

SCHEME FOR THE ALLOCATION OF CIL 15% (COMMUNITY INFRASTRUCTURE LEVY)

Head of Service/Contact:	Gillian McTaggart, Head of Policy, Performance & Governance
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	
Annexes/Appendices (attached):	Annexe 1 - Guidance for CIL 15% Applications Annexe 2 – Criteria Matrix
Other available papers (not attached):	

Report summary

This report provides an update on the pilot scheme for allocating the neighbourhood portion of the Community Infrastructure Levy of CIL 15% approved by this Committee in April 2018.

It also provides details of the permanent scheme to allocate funding for future community projects.

Recommendation:

- (1) The Committee are asked to note the lessons learnt from implementing the pilot scheme and delivering those projects allocated funding;**
- (2) The Committee are asked to agree the permanent scheme for allocating the funds.**

1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

- 1.1 The monies collected from the Community Infrastructure Levy (CIL) supports the delivery of strategic and community infrastructure across the Borough to support sustainable growth as set out in planning policies with benefits to the community.

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2 Background

- 2.1 CIL is a tariff in the form of a standard charge for developments. It is based on floor space to reflect the size, type and location of a new development to help fund infrastructure. CIL replaces some of the previous S106 agreements however those will still exist to deal with the provision of affordable housing. The Council adopted a CIL charging policy on 1 July 2014. The Council have responsibility as both the charging and collecting authority for developments taking place in the Borough. The CIL regulations require us to allocate an element of the CIL to local projects for infrastructure.
- 2.2 The distribution of CIL funding is broken down as 80% infrastructure; 15% local neighbourhood spending and 5% administrative costs. The Council must spend the neighbourhood fund on infrastructure in the local area, in consultation with the local community. The neighbourhood portion of the levy can be spent on a broader range of projects than the rest of the levy. The Councils must use CIL money to support the development of the local council's area, by funding:
- (a) The provision, improvement, replacement, operation or maintenance of infrastructure; or
 - (b) Anything else that is concerned with addressing the demands that development places on an area.
- 2.3 Typically there are three broad categories of infrastructure:
- Social infrastructure: e.g. art and culture, sports halls, education, health, social care, emergency services, community centres, village halls;
 - Physical infrastructure: e.g. pavements, cycleways, flood defences, highways, transport links;
 - Green infrastructure: e.g. play areas, public open space, woodlands.

3 Review of 2018/19 Pilot Scheme

- 3.1 The Committee approved a pilot scheme for 2018/19 for allocating an element of the CIL 15% monies on 17th April 2018. The Committee agreed that £250,000 be allocated to delivering CIL community projects and £100,000 be allocated to the Borough Investment Fund to invest in high street improvements.

CIL15% Fund

- 3.2 The pilot scheme was launched in May 2018. Bids for the £250,000 were restricted to Councillors.

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- 3.3 The scheme was outlined in detailed guidance notes, requesting a detailed business case for each bid, quotes for the work and any restrictions to the projects that could be undertaken. Officers were not allowed to provide any resources to support bids.
- 3.4 A Members Panel consisting of Chairmen of Strategy & Resources and Community & Wellbeing and one other member of Strategy & Resources reviewed all the bids received. The Planning Policy Team were consulted on the proposed scheme and the bids received.
- 3.5 A total of 14 bids were received and 8 were agreed across 7 wards. Four of the projects are being delivered internally and four are being delivered through Surrey County Council.
- 3.6 A process to implement the CIL projects with Surrey County Council had to be agreed in order for them to agree to deliver the projects.
- 3.7 To date, two of the projects have been fully implemented and a number of the projects are in progress. Two of the projects being delivered by Surrey have been slower to be implemented and are likely to be reduced from the original bids. Work continues to implement the others and regular updates on the progress of each project have been provided.
- 3.8 In summary the lessons learnt from the pilot scheme include:
 - 3.8.1 Several of bids were not sufficiently developed. They lacked sufficient detail particularly in terms of the detailed business case and the quotes to outline the costs;
 - 3.8.2 Only two bids had the requested three quotes;
 - 3.8.3 Many of the bids would have benefited from greater detail on location of proposed work, requiring maps etc;
 - 3.8.4 Not all permissions or consents had been obtained as requested in the guidance;
 - 3.8.5 Ongoing revenue costs were not always factored in even although relatively small in some cases;
 - 3.8.6 There was no existing process or arrangement in place with Surrey County Council to commence the CIL projects. This delayed early progress of the four Surrey led projects;
 - 3.8.7 Officers were not to help with initial bids due to concerns about resources available. However Officers have been very supportive in implementing the projects. Some involvement at earlier stage would have been helpful in establishing risks to implementation and feasibility.

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Borough Investment Fund

- 3.9 The Borough Investment Fund has not proved popular. We have received four applications to date. Some additional marketing has been undertaken and we are awaiting the outcome of this.
- 3.10 Despite clear guidance that planning permission needs to be obtained separately, the applicants have not obtained planning permission in advance of submitting an application.
- 3.11 The first award is about to be made and we will continue to market the fund through various channels.

4 Proposals

- 4.1 To improve the process for evaluating bids it is proposed that there is a two stage process for 2019/20. This will be similar to the process for the capital programme. The detailed guidance is attached in Annex 1. The process will be:
 - Stage 1 - bids will be assessed on a pass or fail basis with some additional questions. This will require basic information on the proposed project. Each initial bid will be assessed and needs to pass relevant sections. However there will be an ability to identify queries or areas that need further information. Council Officers cannot be requested to assist in the completion of application forms or business cases at Stage 1.
 - Stage 2 -will require more detailed business cases, with up to date quotes and relevant information such as location, photo's etc.
- 4.2 The Member Panel will evaluate bids at both stages with assistance from officers.
- 4.3 To improve viability and deliverability officers will be available to support bids at Stage 2. Those bids that proceed to the second stage will then need to be developed and must include all the information requested, such as three quotes where relevant, maps, photographs, confirmation of any permissions required, land owners consents and the on-going revenue costs.
- 4.3 The new scheme will be open to community groups however all bids must have the support of a Councillor.
- 4.4 Councillors can support bids across the Borough and can submit more than one bid.
- 4.5 It is intended that projects are delivered within the year that funding is allocated however the guidance recognizes that projects can take slightly longer to deliver or have unavoidable delays. Therefore it specifies that all monies are to be allocated within two years of being awarded or otherwise the Council can request their return.

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- 4.6 The Criteria Matrix for assessing Stage 2 is attached in Annex 2 has been developed based on 2018/19 matrix. This will assess each bid on a basis of Accountability, Suitability, and Feasibility. The scorings will be taken into consideration when assessing the bids but the Panel will take into account the types of project and spread of bids across the Borough. It will also take into account the level of funding available.

Proposed Timetable

- 4.7 The proposed timetable for the 19/20 bids timetable is:

Submission of Stage 1 bids by 31st May 2019

Submission of Stage 2 bids by 31st July 2019

Proposed date of award by September 2019

- 4.8 A Members Briefing or training will be arranged for all members to support the process.

5 Financial and Manpower Implications

- 5.1 The Borough charges and collects CIL as stated in its Charging Policy.
- 5.2 As at 1st March 2019, the Council held £1.065 million of unallocated CIL funds. Of this unallocated balance, £534,000 relates to the 15% neighbourhood fund..
- 5.3 It is proposed that for 2019/20, £250,000 be allocated for the CIL 15% funding. Any unspent funds from the 2018/19 allocations will be clarified once projects are finished.
- 5.4 ***Chief Finance Officer's comments: Allocating £250,000 of CIL in 2019/20 will reduce the unallocated 15% neighbourhood fund balance from £534,000 to £284,000.***

6 Legal Implications (including implications for matters relating to equality)

- 6.1 The Localism Act (2011) and the CIL regulations set out how the levy must be spent and accounted for, how much can be retained for administration and the procedures for enforcement.
- 6.2 The Council are required to publish annually: the CIL receipts. The spend on any strategic funding, allocation to any neighbourhoods and the amounts allocated to cover administration costs.
- 6.3 ***Monitoring Officer's comments: none arising from the contents of this report.***

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7 Sustainability Policy and Community Safety Implications

- 7.1 There are no specific implications but there may be community safety implications for specific bids.

8 Partnerships

- 8.1 The bids will be open to community groups although these must be supported by the relevant ward councillor

9 Risk Assessment

- 9.1 An agreed mechanism for allocating the CIL 15% will ensure that there is adequate governance in place and that monies can be allocated fairly and transparently for the greatest benefit on community infrastructure projects. This will also ensure there is a monitoring process in place to track progress and monitor what is spent.

10 Conclusion and Recommendations

- 10.1 The pilot scheme will deliver a number of enhancements to the community infrastructure.
- 10.2 The Committee are asked to note the outcome of the pilot scheme to allocate the CIL 15% to community projects in 2018/19.
- 10.3 The Committee are asked to agree a permanent scheme commencing in 2019/20 based on the proposal outlined in this report.

Ward(s) affected: (All Wards);