

ALLOCATION OF COMMUNITY INFRASTRUCTURE LEVY (CIL) CONTRIBUTIONS TO LOCAL AND STRATEGIC INFRASTRUCTURE PROJECTS

Community Infrastructure Levy (CIL) Spending Board - 8 May 2018

Report of Chief Planning Officer

Status For Consideration

Also considered by Cabinet - 7 June 2018

Key Decision Yes

This report supports the Key Aim of ensuring that Sevenoaks District remains a great place to live, work and visit and that development is supported by the relevant Infrastructure.

Portfolio Holder Cllr. Robert Piper

Contact Officer Simon Taylor, Ext. 7134

Recommendation to the CIL Spending Board: That the Board consider the report and appendices, and agree the recommendations as set out in paragraph 6 of Appendix H to the report.

Recommendation to Cabinet: That Cabinet ratify the recommendations made by the CIL Spending Board as set out in the minutes of the meeting.

Introduction and Background

- 1 Sevenoaks District Council (SDC) adopted their Community Infrastructure Levy (CIL) charging schedule on 18 February 2014 and has been charging on all qualifying development since 4 August 2014. The District's CIL Charging Schedule sets out the charging rates and what development is charged under CIL.
- 2 Since the Council has been charging CIL, there has been a steady income from CIL contributions resulting in sufficient income for the CIL Spending Board to allocate funding to make a meaningful contribution to infrastructure projects in the area.
- 3 An invitation for Bids was sent out to all statutory providers and interested parties. The invitation to Bid was open for 12 weeks from 1 September 2017. The invitation to Bid closed on 1 December 2017.

Update on CIL Legislation

- 4 Members are advised that there are no updates to the CIL regulations to report on to the CIL Board.
- 5 On 5 March 2018, central Government published a consultation on the role of developer contributions and CIL, alongside the proposed revisions to the National Planning Policy Framework (NPPF). The proposals include streamlining the process for setting a CIL Charging Schedule, reducing the complexities of CIL, improving market responsiveness for CIL to function appropriately and increasing the transparency in the way that developer contributions are spent. The Council will be responding to this consultation in conjunction with the Portfolio Holder for Planning.

Update on CIL Contributions

- 6 CIL contributions are collected on qualifying developments. As the Charging Authority, SDC has a mandatory responsibility to pass a proportion of CIL contributions to town and parish councils where development has occurred within a 6-month period. These payment periods are defined as:
 - a) **1 April to 30 September** of the given financial year, with payments made to town and parish councils by **28 October**; and
 - b) **1 October to 31 March** of the given financial year, with payments made to town and parish councils by **28 April**.
- 7 Under the CIL regulations, town and parish councils are entitled to receive 15% of CIL contributions in their area where there is no neighbourhood plan, and 25% of CIL contributions where there is a neighbourhood plan in place. However, the Council's Cabinet in November 2014 (Minute 50) agreed that all parish and town councils within the District would receive 25% of CIL contributions collected, regardless of charging area and whether a neighbourhood plan is in place. This would be calculated against the top CIL charging rate (£125 per m²), resulting in discretionary "top-up" payments made by the District Council.
- 8 Furthermore, the District Council can recover up to 5% of CIL receipts collected for administration costs. The remaining proportions of CIL receipts collected are retained by the District Council to be allocated by the CIL Spending Board to strategic and/or local infrastructure projects. Cabinet must ratify all recommendations made by the CIL Spending Board, before the allocated sum can be passed to the bidding organisation.
- 9 The following table summarises the total value of CIL contributions collected to date and value of contributions available for the CIL Board to allocate. Members should note that the information provided is accurate to 31 March 2018, as this was the last payment period to town and parish councils:

Total value of CIL receipts collected by Sevenoaks District Council to date (01.04.2014 - 31.03.2018)	£4,363,529.68
Total value of CIL receipts passed to town and parish councils	£0.00
Total value of CIL receipts available to the CIL Spending Board (after mandatory obligations) (Total value collected <u>minus</u> the value of receipts passed to the town/parish councils and administration recovery)	£3,035,907.57
Total value of CIL receipts that have been previously allocated by the CIL Spending Board (to date)	£0.00
Total value of CIL receipts available for the CIL Board to allocate for local infrastructure projects	£3,035,907.57

- 10 It should be noted that it is difficult to forecast the value of CIL contributions which will become available for the Board to allocate, once the parish payments and administration recovery costs are taken into account. Furthermore, it is unclear when CIL contributions will be collected, as they are dependant on the commencement of the development, and any exemptions that the applicant has applied for (i.e. self build, affordable housing, charitable status).

Process for Assessing Bids

- 11 The process of assessing applications is made by the Lead Officer using the following two-stage process:

Stage One: Bids are discounted from the process either where:

- i) A completed bidding pro-forma has not been submitted;
- ii) The applicant does not have the legal right to carry out the proposed scheme or does not have the support from the statutory authority/provider;
- iii) Schemes that could clearly not be defined as infrastructure to support development.

Stage Two: Bids are considered against criteria in order to make a recommendation to the CIL Board. The criteria was agreed by Cabinet and refined by Members of the CIL Spending Board in summer 2017. The lead officer assessed the bids in accordance with the criteria and ranked them

accordingly. Bids with the highest scores are shortlisted and presented to the Board.

- 12 A summary of the criteria used in Stage Two is included in the CIL governance arrangements and Council's constitution.

Consideration of Shortlisted Bids

- 13 The following reports following this paper set out the shortlisted bids. Each report sets out the application proposal.
- 14 The CIL spending board's key considerations will be whether there is a public benefit of the proposed scheme for residents in Sevenoaks District and whether the scheme constitutes value for money. In determining this, the spending board will consider the following issues in making its recommendation.
- a) Whether sufficient evidence has been provided to demonstrate a strong social, environmental or economic justification for the scheme.
 - b) Whether sufficient evidence has been provided to demonstrate a strong link between new development and the scheme.
 - c) Whether the scheme forms part of a planned strategy to address the need for infrastructure.
 - d) Whether the CIL contribution will be matched by funding from other sources.
 - e) Whether the use of other funding sources has been maximised.
 - f) Whether there is sufficient certainty that the scheme will be delivered.
 - g) Whether the scheme is supported by at least one of the relevant SDC ward members (note: this will be a prerequisite of a successful funding bid).
 - h) Whether the scheme is supported by the relevant town/parish council.
 - i) Whether evidence has been provided to demonstrate that there are sufficient maintenance arrangements in place.
- 11 The board may also take into account other factors that it considers relevant.
- 12 There is limited CIL funding available and it is unlikely that it will fund all of the infrastructure schemes that are considered necessary to support development. Where it is necessary to choose between schemes that could both be appropriate uses of CIL (i.e. they satisfy all of the considerations set out above), the board will give particular consideration to the public benefit of the schemes for residents in Sevenoaks District and the link between development and the scheme.

Key Implications

Financial

It is the duty of the Council as the Charging Authority to meet its obligations in relation to the CIL Regulations 2010 (and subsequent amendments). There are no financial implications with regards to this report.

Legal Implications and Risk Assessment Statement

The Council has a duty, as the charging authority, to ensure that the allocation and spending of CIL is in line with the CIL Regulations 2010 (and subsequent amendments). In addition, this report has been drafted in line with the Council's CIL Governance Arrangements.

Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Conclusions

The Council has been collecting contributions under the Community Infrastructure Levy (CIL) since August 2014, following its adoption in February 2014. Over the last couple of years, the Council is now in a position to allocate the contributions collected to local and/or strategic infrastructure across Sevenoaks District. The report sets out the value of CIL contributions available to the Board to allocate, and sets out the process of how applications to the CIL Board have been assessed in accordance with the CIL governance arrangements.

Appendices

Application A - Upper Darent Flood Alleviation Scheme (Environment Agency)

Application B - Four Elms Playground (Hever Parish Council)

Application C - Darent Valley Path Enhancements (Kent Downs AONB Unit)

Application D - Swanley Station Improvements (Sevenoaks District Council)

Application E - Refurbishment of Bat & Ball Station Building (Sevenoaks Town Council)

Application F - Sevenoaks Day Nursery Rebuild (Sevenoaks Day Care)

Application G - Westerham Public Toilets

(Westerham Town Council)

Appendix H - Key Considerations &
Recommendations

Background Papers

[Community Infrastructure Levy Regulations 2010
\(as amended\)](#)

CIL Governance Arrangements (Cabinet [June
2017](#) and [July 2017](#))

List of CIL Applications removed from the
shortlist.

[Council Constitution](#)

Richard Morris

Chief Planning Officer