

WAVERLEY BOROUGH COUNCIL

EXECUTIVE

7 MARCH 2023

Title:

Community Infrastructure Levy (CIL) Bidding Cycle 2022/2023

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

Head of Service: Abi Lewis, Executive Head of Regeneration and Planning Policy

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 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 2022/23.

2. Recommendation

- 1) 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).
- 2) It is recommended that the Executive agree the recommendation of the CIL Advisory Board to remove the 'Community CIL' from future Strategic CIL Bidding Cycles, for the reasons as set out within this report.

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.

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 2022/23 CIL Bidding Cycle.
- 4.5 Infrastructure providers were invited to submit bids to the 2022/23 Strategic CIL Bidding Cycle between the 1st of July 2022 and the 14th of October 2022.
- 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 2023, the amount of Strategic CIL available was **£4,455,275.14**.
- 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 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.

‘Community CIL’

- 4.10 The Council agreed the detailed governance arrangements for the expenditure of Strategic CIL, prior to the implementation of CIL in March 2019. As part of such, it was decided that the Strategic CIL should be ‘bottom-sliced’ to create a ‘Community CIL’ fund of 10% of the Strategic CIL receipts available within each CIL bidding cycle. The fund was defined as for funding low-value but desirable community infrastructure projects on application from parish councils, with priority being given to bids from parish councils with relatively low Neighbourhood CIL Fund receipts.

The creation of a 'Community CIL' fund was made by this Council, rather than prescribed or recommended by the CIL Regulations 2010 (as amended).

- 4.11 In line with the Regulations, 15% of CIL receipts (capped at £100 per Council tax dwelling per annum in the parish area) or 25% where there is a 'made' Neighbourhood Plan are transferred to the relevant Town and Parish Councils twice a year, where development has occurred in their area.
- 4.12 Since the implementation of CIL, as demonstrated within Appendix 1, many of the Town and Parish Councils have received, or are due, substantial amounts of Neighbourhood CIL. These Neighbourhood CIL monies can be used by the Town/Parish Council to fund infrastructure projects or anything else that is concerned with addressing the demands that development places on the area.
- 4.13 Consequently, since the implementation of CIL it has been found that the need for a 'Community CIL' fund is effectively superseded by the role of Neighbourhood CIL. The 'Community CIL' fund requires that the bidding parish has low Neighbourhood CIL Fund receipts. However, the parishes shown within Appendix 1 with low Neighbourhood CIL Fund receipts have not received significant development within the CIL regime, hence infrastructure projects located in such areas are unlikely to meet the requirement of Strategic CIL expenditure.
- 4.14 The CIL Advisory Board therefore recommends that the bottom-sliced 'Community CIL' fund is removed for future Strategic CIL bidding cycles and the Strategic CIL is treated as a whole. This approach would allow for Strategic CIL funds to be available for 'strategic' infrastructure projects, whilst Neighbourhood CIL is utilised for projects with more localised impacts. It should be noted that the removal of the 'Community CIL' fund would not prevent community infrastructure projects from submitting a Strategic CIL bid.

2022/2023 CIL Bid Cycle

- 4.15 The 2022/23 CIL Bidding Cycle received 24 bid submissions.
- 4.16 The total value of the projects submitted was just over £24 million and the total CIL requested was just over £9 million. These values represent figures significantly higher than previous Strategic CIL bidding cycles.
- 4.17 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

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

| Applicant | Project | Reason |
|-------------------------------------|--|---|
| Hindhead Playing Fields Association | Repair and refurbishment of the sports pavilion at Hindhead Playing Field | Project will not support development/ Project aims to remedy a pre-existing deficiency which will not be made more severe by new development |
| Jigsaw Trust | Installation of Heating, ventilation, and air conditioning (HVAC) to classrooms at Jigsaw School | Project aims to remedy a pre-existing deficiency which will not be made more severe by new development |
| Badshot Lea Tennis Club | Landscaping works to area surrounding the newly refurbished clubhouse at Badshot Lea Tennis Club | Project will not support development/ Project aims to remedy a pre-existing deficiency which will not be made more severe by new development |

CIL Advisory Board

- 4.19 In total there were 21 valid CIL bid submissions. The total value of the valid projects submitted was just over £23.9 million and the total CIL requested was just over £8.9 million.
- 4.20 All valid bids were scored using the agreed CIL Scoring Criteria. Three 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.
- 4.21 The CIL Advisory Board met at three meetings, on the 16th, 18th and 30th January 2023 to discuss the merits of each of the 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. For some projects, the CIL Advisory Board invited the bid applicants to attend the final meeting to answer specific outstanding questions.
- 4.22 As a result of the three meetings, the CIL Advisory Board unanimously agreed to recommend to the Executive that the six projects detailed within the next section of this report are allocated Strategic CIL funding.

Recommendations of the CIL Advisory Board

- 4.23 As previously referenced, as of 1st January 2023, the value of the Strategic CIL is **£4,455,275.14**.
- 4.24 Following detailed consideration, the CIL Advisory Board recommended that the following bids are allocated Strategic CIL funding:

| Applicant | Project | Recommended CIL Allocation |
|--|--|-----------------------------------|
| Surrey County Council | Cranleigh High Street Highway and Public Realm Improvements | £1,000,000.00 |
| Surrey County Council | Guildford to Godalming Greenway | £483,000.00 |
| Surrey County Council | Cranleigh Active Travel Corridor | £558,000.00 |
| Waverley Hoppa Community Transport | Bid 2: Addition of two new electric buses to Hoppa's fleet of accessible minibuses | £112,810.00 |
| Surrey County Council | Improvements to B3208 Water Lane Roundabout , Farnham | £404,894.00 |
| Waverley Borough Council and NHS Frimley Integrated Care Board | New medical practice at Wey Court East, Farnham | £754,920.00* |
| Total | | £3,313,624.00 |

** The CIL Advisory Board recommend that the award of funding to this project is subject to a resolution to grant planning permission being achieved within 6 months of any Executive decision to award funding.*

- 4.25 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.
- 4.26 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.
- 4.27 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

- 4.28 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 Hoppa Community Transport | Bid 1: Addition of one new electric bus to Hoppa's fleet of accessible minibuses | £56,405.00 | The applicant submitted two options for this project. The Board has recommended that 'Bid 2' be allocated Strategic CIL funding. Consequently, 'Bid 1' is not recommended for funding. |
| Partners at Binscombe Medical Centre | Extension, alterations and improvements to Binscombe Medical Centre | £604,000.00 | <p>The project scored well across the CIL Scoring Criteria, however, there was concern about the deliverability of the project given that planning permission has yet to be sought. The applicant reported subsequent to the submission of the CIL bid that rescoping of the project may be necessary for a number of factors.</p> <p>The Board concluded that this bid for Strategic CIL is premature.</p> |
| Sussex and Surrey Police | Electric mobile engagement policing vehicle | £53,963.88 | It is noted this bid responded to feedback given when this project was submitted in the 2021/22 Strategic CIL Bidding Cycle. However, the Board were unable see sufficient benefit of CIL funds being invested in this project. |
| Surrey Heartlands Integrated Care Board | Same Day Access Healthcare Hub based at Haslemere Hospital | £1.2 million (application in Oct 22), revised to £1.9- £2.4 million (Jan 2023) | 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. It was noted that all alternative funding sources had not been explored. The applicant reported, subsequent to the submission of the CIL bid, that the project costs had been significantly revised. The Board expressed concern about how this may impact deliverability. There was also concern about the deliverability |

| Applicant | Project | CIL Requested | Reason for not recommending funding |
|------------------------------|---|---------------|---|
| | | | <p>of the project given that planning permission may be required and has yet to be sought.</p> <p>The Board concluded that this bid for Strategic CIL is premature.</p> |
| Alfold Football Club | 4G Pitch at Alfold Recreational Ground | £846,762.63 | <p>The project scored relatively well across the CIL Scoring Criteria, the exception is 'Project Cost' as the request is for over 95% of the project to be funded by CIL. The Board also queried whether alternative funding sources (e.g. Neighbourhood CIL, Football Foundation) could be explored or be available in the future.</p> <p>There was also concern about the deliverability of the project given that planning permission has yet to be sought.</p> <p>The Board concluded that this bid for Strategic CIL is premature.</p> |
| Busbridge CofE Junior School | Installation of Multi-Use Games Area (MUGA) | £60,000.00 | <p>The submitted bid scores moderately well across the CIL Scoring Criteria, but poorly in relation to 'Delivering Growth'. There was also concern about the deliverability of the project given that planning permission has yet to be determined. It is considered that this project would have a limited strategic impact in supporting Development, therefore it is considered that this project would be more suitable for Neighbourhood CIL expenditure. It is noted that Godalming Town Council has committed to supporting the project using Neighbourhood CIL.</p> |

| Applicant | Project | CIL Requested | Reason for not recommending funding |
|-----------------------------------|--|---------------|--|
| Hambleton Football Club | Creation of one adult pitch and 2 youth 5v5 pitches at Badger Park, Hambleton | £175,000.00 | <p>The submitted bid scores moderately well across the CIL Scoring Criteria, but relatively poorly in relation to 'Delivering Growth'. The Board also queried whether alternative funding sources (e.g. Neighbourhood CIL, Football Foundation) could be explored or be available in the future.</p> <p>There was also concern about the deliverability of the project given landownership arrangements and as planning permission had yet to be sought and will be required.</p> <p>The Board concluded that this bid for Strategic CIL is premature.</p> |
| South Western Railway | Installation of Wall Mounted Touch Screen Information Totems at stations in Waverley | £130,000.00 | <p>The submitted bid scores moderately across the CIL Scoring Criteria, but relatively poorly in relation to 'Delivering Growth' and 'Project Costs'. The project also offers no match funding.</p> |
| Cranleigh Arts Centre | Refurbishment & Improvements to Cranleigh Arts Centre | £457,556.00 | <p>The submitted bid scores moderately across the CIL Scoring Criteria, but relatively poorly in relation to 'Community Support' and 'Project Costs'. The Board expressed concern about the links of some of the aspects of this project supporting development and considered aspects of the project sought to remedy a pre-existing deficiency in infrastructure provision which will not be made more severe by new development.</p> |
| Farnham Rugby Union Football Club | 4G Pitch at Farnham Rugby Union Football Club | £300,000.00 | <p>In the 2021/22 Strategic CIL Bidding Cycle the Council allocated the Strategic CIL Funding for a 3G pitch within</p> |

| Applicant | Project | CIL Requested | Reason for not recommending funding |
|---|---|---------------|---|
| | | | <p>the same area. 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. It is noted this bid has responded to feedback given when this project was submitted in the 2021/22 Strategic CIL Bidding Cycle. However, as a result of such 'need' for the infrastructure being addressed, this project scores relatively poorly across the CIL Scoring Criteria.</p> |
| Jigsaw Trust | Playground Scooter Track | £29,626.32 | <p>The submitted bid scores poorly against a number of the CIL Scoring Criteria; including in relation to 'Delivering Growth', 'Community Support' and 'Project Costs'. The request is for 95% of the project to be funded by CIL. Given the scale and nature of the project, it is considered that this project would be more suitable for Neighbourhood CIL expenditure.</p> |
| Friends of Broadwater School on behalf of Broadwater School | Recreational gardens at Broadwater School | £89,400.00 | <p>The submitted bid scores poorly against a number of the CIL Scoring Criteria; including 'Delivering Growth' and 'Project Costs'. It is considered that this project would have a limited strategic impact in supporting development and therefore, it is considered that this project would be more suitable for Neighbourhood CIL expenditure. It is noted that Godalming Town Council has committed to supporting the project using Neighbourhood CIL.</p> |

| Applicant | Project | CIL Requested | Reason for not recommending funding |
|--|---|----------------------|---|
| Farnham Maltings | Installation of external solar canopy | £311,335.00 | The submitted bid scores poorly against a number of the CIL Scoring Criteria; including 'Delivering Growth', 'Project Costs', and 'Community Support' (related this specific project rather than the Maltings more generally). |
| Dene Lane (Upper) and Cricket Lane Association | Dene Lane and Cricket Lane resurfacing works | £16,082.64 | The submitted bid scores poorly across the majority of the CIL Scoring Criteria. The Board expressed concern about the link to this project supporting development and considered it sought to remedy a pre-existing deficiency in infrastructure provision which will not be made more severe by new development. The Board also queried whether CIL would be a correct funding mechanism for this project, frontagers are responsible for maintenance and repairs of an unadopted road. |
| Cranleigh Arts Centre | Expanded theatre seating at Cranleigh Arts Centre | £1,316,338.00 | 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

- 4.29 If the Executive approves some or all the recommended projects, officers will then work with the bidders to formally confirm the CIL funding arrangements, including any terms and conditions.
- 4.30 The CIL Advisory Board will meet next month to reflect upon the 2022/23 Strategic CIL bidding round; review the process (if found necessary); and finalise the dates for the next Strategic CIL bidding round (2023/2024).

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 and there is no impact on Waverley's budget as a result 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.

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.
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Background Papers

There 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: 16/02/23

Head of Finance: 16/02/23

Strategic Director: 14/02/23

Portfolio Holder: 15/02/23

Appendix 1: Neighbourhood CIL

| Parish | Neighbourhood CIL due * | Neighbourhood CIL collected * | Total * | Neighbourhood CIL potential ** |
|--------------|-------------------------|-------------------------------|-------------|--------------------------------|
| Alfold | £0.00 | £74,070.82 | £74,070.82 | £226,196.97 |
| Bramley | £0.00 | £13,623.30 | £13,623.30 | £44,867.72 |
| Busbridge | £0.00 | £39,209.28 | £39,209.28 | £9,478.44 |
| Chiddingfold | £3.29 | £3,809.92 | £3,813.21 | £200,072.43 |
| Churt | £8.15 | £0.00 | £8.15 | £29,782.29 |
| Cranleigh | £37,229.62 | £66,536.53 | £103,766.15 | £124,563.34 |
| Dockenfield | £1,358.19 | £23,716.65 | £25,074.84 | £23,225.70 |
| Dunsfold | £1,054.47 | £0.00 | £1,054.47 | £120,230.32 |
| Elstead | £8,550.54 | £0.00 | £8,550.54 | £10,297.46 |
| Ewhurst | £8,288.22 | £102,537.47 | £110,825.69 | £392,475.76 |
| Farnham | £57,139.60 | £380,482.68 | £437,622.28 | £1,941,309.29 |
| Frensham | £0.84 | £1,308.86 | £1,309.70 | £135,481.67 |
| Godalming | £267,618.25 | £274,348.88 | £541,967.13 | £465,756.52 |
| Hambledon | £0.00 | £53,343.23 | £53,343.23 | £26,112.31 |
| Hascombe | £0.00 | £0.00 | £0.00 | £15,270.98 |
| Haslemere | £39,013.94 | 172,228.30 | £211,242.24 | £1,750,083.84 |
| Peper Harow | £0.00 | £0.00 | £0.00 | £943.55 |
| Thursley | £0.00 | £2,589.24 | £2,589.24 | £11,620.26 |
| Tilford | £0.00 | £1,670.79 | £1,670.79 | £45,898.16 |
| Witley | £14,839.40 | £147,860.77 | £162,700.17 | £277,518.59 |
| Wonersh | £0.00 | £19,747.00 | £19,747.00 | £31,932.25 |

* As of 1 January 2023

** As of 1 January 2023; note figures may be subject to change due to granted applications requiring processing by the CIL Team