delivery of larger, higher-priority projects requiring more than one year's CIL receipts. Any such recommendations will be considered by SMB and then reported for decision through the appropriate decision-making route set out in the Constitution and budget framework.

Before that report is finalised, the Advisory Forum will normally meet twice a year, with the option for a third meeting if required, to consider the draft officer recommendations alongside the officer scoring outputs (scores and a short rationale/summary). Those observations (including any differing views) will be captured succinctly in meeting notes and then included in the officer report through the appropriate decision-making route. The Forum will not have power to submit its own separate recommendations or amendments.

Site-specific S106 allocations are monitored for compliance but are not scored or prioritised through this process.

This decision-making framework applies only to strategic CIL and, where appropriate, aggregated S106 contributions. It does not apply to Neighbourhood CIL. Neighbourhood CIL is the portion of CIL receipts that is passed to the local area in which development takes place, or retained and spent for that area in accordance with the Community Infrastructure Levy Regulations and government guidance. In unparished areas such as Exeter, the Council retains and allocates that neighbourhood portion on behalf of residents, informed by community engagement. In Exeter, this currently supports neighbourhood priorities through existing arrangements, including the Community Grants Programme and Wellbeing Exeter. Officers may provide periodic updates to the Advisory Forum for information.

Monitoring and Review

Approved projects are monitored quarterly at officer level and reported through SMB. The Advisory Forum does not receive routine monitoring reports.

Monitoring data is managed through Exacom, reconciled with Finance records.

External delivery partners must enter into grant or funding agreements to ensure that funds are spent in accordance with agreed purposes.

Appendix C – Scoring Framework

This framework supports the Advisory Forum in considering applications for strategic CIL/S106 funding, which have been assessed by officers. It ensures projects are prioritised transparently and consistently in line with the Exeter Plan, Corporate Plan, and Vision 2040.

Criteria and Weightings:

Strategic and policy fit (25%)

Contribution to growth and mitigation of impacts (25%)

Delivery of identified infrastructure needs (15%)

Financial viability and leverage (10%)

Delivery readiness and timescales (10%)

Risk and mitigation (10%)

Community benefit and engagement (5%)

For the purposes of scoring, "engagement" includes (as applicable) evidence of consultation consistent with the Council's Consultation Charter for internal proposals, and evidence of appropriate consultation and engagement for proposals submitted by external organisations.

Each criterion is scored from 1 (weak) to 5 (strong). Weighted scores are combined to produce a ranking for prioritisation. The scoring framework will be reviewed annually to reflect changing priorities.

Scoring Framework Table

Criterion	Description	Weight (%)	Score 1 (Weak)	Score 5 (Strong)
Strategic and policy fit	Alignment with Vision 2040, Corporate Plan, Exeter Plan, IDP, and partner strategies	25	Little or no alignment	Strong alignment with multiple objectives
Supports growth / mitigates impact	Contribution to housing and economic growth and mitigating strategic development impacts	25	Minimal contribution	Clear and significant contribution

Delivers strategic infrastructure needs	Addresses identified strategic infrastructure priorities	15	Not in identified needs	Directly delivers priority infrastructure
Financial viability & leverage	Clear funding profile, evidence of match funding or leverage	10	Substantial risk, no match funding	Secure match funding, strong cost plan
Delivery readiness & timescales	Realistic timeframe and deliverability within spend deadlines	10	Significant risks to delivery	Ready to start, achievable within timescales
Risk & mitigation	Identified risks and credible mitigation measures	10	Major unmitigated risks	Minimal risk or strong mitigation in place
Community benefit & engagement	Evidence of engagement and clear community benefit	5	Minimal benefit or engagement	Strong benefit with clear engagement evidence

Appendix D – Annual Infrastructure Funding Statement 2024/25

Appendix D is provided as a separate document within the agenda pack.

Reference: 251201_annual-infrastructure-funding-statement_final.pdf