

ANNEX 1
WAVERLEY BOROUGH COUNCIL

EXECUTIVE

5TH APRIL 2022

Title:

Community Infrastructure Levy (CIL) Bidding Cycle 2021/2022

Portfolio Holder: Cllr Nick Palmer, Portfolio Holder for Housing (Delivery)

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 the 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 in relation to the Strategic CIL Bidding Cycle 2021/22.

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. This is subject to the completion of the final relevant checks and the signing of funding agreements, the details of which are delegated to the Strategic Director in consultation with the Portfolio Holder for Housing (Delivery).

3. Reason for the recommendation

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

ANNEX 1

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 2021/22 CIL Bidding Cycle.
- 4.5 Infrastructure providers were invited to submit bids to the 2021/22 Strategic CIL Bidding Cycle between the 1st of July 2021 and the 15th of October 2021.
- 4.6 In accordance with the agreed CIL governance arrangements, the Executive is delegated to approve bids for the 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 January 2022, the amount of Strategic CIL available was **£1,949,330.62**.
- 4.8 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.
- 4.9 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.
- 4.10 As a result, as of 1st January 2022, the value of the ‘bottom-slice’ Community CIL Fund was **£194,933.06**.
- 4.11 The remaining Strategic CIL totals **£1,754,397.55** when excluding the ‘bottom-sliced’ Community CIL Fund.

ANNEX 1

4.12 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.

2021/2022 CIL Bid Cycle

4.13 The 2021/22 CIL Bidding Cycle received 27 bid submissions (following the closure of the bidding round, three bids were subsequently withdrawn).

4.14 The total value of the projects submitted was just over £7.58 million and the total CIL requested was just over £3.61 million.

4.15 As per the previous bidding cycle, 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.

Invalid CIL Bids

4.16 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. Seven of the submitted bids have been assessed as invalid; these submissions failed to meet the mandatory requirements for the following reasons:

Applicant	Project	Reason
Alfold Tennis Club	Installation of LED floodlighting, to replace existing floodlighting.	This project has commenced or has been completed. Projects that have commenced or have been completed prior to a formal funding decision being made by the Council are ineligible for funding.
Cranleigh Parish Council	Replacement play park railings at Snoxhall Fields	Project will not support development/ Project aims to remedy a pre-existing deficiency which will not be made more severe by new development
Hambledon Cricket Club	Replacement cricket nets at Hambledon Cricket Club	Project aims to remedy a pre-existing deficiency which will not be made more severe by new development
Hambledon Football Club	Upgrade of Hambledon Football Club grounds machinery	Project aims to remedy a pre-existing deficiency which will not be made more severe by new development
Surrey County Council	Cycle shelters, Farnham	The organisation has provided insufficient information to determine the proposed location of the project; it is therefore not clear whether they are capable of carrying out the proposed project.

ANNEX 1

Surrey County Council	Expansion of CCTV network within Farnham Town Centre, Farnham	Project aims to remedy a pre-existing deficiency which will not be made more severe by new development
Tilford Parish Council	Pavement widening - Squires Hill Junction to Waverley Abbey School, Tilford	The organisation is not currently capable of carrying out the proposed project and has not evidenced all landowner permissions

4.17 Three further bids were withdrawn, following submission, as the applicants considered that they were unable to evidence that the mandatory requirements could be satisfied.

CIL Advisory Board

4.18 In total there were 17 valid CIL bid submissions. The total value of the submitted valid projects was just over £6.96 million and the total CIL requested was just over £3.07 million.

4.19 All valid bids were scored using the agreed CIL Scoring Criteria. Four officers independently scored all the valid bids, following which an average score was taken for each criterion. This scoring matrix was presented to the CIL Advisory Board, which helped to inform recommendations.

4.20 The CIL Advisory Board met at three meetings, on the 7th and 10th of February, and on the 3rd of March 2022, to discuss the merits of each valid bid. Alongside taking into account the scoring, the Members of the CIL Advisory Board discussed and considered the bids against the available Strategic and Neighbourhood CIL, and the potential strategic impact of each project.

4.21 As a result of the three meetings, the CIL Advisory Board unanimously agreed to recommend to the Executive that the four projects detailed within the next section of this report are allocated Strategic CIL funding.

Recommendations of the CIL Advisory Board

Community CIL Fund

4.22 As previously referenced, as of 1st January 2022, the value of the 'bottom-slice' Community CIL Fund is £194,933.06.

4.23 Following detailed consideration, the CIL Advisory Board recommended that the following bid is allocated Community CIL funding:

Applicant	Project	Recommended CIL Allocation
Chiddingfold Parish Council	Kerbing Project – South side, The Green, Chiddingfold (Option 1 - Countryside Kerbing)	£37,912.00
Total		£37,912.00

ANNEX 1

Strategic CIL Fund

- 4.24 As previously referenced, as of 1st January 2022, the value of the Strategic CIL, when excluding the Community CIL Fund, is £1,754,397.55.
- 4.25 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 (Farnham Heath School)	3G Pitch at Farnham Heath End School, Farnham	£150,000
Park Mead Primary School	Multi-Sports Game Area (MUGA) at Park Mead Primary, Cranleigh	£100,000
Waverley Hoppa Community Transport	Addition of one new electric accessible minibus	£51,800
Total		£301,800

- 4.26 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.
- 4.27 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.
- 4.28 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

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

ANNEX 1

Applicant	Project	CIL Requested	Reason for not recommending funding
Waverley Hoppa Community Transport	Addition of two new buses to the Hoppa fleet of accessible minibuses	£51,800.00	Although the project scored well across the CIL Scoring Criteria, there was concern regarding the vehicles being diesel given that the Council has declared a Climate Emergency. Following liaison with Hoppa, one new electric accessible minibus has been recommended for Strategic CIL funding.
Surrey and Sussex Police	Public engagement van	£70,000.00	Although the project scored relatively well across the CIL Scoring Criteria, there was concern regarding the vehicles being diesel given that the Council has declared a Climate Emergency. There was also insufficient evidence as to how this project would benefit the residents of Waverley.
Farnham Rugby Club	4G Pitch at Farnham Rugby Club, Farnham	£419,267.00	The project scored relatively well across the CIL Scoring Criteria, the exception is 'Project Cost' as the request is for the entire project to be funded by CIL. The Council has recommended the Farnham Heath School 3G Pitch for Strategic CIL Funding. The Playing Pitch Strategy sets out that there is only a requirement for one additional 3G pitch in this geographical area; this requirement will be satisfied by the 3G pitch at Farnham Heath School.
The Pilgrim Project	Extend and renovate existing community facilities and café at the Spire Church, Farnham	£50,000.00	The nature of this project is more compatible with the Community CIL Fund, than the Strategic CIL fund. However, given the criteria for the Community Fund and that Farnham Town Council has significant CIL funds available, it is considered such a project is more suitable for Farnham Town Council to consider via its Neighbourhood CIL expenditure.

ANNEX 1

<p>Girlguiding Surrey West</p>	<p>Build and equip a nature education centre at Herons Way, Tilford</p>	<p>£18,345.00</p>	<p>It was considered that the nature project is more compatible with the Community CIL Fund, than the Strategic CIL fund. Although the project scored relatively well across the CIL Scoring Criteria, there was concern about the deliverability of the project given that planning permission would be required and the costs of such had not been included in the overall bid budget.</p>
<p>Surrey County Council</p>	<p>3G Pitch at Broadwater School, Godalming</p>	<p>£698,000.00</p>	<p>The project scored relatively well across the CIL Scoring Criteria, the exception is 'Project Cost' as the request is for over 90% of the project to be funded by CIL. There was concern that all alternative funding sources had not been explored.</p>
<p>Farncombe Community Garden</p>	<p>Creation of community garden in Farncombe, Godalming (construction of vehicle access, carparking and fencing)</p>	<p>£29,021.00</p>	<p>It was considered that the nature project is more compatible with the Community CIL Fund, than the Strategic CIL fund. However, given the criteria for the Community Fund and that Godalming Town Council has significant CIL funds available, it is considered such a project is more suitable for Godalming Town Council to consider via its Neighbourhood CIL expenditure. The project also offers no match funding.</p>
<p>Waverley Borough Council</p>	<p>Broadwater Park Sport Changing Facilities and Community Room, Godalming</p>	<p>£454,556.00</p>	<p>The project scored moderately across the CIL Scoring Criteria, with 'Project Cost' scoring most poorly. There was concern about the need for this project and the extent to which this project would support development.</p>
<p>Rowledge Village Hall</p>	<p>Replacement Rowledge Village Hall, Farnham</p>	<p>£300,000.00</p>	<p>The project scored moderately across the CIL Scoring Criteria. There were strong concerns about the deliverability of the project given that multiple planning permissions would be required (these permissions are also linked to the unlocking of</p>

ANNEX 1

			the alternative funding sources).
Farncombe Community Garden	Creation of building for the community garden in Farncombe, Godalming	£80,100.00	It was considered that the nature project is more compatible with the Community CIL Fund, than the Strategic CIL fund. However, given the criteria for the Community Fund and that Godalming Town Council has significant CIL funds available, it is considered such a project is more suitable for Godalming Town Council to consider via its Neighbourhood CIL expenditure.
Surrey County Council	Creation of a cycle/walking pathway; Farnham	£286,832.91	The submitted bid lacks detail and as a result scores relatively poorly against all the CIL Scoring Criteria. The project also offers no match funding.
Chiddingfold Parish Council	Kerbing Project – South side, The Green, Chiddingfold (Option 2 - Standard Kerbing)	£29,243.21	Option 1 for this project has been recommended for Community CIL funding. As a result, Option 2 is not required.
Surrey County Council	A325/ Water Lane Roundabout, Farnham	£137,535.00	The submitted bid lacks detail and as a result scores very poorly against all the CIL Scoring Criteria. The project also offers no match funding.
Surrey County Council	Improvements to pedestrian and cycling routes and traffic calming - Gardeners Hill Road/ Sandrock Hill/ Baker Oats Drive, Farnham.	£156,615.00	The submitted bid lacks detail and as a result scores very poorly against all the CIL Scoring Criteria. The project also offers no match funding.

Next Steps

- 4.30 If the Executive approves some or all the recommended projects, officers will then work with the bidders on implementation, including any conditions.
- 4.31 The CIL Advisory Board will meet next month to review the process and finalise the dates for the next Strategic CIL bidding round.

ANNEX 1

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 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.

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.

ANNEX 1

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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