

Waverley Borough Council

Report to: Executive

Date: 5 March 2024

Ward(s) affected: All Wards

Report of Director: Place

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Executive Portfolio Holder/ Lead Councillor responsible: Cllr Nick Palmer,
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Report Status: Open

Key Decision: Yes

Community Infrastructure Levy (CIL) Bidding Cycle 2023-2024

1. Executive Summary

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 Executive Working Group, subject to an upper limit of £2.5million per individual award, above which approval reverts to Full Council.

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

Executive Working Group in relation to the Strategic CIL Bidding Cycle 2023/24.

2. Recommendation to Executive

That the Executive approves:

- 1) The recommendations of the CIL Executive Working Group and approves the allocation of Strategic CIL funding to the projects as set out in paragraph 7.24 of 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).

The Executive is asked to **recommend** to Council:

That the Council approves:

- 1) The recommendation of the CIL Executive Working Group to award £3,253,726.00 CIL funding to Surrey County Council for the Farnham Infrastructure Programme (Town Centre Improvement Scheme) to Council, split equally across the financial year 2023/24 and 2024/25 (£1,626,863.00).

3. Reason(s) for Recommendation:

- 3.1 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. Exemption from publication

Not exempt from publication

5. Purpose of Report

- 5.1 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 Executive Working Group in relation to the Strategic CIL Bidding Cycle 2023/24.

6. Strategic Priorities

- 6.1 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.

7. Background

- 7.1 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”*.
- 7.2 ‘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.
- 7.3 CIL should not be used to remedy pre-existing deficiencies in infrastructure provision unless those deficiencies will be made more severe by new development.
- 7.4 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 Executive Working Group made minor amendments to the Scoring Criteria, to reflect updated circumstances, and this was used for the 2023/24 CIL Bidding Cycle.

- 7.5 Infrastructure providers were invited to submit bids to the 2023/24 Strategic CIL Bidding Cycle between the 3 of July 2023 to the 30 of October 2023 (this included a two week extension).
- 7.6 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

- 7.7 As of 1 January 2024, the amount of Strategic CIL available was **£8,570,791.24**.
- 7.8 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.
- 7.9 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'

7.10 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 this, 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. Following Executive on 7 March 2023, it was agreed to amend the governance arrangements and not to 'bottom slice' Strategic CIL for each bidding cycle. Originally this was required to create a Community CIL Fund of 10% of the Strategic CIL Fund receipts, for funding low-value but desirable community infrastructure projects. The Executive Report recommended that the Community Fund, which had been created within the Strategic CIL Fund, be removed from future CIL bidding cycles, as experience showed that there was not the need for it that had been anticipated when the CIL governance arrangements were being developed. It was therefore resolved that:

2. *the 'Community CIL' element be removed from future Strategic CIL Bidding Cycles.*

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

7.11 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.

7.12 This approach now allows for Strategic CIL funds to be available for 'strategic' infrastructure projects, whilst Neighbourhood CIL is utilised for projects with more localised impacts. The removal of the 'Community CIL' fund does not prevent community infrastructure projects from submitting a Strategic CIL bid.

2023/2024 CIL Bid Cycle

- 7.13 The 2023/24 CIL Bidding Cycle received 22 bid submissions.
- 7.14 The total value of the projects submitted was £64.8 million and the total CIL requested was £11.8 million. These values represent figures significantly higher than previous Strategic CIL bidding cycles: for example the total value of projects submitted in 2022/23 was £24 million, with £9 million requested from CIL.
- 7.15 As per the previous bidding cycle, the quality and detail provided within the submitted bids varied greatly.

Invalid CIL Bids

- 7.16 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.
- 7.17 Two of the bids have been assessed as invalid, as the submissions have failed to meet the mandatory requirements for the following reasons:

Applicant	Project	Reason
All Saints CoE School Tilford	Daily Mile Track	No evidence to suggest that the project is needed to support the development in its area: no evidence to suggest that the new track will accommodate more people and therefore it appears to be a "like for like" replacement. In addition to this, no land owner's consent was submitted.
Waverley Abbey	Sports Pavilion	2 separate projects included within the bid - 1) Resurfacing of car park - this would be classed as remedying pre-existing deficiencies in infrastructure and is therefore invalid. 2) New pavilion - this is also invalid as there is no evidence to suggest it is needed to support the development in its area.

Applicant	Project	Reason
		In addition to this, no landowner's consent was submitted.

CIL Executive Working Group

- 7.18 In total there were 20 valid CIL bid submissions. The total value of the valid projects submitted is £63.9 million and the total CIL requested was £11 million.
- 7.19 All valid bids were scored using the agreed CIL Scoring Criteria. Six 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 Executive Working Group, which helped to inform recommendations.
- 7.20 The CIL Executive Working Group met at three meetings, on the 25 and 30 January 2024 and 7 February 2024 to discuss the merits of each of the valid bid. Taking into account the scoring, the Members of the CIL Executive Working Group discussed and considered the bids against the available Strategic CIL, and the potential strategic impact of each project.
- 7.21 During the meetings, the potential of ‘top slicing’ future Strategic CIL was discussed. The CIL Executive Working Group confirmed that the terms of reference lead to a requirement to make recommendations to the Executive on the basis of the current governance arrangements (as amended by Executive on 7 March 2023). As referred to in paragraph 7.10, at this Executive meeting in 2023, following a recommendation by the Working Group, it was resolved to remove the ‘Community CIL’ element from future Strategic CIL Bidding Cycles. The CIL Executive Working Group proposed that the Executive may therefore wish to consider further revised governance arrangement which would ‘ring fence’ specific infrastructure projects and programmes which are of particular significance to the Council and

that may be sensitive to medium and long-term funding and implementation arrangements.

7.22 As a result of the three meetings, the CIL Executive Working Group unanimously agreed to recommend to the Executive that the 10 projects detailed within the next section of this report are allocated Strategic CIL funding.

Recommendations of the CIL Executive Working Group

7.23 As previously referenced, as of 1st January 2024, the value of the Strategic CIL is **£8,570,791.24**.

7.24 Following detailed consideration, the CIL Executive Working Group recommended that the following bids are allocated Strategic CIL funding:

Applicant	Project	Recommended CIL Allocation
Surrey County Council (3)	Farnham Infrastructure Programme (FIP) – Town Centre Improvement Scheme	£3,253,726.00 (split over the financial years 2023/24 and 2024/25) subject to Council approval)
Binscombe Medical Practice (4)	Extension, alterations and improvement to Binscombe Medical Centre	£205,812* *Please note that on 7 February 2024, the applicant requested that the bid was reduced from £347,480.00 to £205,812 following a formal tender process
The Ridgeway School (7)	Ridgeway playground	£100,000.00
Haslemere Parochial Church Council (PCC) (8)	The Linkway Hub	£400,000.00 (contingent upon the inclusion of a ‘safeguard’ (or overreach clause) related to the future ownership of the site in perpetuity. Officers to confirm this with legal and consult the Guildford Diocesan Board of Finance (landowner) and include a suitable clause into the terms & conditions)

Rowledge Village Hall (11)	New Rowledge Village Hall	£650,000.00 (assuming that the scheme can be carried out/delivered with the allocated funds & liquidated assets)
Surrey County Council (12)	Cranleigh Local Street Improvement Scheme	£347,049.00
Surrey County Council (13)	Farncombe Local Streets Improvements Scheme	£362,467.00
The Wey and Arun Canal Trust Limited	Upgrade of the towpath at Bonfire Hanger	£45,779.00
Treloar's (16)	Electric bus for Treloar's	£9,822.00
Waverley Borough Council (22)	Cranleigh Leisure Centre	£2,000,000.00 (phased over years 2023/24 and 2024/25, subject to Executive approval)
Total		£7,374,655.00*
		*Adjusted to account for Bid 4 (Binscombe Medical Practice)

7.25 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.

7.26 In relation to Bid number 3 (Surrey County Council – Farnham Infrastructure Programme (FIP) – Town Centre Improvement Scheme), and subject to Council approval given the bid amount is over £2.5million, the Executive Working Group are recommending that the CIL funds requested is split over the financial years 2023/24 and 2024/25).

7.27 Similarly, in relation to Bid number 22 (Waverley Borough Council – Cranleigh Leisure Centre) the Executive Working Group are recommending that the CIL funds requested is split over the financial years 2023/24 and 2024/25). In both cases this is to take into account the project implementation timetable.

7.28 For all 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.

7.29 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. The latest IFS was published 22 December 2023 and covers the period 1 April 2023-31 March 2023.

Bids not recommended for funding

7.30 Following the assessment of the valid bids by the CIL Executive Working Group, the following projects are not recommended for the allocation of CIL funding:

Applicant	Project	CIL Requested	Reason for not recommending funding
The Bourne Club (1)	Tennis and Padel Development – Phase 1 Padel	£98,000.00	No wider community benefit demonstrated compared to other bids; not in the IDP.
Waverley Hoppa Community Transport (2)	Growing Community Transport in Waverley	£70,000.00	No business plan. Uncertainties regarding the commercial element of proposed scheme.

Applicant	Project	CIL Requested	Reason for not recommending funding
Potters Gate Primary School (5)	New multi-use school hall	£840,208.00	S106 funding had previously been allocated to address an identified need for increased pupil capacity driven by development in the area. The EWG was concerned about the evidence associated with 'additionality' (how the scheme relates to growth in the area). The scheme is not in the IDP, and has no links to the Corporate Strategy.
Cranleigh Parish Council (6)	Multi-use Games Area (MUGA) at Snoxhall Fields	£109,995.00	Planning permission still pending; parish has received s106 monies but as funding is contingent upon planning approval, concerns about deliverability.
Godalming District Scouts (9)	White Beeches Woodland Scout Campsite Toilet Facilities	£2,300.00	Project is more suited to Neighbourhood funding
Cranleigh Cricket Club (10)	Cranleigh Cricket Club clubroom improvement	£1,775,000.00	No match funding. Not in IDP and not included in Corporate Strategy; no support under climate change. No demonstration of need presented for Strategic CIL. Suggest that the applicant applies for sport funding streams i.e. Sports England.
Waverley Borough Council (18)	Expansion and refurbishment of Sandy Hill play area in Farnham	£100,000.00	Executive working group sympathetic. Bid needs further justification and more detail/evidence in relation to the projected allocation of funding, quotes, and community support for the proposal.
Waverley Borough Council (19)	Expansion and refurbishment of Border Road and Oak Cottages play areas	£100,000.00	Executive working group sympathetic. Bid needs further justification and more detail/evidence in relation to the projected allocation of funding, quotes, and community support for the proposal.

Applicant	Project	CIL Requested	Reason for not recommending funding
All Hallows Catholic School (20)	All Weather Sports Hall	£324,678.08	Lack of evidence provided; no match funding; not in IDP; no link to Corporate Strategy and no support under climate change.
Hambledon FC (21)	Creation of a new sports pitch	£100,000.00	Planning permission required and the land has been leased for 15 years only therefore limited evidence of deliverability. Not in IDP; does not support climate emergency.

8. Consultations

8.1 Officers have engaged with infrastructure providers throughout this process.

9. Key Risks

9.1 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.

10. Financial Implications

10.1 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.

11. Legal Implications

11.1 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.

- 11.2 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.

12. Human Resource Implications

- 12.1 No implications.

13. Equality and Diversity Implications

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

14. Climate Change/Sustainability Implications

- 14.1 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.

15. Suggested issues for overview and scrutiny

- 16.1 The Executive is delegated to approve bids for allocation of Strategic CIL Funding, on the recommendation of the CIL Executive Working Group is subject to an upper limit of £2.5m per individual award. The Council originally 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.

16. Summary of Options

17.1 The CIL Executive Working Group have given thorough consideration to each successful and unsuccessful bid throughout this process.

17. Conclusion

17.1 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.

17.2 The CIL Executive Working Group will meet after 5 March 2024 to reflect upon the 2023/24 Strategic CIL bidding round; review the process (if found necessary); and finalise the dates for the next Strategic CIL bidding round (2024/2025).

18. Background Papers

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

19. Appendices

19.1 There are no appendices to this report.

Please ensure the following service areas have signed off your report.
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Service	Sign off date
Finance / S.151 Officer	20.02.24
Legal / Governance	20.02.24
HR	20.02.24
Equalities	20.02.24
Lead Councillor	20.02.24
CMB	13.02.24
Executive Briefing/Liaison	20.02.24
Committee Services	23.02.24