

## **EPSOM AND EWELL COMMUNITY INFRASTRUCTURE LEVY - ANNUAL FUNDING AWARDS**

**Head of Service:** Justin Turvey, Head of Place Development  
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**Wards affected:** (All Wards);  
**Urgent Decision?** No

**Appendices (attached):** Appendix 1 – Strategic and Neighbourhood  
CIL Bids recommended to be funded by the  
CIL Member Working Group.  
Appendix 2 – Strategic and Neighbourhood  
CIL Bids not recommended to be funded by  
the CIL Member Working Group.

### **Summary**

The Council undertook its annual funding rounds for strategic and neighbourhood CIL between the 7 May and 18 June 2024. During this funding window 5 strategic CIL bids and 23 neighbourhood CIL bids were received.

In accordance with the Epsom and Ewell CIL Spending Protocol (January 2024), all bids received have been subject to an initial stage 1 assessment. Only the bids that passed the stage 1 assessment were then subject to a stage 2 assessment by the CIL Member Working Group.

Following this process, three Strategic CIL bids (totalling £1,755,000 of strategic CIL funding) and six neighbourhood CIL bids (totalling £331,966 of neighbourhood CIL funding) were recommended to receive funding to the Licencing and Planning Policy Committee (LPPC) on the 17 October. LPPC were asked to agree the recommendation of the CIL working group. As set out in the CIL Spending Protocol any project or projects that are of a value (combined) greater than £50,000, in line with the council's financial regulations, are referred to Strategy and Resources Committee to approve the funding in accordance with paragraph 3.11 of the CIL Spending Protocol. The recommendation of the CIL Working Group and LPPC is therefore presented for a decision.

At the LPPC a motion was carried asking for Strategy and Resources committee to consider the merits of agreeing to fund an additional neighbourhood scheme that was not recommended for funding by the CIL Working Group. This amendment, if approved, would increase the neighbourhood CIL spend to £497,216.

## **Recommendation (s)**

### **The Committee is asked to:**

- (1) Approve and ratify the recommendations of the CIL Working Group as supported by the Licencing and Planning Policy Committee (LPPC) as set out in paragraphs 3.3 and 3.7 of this report.**
- (2) To consider an additional neighbourhood scheme receiving funding as requested by LPPC.**

## **1 Reason for Recommendation**

- 1.1 To ensure the robust and effective expenditure and reporting in line with the Community Infrastructure Levy Regulations 2010 (as amended) and in accordance with the Epsom and Ewell CIL Spending Protocol (January 2024).

## **2 Background**

- 2.1 Epsom and Ewell's CIL Charging Schedule came into force on the 1 July 2014 and applies to all liable developments that were granted permission after this date. CIL is payable when work to implement the development commences.
- 2.2 The Community Infrastructure Levy (CIL) is used to mitigate the cumulative impact of development but is rarely sufficient to fund all of the infrastructure that is required to support development of an area. CIL cannot be used to remedy existing deficiencies (unless those deficiencies will be made more severe by new development) undertake maintenance of existing infrastructure, or remedy demands from population growth driven by other factors such as birth rates.
- 2.3 On the 18 January 2024 Licencing and Planning Policy Committee approved the Epsom and Ewell CIL Spending Protocol which sets out the governance arrangements for spending CIL funds in the borough.
- 2.4 CIL Regulations require apportionment of CIL as follows:
  - The Strategic CL Portion (70-80%)
  - The Neighbourhood Portion (15-25%)
  - The CIL Administrative proportion (5%)

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### Strategic CIL

2.5 Strategic CIL funding can be used to fund infrastructure, including transport, flood defences, schools, hospitals, and other health and social care facilities. Local authorities must spend the levy on infrastructure needed to support development of their area. CIL can be used to increase the capacity of existing infrastructure or provide new infrastructure that is necessary to support development. The clearest way to justify this is to link it to the Council's Infrastructure Delivery Plan that supports the Local Plan. We cannot use strategic CIL to fund affordable housing as this is still dealt with through s106 obligations.

2.6 As of the 30 June 2024 there was £7,621,000 of unallocated Strategic CIL funding available in the borough.

### Neighbourhood CIL

2.7 The Neighbourhood portion c

2.8 an be used to fund a wider range of spending, but it must still be necessary to support development.

2.9 As of the 30 June 2024 there was £1,226,000 of unallocated neighbourhood CIL funding available.

## **3 Recommendations for CIL funding**

3.1 Following the adoption of the CIL Spending Protocol in January 2024, the council raised awareness of the opportunity of CIL funding with strategic infrastructure providers (such as Surrey County Council). During the annual funding round, we received 5 strategic CIL bids and 23 Neighbourhood CIL bids.

3.2 The process of scoring and categorisation for strategic and neighbourhood CIL bids is set out in the Epsom and Ewell CIL Spending Protocol (January 2024).

### Strategic CIL Bids

3.3 The council's CIL Member Working Group (MWG) and Licencing and Planning Policy Committee have recommended the allocation of Strategic CIL funding to the following three projects:

- Ewell Village public realm enhancements - £1,250,000.
- Priest Hill Football Development – Full size 3G football pitch - £405,000.

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- New Club House at Old Schools lane, Ewell - £100,000.

- 3.4 Further detail on the bids recommended for approval is contained in Appendix 1 – Part 1.
- 3.5 If this committee were to approve the Strategic CIL projects detailed above, this would reduce the amount of unallocated Strategic CIL funding available in the borough to £5,866,000 based on funds held on 30 June 2024.
- 3.6 Two strategic bids have not been recommended for funding. These are as follows:
- Epsom Playhouse replacement lighting project – this bid did not pass the stage 1 assessment (the project is maintenance).
  - A project relating to increasing capacity at GP surgeries has not been recommended for funding following a stage 2 assessment as the CIL Member Working Group considered that the scheme was 'desirable', whereas the other projects recommended for funding were categorised as 'essential'. Further details on the unsuccessful bids are contained in Appendix 2 – Part 1.

### Neighbourhood CIL Bids

- 3.7 The CIL Member Working Group (MWG) has recommended to the Licencing and Planning Policy Committee the allocation of Neighbourhood CIL funding to the following projects:
- Glyn Hall – Replacement Community Building - £85,000
  - Hogsmill Local Nature Reserve Footpath Improvements - £78,644
  - Bourne Hall Woodland Play Area - £68,627
  - Gateley Green Playground Improvements - £49,829
  - Gibraltar Playground Improvements - £44,866
  - Waterloo Road Street Tree Planting - £5,000
- 3.8 The LPPC approved the above recommendations of the CIL MWG and supported a request to this committee to approve the funding.
- 3.9 Further detail on the neighbourhood bids recommended to be funded by the CIL MWG is contained in Appendix 1 – Part 2.

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- 3.10 In addition to the six neighbourhood schemes recommended by the CIL MWG, at the LPPC meeting on the 17 October 2024, it was proposed and seconded by members of the committee that the Nam Yang Martial Arts Club bid be considered by the committee for approval. LPPC voted in favour of recommending the following project is specifically considered by this committee for funding:
- Nam Yang Martial Arts Club - £161,250
- 3.11 It is important to note that the Nam Yang Martial Arts Club and two other neighbourhood CIL projects scored more than six points overall during the stage 2 assessment as set out in the CIL spending protocol. However, the projects scored a 1 on the best value criteria at stage 2 of the spending protocol. In accordance with the CIL spending protocol the 'best value' criteria were applied by the MWG to make a judgement as to whether projects that scored over 6 points at stage 2, should be awarded funding.
- 3.12 The CIL Spending Protocol does not prevent the LPPC making recommendations to this committee to fund schemes that have met or exceeded the requirements to pass stage 2 of the neighbourhood CIL prioritisation criteria.
- 3.13 It is important to note that the role of this committee is not to re-assess the CIL bids, as this work has already been undertaken by the CIL MWG, but its role is to approve the recommendations of the CIL MWG as agreed by LPPC and consider whether the additional scheme should receive funding, subject to compliance with the provisions of the CIL Spending Protocol.
- 3.14 If this committee were to approve the six Neighbourhood CIL projects detailed above, this would reduce the amount of unallocated Neighbourhood CIL funding available in the borough to £894,034 based on funds held on 30 June 2024 and if the seventh project detailed in paragraph 3.10 is funded it would leave £732,784.
- 3.15 A total of 17 neighbourhood bids have not been recommended for funding this year by the CIL MWG. The reasons being:
- 7 bids failed Stage 1 of the site assessment criteria set out in the CIL Spending Protocol. All of the 7 projects were checked against a set of nine basic eligibility criteria as set out in the spending protocol. The projects were therefore not progressed to stage 2.
  - 7 bids did not score more than six points during the stage 2 Assessment as required by the CIL Spending Protocol, at least six points must be achieved to be recommended for funding.

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- 3.16 3 bids scored six points or more than six points overall, but scored a 1 or less on the best value criteria. To help aid decision making the final 'best value' criteria was applied to make a judgement as to whether the projects are to be awarded funding. Further details on the bids that the CIL MWG did not recommend to be funded are contained in Appendix 2 – Part 2.

### **4 Risk Assessment**

Legal or other duties

#### 4.1 Equality Impact Assessment

4.1.1 None

#### 4.2 Crime & Disorder

4.2.1 None

#### 4.3 Safeguarding

4.3.1 None

#### 4.4 Dependencies

4.4.1 None

#### 4.5 Other

4.5.1 None

### **5 Financial Implications**

- 5.1 CIL is intended to support the strategic infrastructure that is required to support the development of the local area and spend must be in accordance with our Spending Protocol.
- 5.2 The Council was in receipt of £7,621,000 unallocated Strategic CIL and £1,226,000 Neighbourhood CIL (as of the 30 June 2024) which are available to fund CIL bids.
- 5.3 This report requests £1,755,000 of strategic CIL funding and £493,216, of neighbourhood CIL funding be approved.
- 5.4 If approved, the remaining balance of unallocated Strategic CIL would reduce to £5,866,000 and the balance of Neighbourhood CIL would reduce to £732,784. For clarification, whilst there is provision for the charging authority (i.e. EEBC) to reclaim unspent monies from a 'local council' (e.g. a Parish Council where one exists), the legislation does not give developers the right to reclaim CIL from EEBC as charging authority.

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5.5 Allocating £2,248,216 (section 5.30 of CIL funding would result in an estimated £101,170 per annum reduction in treasury management income as cash balances fall by this amount, assuming investment returns of 4.5%, which will need to be factored into the Council's future financial plans.

5.6 **Section 151 Officer's comments:** The allocations recommended in this report are within the funds available and thus the balances on CIL are set out at 5.4.

## 6 Legal Implications

6.1 The collection and spending of CIL is governed by The Community Infrastructure Levy Regulations 2010 as amended ("the CIL Regulations"). Part 7 of The Community Infrastructure Levy sets out how CIL may be applied and in particular Regulation 59(1) places a duty on the Council to apply CIL to funding the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area.

6.2 The adoption of a CIL Spending Protocol seeks to ensure consistent, equitable and transparent application of the money collected with a clear CIL governance structure to oversee the spending of CIL monies so as to ensure CIL serves its statutory purpose.

6.3 Charging authorities may not use the levy to fund affordable housing.

6.4 **Legal Officer's comments:** None arising from the content of this report.

## 7 Policies, Plans & Partnerships

7.1 **Council's Key Priorities:** The following Key Priorities are engaged:

- Enhance the borough's natural assets, preserving and increasing Biodiversity.
- Work with partners to develop and improve transport and infrastructure with particular emphasis on sustainable travel options.

7.2 **Service Plans:** The matter is included within the current Service Delivery Plan.

7.3 **Climate & Environmental Impact of recommendations:** None

7.4 **Sustainability Policy & Community Safety Implications:**

7.5 Allocation of funds is in line with the Council's Spending Protocol and is not introducing new policy. It is considered that there is a wide range of projects recommended for funding, including those which enable greater access and facilities for all.

7.6 **Partnerships:**

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- 7.7 The projects to be funded support a wide range of external partners, including Surrey County Council, to enable the delivery of improved infrastructure in the borough.

### 8 Background papers

- 8.1 The documents referred to in compiling this report are as follows:

#### Previous reports:

- Licensing and Planning Policy Committee (17 October 2024) – Epsom and Ewell Community Infrastructure Levy – Annual Funding Allocations 2024

<https://democracy.epsom-ewell.gov.uk/documents/s33234/Epsom%20and%20Ewell%20Community%20Infrastructure%20Levy%20-%20Annual%20Funding%20Awards.pdf>

#### Other papers:

- Epsom and Ewell CIL Spending Protocol (January 2024) - accessible from the following link:

<https://www.epsom-ewell.gov.uk/sites/default/files/documents/residents/planning/planning-policy/community-infrastructure-levy-cil/EEBC%20CIL%20spending%20protocol%20-%20final.pdf>

- Epsom and Ewell Interim Infrastructure Plan (May 2024) – accessible from the following link:

<https://www.epsom-ewell.gov.uk/sites/default/files/documents/residents/planning/planning-policy/community-infrastructure-levy-cil/Interim%20Infrastructure%20Plan%20May%202024%20%281%29.pdf>