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WAVERLEY BOROUGH COUNCIL

EXECUTIVE

6TH APRIL 2021

Title:

Community Infrastructure Levy (CIL) Bidding Cycle 2020/2021

Portfolio Holder: Cllr Nick Palmer, Portfolio Holder for Operational and Enforcement Services

Head of Service: Zac Ellwood, Head of Planning & Economic Development

Key decision: Yes

Access: Public

1. Purpose and summary

- 1.1 As per the approved CIL governance arrangements, the Executive is delegated to approve bids for allocation of Strategic CIL Funding, on the recommendation of the CIL Advisory Board, subject to an upper limit of £2.5m per individual award, above which approval reverts to Full Council.
- 1.2 This report seeks to gain approval from the Executive for the allocation of Strategic CIL funding to the projects recommended for funding by the CIL Advisory Board.

2. Recommendation

It is recommended that the Executive agree the recommendations of the CIL Advisory Board and approve the allocation of Strategic CIL funding to the projects as set out in this report subject to the completion of the final relevant checks and the signing of funding agreements, the detail of which is delegated to the Strategic Director in consultation with the Portfolio Holder for Operations and Enforcement Services.

3. Reason for the recommendation

In order to ensure robust and effective expenditure in line with the Community Infrastructure Levy Regulations 2010 (as amended) and in accordance with the Council's approved CIL governance arrangements which include detailed eligibility and assessment criteria.

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4. **Background**

- 4.1 In accordance with the CIL Regulations 2010 (as amended) Strategic CIL must be spent on “the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area”
- 4.2 ‘Infrastructure’ is defined within the Planning Act 2008. It includes: roads and other transport facilities, flood defences, schools and other educational facilities, medical facilities, sporting and recreational facilities, and open spaces.
- 4.3 CIL should not be used to remedy pre-existing deficiencies in infrastructure provision unless those deficiencies will be made more severe by new development.
- 4.4 The Council has approved the CIL governance arrangements to allow for an annual bidding cycle for the allocation of Strategic CIL receipts to enable the delivery of specific infrastructure projects that will support development in the Borough. This approval also included the use of a scoring criteria for evaluating bids for infrastructure from the Strategic CIL Fund. These governance arrangements were considered by Overview and Scrutiny prior to approval. Under delegated powers, the CIL Advisory Board made minor amendments to the Scoring Criteria, to reflect updated circumstances, and this was used for the 2020/21 CIL Bidding Cycle.
- 4.5 Infrastructure providers were invited to submit bids to the 2020/21 Strategic CIL Bidding Cycle between the 15th June 2020 and the 31st January 2021.
- 4.6 In accordance with the agreed CIL governance arrangements, the Executive is delegated to approve bids for allocation of Strategic CIL Funding, on the recommendation of the CIL Advisory Board, subject to an upper limit of £2.5m per individual award, above which approval reverts to Full Council.

Available Strategic CIL

- 4.7 As of 1st March 2021 the amount of Strategic CIL available was £1,472,986.59. In accordance with the CIL Regulations 2010 (as amended), the Council agreed that it will only award Strategic CIL up to the value of actual amounts received. CIL receipts whereby a Demand Notice has been raised but the amount is yet to be received will be subject to allocation at future bidding rounds.
- 4.8 As agreed by Council in the agreed governance arrangements for CIL, the Strategic CIL is ‘bottom-sliced’ to create a Community CIL Fund of 10% of the Strategic CIL Fund receipts, for funding low-value but desirable community infrastructure projects. Priority is to be given to bids from parish council areas that have generated relatively low Neighbourhood CIL Fund receipts.
- 4.9 As a result, as of 1st March 2021, the value of the ‘bottom-slice’ Community CIL Fund is £147,298.66.
- 4.10 The remaining Strategic CIL totals £1,325,687.93 when excluding the ‘bottom-sliced’ Community CIL Fund.

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- 4.11 It is not necessary for the Council to allocate all the Strategic CIL funds available each bidding round, if submitted bids are not deemed high priority, the CIL shall not be allocated and will be reserved for the next bidding cycle.

2020/2021 CIL Bid Cycle

- 4.12 The 2020 CIL Bidding Cycle received 29 bid submissions. Three of the submitted bids presented two options for consideration.
- 4.13 The total value of the projects submitted was just over £7.12 million and the total CIL requested was just over £3.87 million.
- 4.14 Officers noted that the quality and detail provided within the submitted bids varied greatly. Some submissions only included the application form, whilst others were accompanied by substantial amounts of supporting evidence and associated documentation. Officers will be working with the CIL Advisor Board to review the 2021 bidding round to make any improvements to the process and communication that may be required in the light of the learning from this first round.

Invalid CIL Bids

- 4.15 As per the agreed governance arrangements for a CIL bid to be valid it must meet the mandatory criteria specified in the agreed CIL Bid Scoring Criteria. Eight of the submitted bids were been assessed as invalid; these submissions failed to meet the mandatory requirements for the following reasons:

| Applicant | Project | Reason |
|----------------------------------|--|--|
| Cranleigh Medical Practice | Installation of air-conditioning at Cranleigh Medical Practice | Project will not support development |
| Ewhurst Cricket Club | Development of training facilities | The organisation is not currently capable of carrying out the proposed project (Bid withdrawn) |
| Farnham Cycle Campaign | Installation of cycle parking in multiple locations within Farnham | The organisation is not currently capable of carrying out the proposed project |
| Farnham Maltings | Establishment of a digital hub | Project does not meet definition of infrastructure |
| Hambledon Nursey | Outside wooden shelter | Project will not support development |
| Hambledon Village Hall Committee | Village hall roof and window repair | Project aims to remedy a pre-existing deficiency which will not be made more severe by new development |
| Wonersh Parish Council | Wonersh Pepperpot junction redesign feasibility study | Project does not meet definition of infrastructure |
| Wonersh Parish Council | Replacement of vehicle activated sign in Shamley Green | Project aims to remedy a pre-existing deficiency which will not be made more severe by new development (Bid withdrawn) |

CIL Advisory Board

- 4.16 In total there were 21 valid CIL bid submissions. These total value of the valid projects submitted was just over £6.71 million and the total CIL requested was just over £3.46 million.

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- 4.17 All valid bids were scored using the agreed CIL Scoring Criteria. Three officers independently scored all of the valid bids, following this an average score was taken for each criterion. This scoring was presented to the CIL Advisory Board, which helped informed recommendations.
- 4.18 The CIL Advisory Board met at three meetings, on the 1st, 8th and 18th of March, to discuss the merits of each valid bid. Alongside taking into account the scoring, the Members of the CIL Advisory discussed and considered the bids against the available Strategic and Neighbourhood CIL, and the potential strategic impact of each project.
- 4.19 As a result of the three meetings, the CIL Advisory Board unanimously agreed to recommend to the Executive that the twelve projects detailed within the next section of this report are allocated Strategic CIL funding.

Recommendations of the CIL Advisory Board

Community CIL Fund

- 4.20 As previously referenced, as of 1st March 2021, the value of the 'bottom-slice' Community CIL Fund is £147,298.66.
- 4.21 Following detailed consideration, the CIL Advisory Board recommended that the following bids are allocated Community CIL funding:

| Applicant | Project | Recommended CIL Allocation |
|--------------------------|---|-----------------------------------|
| Hambledon Football Club | Football Pitch Irrigation | £6,000 |
| Badshot Lea Tennis Club | Installation of Floodlights and Replacement Clubhouse | £32,103 |
| Cranleigh Parish Council | Snoxhall Field Play Park | £5,297 |
| Total | | £43,400 |

Strategic CIL Fund

- 4.22 As previously referenced, as of 1st March 2021, the value of the Strategic CIL, when excluding the Community CIL Fund, is £1,325,687.93.
- 4.23 Following detailed consideration, the CIL Advisory Board recommended that the following bids are allocated Strategic CIL funding:

| Applicant | Project | Recommended CIL Allocation |
|---|---|-----------------------------------|
| Sustainable Schools Project (Rodborough School) | Rodborough Community 3G Football Pitch | £150,000 |
| Glebelands School | Glebelands 3G Pitch | £155,232 |
| Waverley Borough Council | Woolmer Hill 3G Pitch | £155,000 |
| Farnham Cricket Club | Farnham Cricket Club Pavilion Redevelopment | £140,000 |
| Elstead and Thursley Parish Councils | Thursley National Nature Reserve Boardwalk | £98,000 |

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| Waverley Borough Council | Expansion of the Woolmer Hill Pavilion, Haslemere | £200,000 |
| Waverley Borough Council | Guildford to Godalming Greenway - Godalming Gateway | £200,000 |
| Surrey County Council | Elstead to Milford Multi-User Route | £115,000 |
| Surrey and Sussex Police | Automatic Number Plate Recognition Expansion | £48,000 |
| Total | | £1,261,232 |

- 4.24 CIL cannot be used to retrospectively fund infrastructure and therefore if the bid is allocated funding, it may be that when terms and conditions are agreed that the amount of CIL funding is reduced to ensure compliance with the CIL Regulations.
- 4.25 For projects approved for funding, to ensure that CIL expenditure remains in accordance with the CIL Regulations all applicants will be required to accept the terms and conditions and sign a funding agreement. Where relevant, the CIL funding will also be conditional upon the applicant obtaining any necessary building regulations and/or planning permission and any other consents or permissions that may be required. Funding agreements may specify that a project is expected to be delivered within a specific timescale. Payments will be made to successful submissions after completion of the project (or agreed major stages if appropriate) to the satisfaction of the Council and after submission of verifiable invoices, as proof of expenditure. Following the completion of the project, any unspent allocated monies (e.g. unspent contingency funds) will be returned to the Strategic CIL fund.
- 4.26 The Council has an obligation to report on how CIL funding is used in its Infrastructure Funding Statement (IFS) which is published annually in December.

Bids not recommended for funding

- 4.27 Following the assessment of the valid bids by the CIL Advisory Board, the following projects are not recommended for the allocation of CIL funding:

| Applicant | Project | CIL Requested | Reason for not recommending funding |
|--------------------------|--|---------------|---|
| Waverley Borough Council | The Bourne Community Pavilion, Farnham | £947,413.46 | Although the project scores well across the CIL Scoring Criteria, the exception is 'Project Cost' as, for this scheme, the request is for 90% of the project to be funded from CIL and the amount of CIL requested is considered incompatible with the total amount of Strategic CIL available for all bids.. |
| Witley Parish Council | Witley Recreational Ground Play Area | £20,000 | The nature project is more compatible with the Community CIL Fund, than the Strategic CIL fund. However, given the |

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| | | | criteria for Community Fund and that Witley Parish Council has significant CIL funds available, it is considered such project is more suitable for Witley Parish Council to consider via its Neighbourhood CIL expenditure. |
| Jigsaw Trust | Purchase of a minibus (New/Second-hand) | £25,695/ £17,174 | The submitted bid scores moderately across the CIL Scoring Criteria, but poorly specifically in relation to evidenced community support and project cost. It is considered that this project would have a limited strategic impact in supporting development. |
| Godalming College | Installation of Electric Vehicle Charging Points | £48,000 | The submitted bid scores moderately across the CIL Scoring Criteria, but poorly specifically in relation to evidenced community support and project cost. The project offers no match funding. |
| Park Mead Primary School, Cranleigh | MUGA Pitch | £150,000 | The submitted bid scores moderately across the CIL Scoring Criteria, but poorly specifically in relation to the environment, project cost and deliverability. The project offers no match funding. |
| Surrey County Council | Farnham Library Refurbishment | £287,500 | The submitted bid scores poorly across the CIL Scoring Criteria, specifically in relation to the environment, evidenced community support and project cost. |
| Surrey County Council | Godalming Library Refurbishment | £302,500 | The submitted bid scores poorly across the CIL Scoring Criteria, specifically in relation to the environment, evidenced community support and project cost. |
| St James Primary School, Elstead | Provision of Nursery School | £285,000 | The submitted bid scores poorly across the CIL Scoring Criteria, specifically in relation to evidenced community support and project cost. The project offers no match funding. |

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| English Rural Housing Association | Flood Risk Reduction Petworth Road/New Road | £95,000 | The submitted bid scores poorly against all of the CIL Scoring Criteria. It is considered that this project would have a limited strategic impact in supporting development. |
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Next Steps

- 4.28 If the Executive approves some or all of the recommended proposals, officers will then work with the bidders on implementation, including any conditions. The CIL Advisory Board will meet next month to review the process and decide when the next round of awards will be made.

5. **Relationship to the Corporate Strategy and Service Plan**

- 5.1 The CIL helps to deliver infrastructure across all the priority themes and ambitions set out in the Corporate Strategy. This report supports the Corporate Strategy and Service Plan by ensuring that the Community Infrastructure Levy is spent fairly and transparently and delivers the strategic and local community infrastructure necessary to support growth.

6. **Implications of decision**

6.1 **Resource (Finance, procurement, staffing, IT)**

The CIL amounts proposed for allocation have been received so there is no impact on Waverley's budget of the proposals in this report. .

6.2 **Risk management**

The Council will ensure it spends CIL correctly in accordance with the CIL Regulations by completing final relevant checks on all bids allocated funding, and ensuring that funding agreements address all relevant matters.

6.3 **Legal**

Money raised through CIL can only be spent on supporting development by funding the provision, improvement, replacement, operation or maintenance of infrastructure. The definition of infrastructure in section 216(2) of the PA 2008 is sufficiently wide to give the Council flexibility to choose what infrastructure it needs to deliver. Legal services will support the Council in order to ensure ongoing compliance with the Regulations.

Legal services will also support the process of preparing and agreeing funding agreements with third parties in order to ensure that funding is properly administered and safeguarded.

6.4 **Equality, diversity and inclusion**

The signed funding agreements will ensure that matters of equality, diversity and inclusion are addressed for each infrastructure project.

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6.5 Climate emergency declaration

The CIL Scoring Criteria included a component of assessing how the bid supported the aims and targets of the Council's Climate Emergency. Many of the recommended bids will have significant positive impacts on the environment including the support of sustainable forms of transport, improved pedestrian and cycle routes, open space improvements and investment in social infrastructure to enable health and well-being of its residents.

7. Consultation and engagement

7.1 Officers have engaged with infrastructure providers throughout this process.

8. Other options considered

8.1 The CIL Advisory Board have given thorough consideration to each successful and unsuccessful bid throughout this process.

9. Governance journey

9.1 The Executive is delegated to approve bids for allocation of Strategic CIL Funding, on the recommendation of the CIL Advisory Board is subject to an upper limit of £2.5m per individual award. The Council approved its outline CIL Governance arrangements on 11 December 2018 and the detailed criteria and financial thresholds were considered by Value for Money O&S Committee on 18 February 2019 and approved by Council 19 March 2019.

Background Papers

There are / are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

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Agreed and signed off by:

Legal Services: 24/03/21

Head of Finance: 22/03/21

Strategic Director: 24/03/21

Portfolio Holder: 22/03/21