

COMMUNITY INFRASTRUCTURE LEVY (CIL) SPENDING PROTOCOL 2025

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| Head of Service: | Justin Turvey, Head of Place Development |
| Report Author | Ian Mawer, Michelle Meskell |
| Wards affected: | (All Wards); |
| Urgent Decision | No |
| Appendices (attached): | Appendix 1 - Epsom and Ewell Community Infrastructure Levy Spending Protocol (2025) |

Summary

The report seeks the approval of an updated CIL spending protocol which will provide the framework for how the council allocates Community Infrastructure Levy funding that has been received from eligible developments in the borough to contribute towards the delivery of infrastructure.

Recommendation (s)

The Committee is asked to:

- (1) Approve the updated Epsom and Ewell Borough CIL Spending Protocol 2025 attached at Appendix 1.**
- (2) Note that spending decisions will be taken to the Strategy and Resources Committee and that the CIL MWG will report to S&R Committee.**
- (3) Recommend to the Strategy and Resources Committee the MWG TOR in Appendix 1.**

1 Reason for Recommendation

- 1.1 The CIL spending protocol was adopted in January 2024 by the Licensing and Planning Policy Committee and was used for the assessment of both strategic and neighbourhood CIL bids in Spring 2024.
- 1.2 Following the successful use of the Spending Protocol to approve the release of CIL funds to deliver infrastructure in the borough, members of the councils CIL Member working group (MWG) and officers identified some improvements that could be made to the Spending Protocol and decision process, and this report seeks approval of the Spending Protocol amendments.

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2 Background

- 2.1 On 29 April 2014 EEBC adopted the CIL Charging Schedule which came into effect on 1st July 2014.
- 2.2 CIL monies are to mitigate the cumulative impact of development but are rarely sufficient to fund all of the infrastructure that is required to support development of an area. Therefore, to ensure that they are used effectively, they should be prioritised to funding and delivering essential infrastructure. A spending protocol helps makes clear and transparent decisions around spending of CIL.

Spending CIL

- 2.3 Legislation sets some parameters for the way in which CIL can be used. For most authorities, including EEBC, the breakdown of how CIL receipts are ring-fenced and spent is as follows:
- 70–80% of receipts on infrastructure projects – the provision, improvement, replacement, or operation of infrastructure to support the development of the area. The charging authority decides what these priorities are and when and where to spend CIL. This can be outside an authority area, providing it addresses the impacts of development within it.
 - 15% (capped at £100 plus indexation per dwelling) rising to 25% (uncapped) in areas with an adopted neighbourhood plan for spend within the neighbourhood within which the CIL was received. These receipts must be spent on projects that support development of the area but is not limited to infrastructure. In areas with parish councils or community councils these funds are passed to them. Outside of these areas the council should engage with communities on how the money should be spent.
 - 5% of CIL receipts in the first 3 years of operation and annually thereafter can be spent on the cost of administering CIL. These administration costs can include staff, software and, in the first three years of charging CIL, costs associated with setting the CIL Charge.
- 2.4 CIL is designed to address cumulative impacts of development and must be used in line with the CIL regulations. CIL cannot be used to remedy existing deficiencies, undertake maintenance of existing infrastructure, or demands from population growth driven by other factors such as birth rates. Both strategic and neighbourhood CIL should only be used to deal with the impact of development. There are no time limits on the main CIL spend, however, there are time limits on the neighbourhood portion if passed to a parish council under Regulation 59A or 59B. There are no parishes of Epsom and Ewell Borough Council.

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Strategic CIL

- 2.5 The levy 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. Charging authorities may not use the levy to fund affordable housing.

Neighbourhood CIL

- 2.6 As the EEBC community is without a parish or town council, the Council retains the levy receipts and should engage with the communities where development has taken place and agree with them how best to spend the neighbourhood funding and should demonstrate how it has engaged (e.g., using regular communication tools for example, website, newsletters, etc)
- 2.7 The Neighbourhood portion can be used to fund a wider range of spending, but it must still be necessary to support development. Where a neighbourhood plan is in place, the Council and communities should consider how the neighbourhood portion can be used to deliver the infrastructure identified in the neighbourhood plan as required to address the demands of development.

CIL funding held by the Council

- 2.8 Table 1 below, summarises the unallocated funding held under the strategic and community fund pots as of 31st January 2025. These funds may increase by 31st March 2025 if additional planning applications are received. These funds can be bid for when the 2026 funding round launches later this year.

| | Strategic CIL | Neighbourhood CIL |
|--|----------------------|--------------------------|
| | £'000 | £'000 |
| Unallocated CIL funds held as of 31 st January 2025 | 6,312 | 977 |

Spending Protocol – January 2024

- 2.9 In January 2024 the Licensing and Planning Policy Committee approved the Epsom and Ewell CIL Spending Protocol to provide a transparent decision-making process for the spending of the Community Infrastructure Levy in the borough.

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- 2.10 The spending protocol set out a protocol governing the process and criteria for selecting infrastructure projects for funding through CIL. It is important to note that the document is intended as a framework rather than a fixed set of rules, as it is necessary to retain sufficient flexibility in the process to allow for changing circumstances, for example, if national guidance on CIL spend or local policy priorities change.
- 2.11 Following the adoption of the Spending Protocol in January 2024, bids were invited for strategic CIL and Neighbourhood CIL between 7 May 2024 and 18 June 2024. Following assessment of all the bids received by the CIL Member working group, a report was presented to this committee on the 17 October 2024 to:
- Approve the recommendations of the CIL Member Working Group by provisionally allocating CIL funding to three strategic CIL projects and six neighbourhood CIL projects
 - Support a request to Strategy and Resources Committee to approve the funding totalling £2,086,966
- 2.12 On the 12 November the Strategy and Resources Committee approved and ratified the recommendations of the CIL working group made to LPPC and the successful bidders were notified of that their bid had been successful.

Spending Protocol – 2025

- 2.13 Following the successful use of the Spending Protocol to approve CIL the release of over £2m to fund infrastructure in the borough, the CIL Member Working Group and CIL Officer Team identified some improvements that could be made to the protocol and decision process in advance of the next bidding round.
- 2.14 The changes made by section are summarised below:

Section 1 - Introduction and Overview

- Additional text added (paras 1.4 and 1.5) to reiterate that bids must be for infrastructure and support growth and that all mandatory requirements on the application forms must be met.

Section 3 - Allocation of Funds Strategic CIL

- Addition text added to remind applicants to carefully consider the scoring criteria when preparing a bid.
- Additional text added clarifying that spend will be expected to be in accordance with the spending agreement.

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- **Reflects revised approval process whereby CIL bids are assessed by a CIL MWG and then the recommendations of the group are considered by Strategy and Resources Committee for approval, removing LPPC from this process.**
- Timetable updated
- Example strategic funding form removed.

Section 4 – Prioritisation Criteria for Strategic CIL

- Additional wording added to the Stage 1 shortlisting process to reiterate the bids must be complete and all relevant supporting evidence supported with the bid and that if all of these stage 1 criteria are not satisfied the bid will be considered to be invalid.

Section 5 – Allocation of Funds Neighbourhood CIL

- Additional wording added to clarify the approach to neighbourhood CIL in the borough as we have no parish councils.
- Example Neighbourhood CIL funding form removed.
- **Reflects revised approval process whereby CIL bids are assessed by a CIL MWG and then the recommendations of the group are considered by Strategy and Resources Committee for approval, removing LPPC from this process.**
- Additional text added to the Neighbourhood Portion Bidding Rounds section to clarify that projects must be for immovable infrastructure and additional text added to clarify what could be considered to be maintenance.
- Reference to match funding in the form of 'man hours' being eligible for consideration removed.
- Amendment to timescales for projects to be delivered from five years to three. In instances where the allocated funding has not been spent within the agreed timescales, the funds will be made available to spend on alternative neighbourhood CIL projects.
- Timetable updated

Section 6 – Prioritisation criteria for Neighbourhood CIL

- Additional wording added to the Stage 1 shortlisting process to reiterate the bids must be complete and all relevant supporting evidence supported with the bid and that if all of these stage 1 criteria are not satisfied the bid will be considered to be invalid.
- Stage 2 criteria revised as follows:
 - Criteria 3 – clarifies that match funding must be agreed and that alternatives other than 'cash', such as volunteer hours, will not be considered.
 - Criteria 3 – scoring thresholds amended so schemes providing less than 5% match funding score zero points. Previously only those providing no match funding would score zero.
 - Criteria 5 in the current protocol is to be deleted which gave an extra point for match funding being in the cash form.
- The minimum required number of points required to be considered for funding at stage 2 has reduced from 6 to 5 to reflect that the total number of points available due to the changes outlined above has reduced by 1.

Section 9 – CIL Member Working Group terms of reference

- **Terms of reference amended to reflect that the recommendation of the Group will be submitted to Strategy and Resources Committee.**

Section 10 – CIL Officer Team terms of reference

- Section 2 amended to reflect changes to staffing roles in the Council, notably that the post of CIL grants officer no longer exists following the retirement of the previous post holder.

3 Risk Assessment

Legal or other duties

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3.1 Equality Impact Assessment

3.1.1 None

3.2 Crime & Disorder

3.2.1 None

3.3 Safeguarding

3.3.1 None

3.4 Dependencies

3.4.1 None

3.5 Other

3.5.1 None

4 Financial Implications

4.1 The introduction of the CIL spending protocol will not impact the amount of CIL income received by the Council as it does not alter the CIL charging schedule.

4.2 **Section 151 Officer's comments:** The financial implications are contained in the body of this report, notably paragraph 2.8 which lays out the CIL funding available as part of this bidding round. The CIL protocol will need to be followed carefully for the 2025/26 bidding round, building on the lessons from the current financial year.

5 Legal Implications

5.1 The collection and spending of CIL is governed by The Community Infrastructure Levy Regulations 2010 as amended ("the CIL Regulations"). Part 7 of the CIL Regulations 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. The recommendation to update the CIL spending protocol meets these requirements.

5.2 **Legal Officer's comments:** As set out above.

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6 Policies, Plans & Partnerships

- 6.1 **Council's Key Priorities:** Work with partners to develop and improve transport and infrastructure with particular emphasis on sustainable travel options. Promote Epsom & Ewell as a great place to live, work and study, and encourage inward investment.
- 6.2 **Service Plans:** The matter is included within the current Service Delivery Plan.
- 6.3 **Climate & Environmental Impact of recommendations:** None
- 6.4 **Sustainability Policy & Community Safety Implications:** There are no climate or environmental implications from this report. However, CIL funding could be utilised to deliver projects that benefit the environment.
- 6.5 **Partnerships:** There are no partnerships issues arising from this report.

7 Background papers

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

Previous reports:

- [Licensing and Planning Policy Committee 18 January 2024 - COMMUNITY INFRASTRUCTURE LEVY \(CIL\) SPENDING PROTOCOL:](#)
- [Licensing and Planning Policy Committee 17 October 2024 - EPSOM AND EWELL COMMUNITY INFRASTRUCTURE LEVY - ANNUAL FUNDING ALLOCATIONS 2024:](#)
- [Strategy and Resources Committee 12 November 2024 - EPSOM AND EWELL COMMUNITY INFRASTRUCTURE LEVY - ANNUAL FUNDING AWARDS](#)