

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

Community Infrastructure Levy (CIL) Spending Board - 10 March 2021

Report of: Chief Officer - Planning and Regulatory Services

Status: For Consideration

Also considered by: Cabinet - 18 March 2021

Key Decision: Yes

Executive Summary: This report is presented to the CIL Spending Board

It includes the following:

- Introduction and Background to CIL
- Update on CIL process and Legislation
- Information regarding the Infrastructure Funding Statement
- Update on the Infrastructure Delivery Plan
- Update on the CIL Governance
- Update on CIL Contributions
- Consideration of shortlisted bids
- Officers Assessment of the CIL Bids
- Recommendations of Officers

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. Thornton

Contact Officer(s): Claire Pamberi, Ext. 7221, Carlyn Kan, Ext 7264

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 (G)

Recommendation to Cabinet:

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

Reason for recommendation: To ensure the appropriate allocation of CIL funds

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 CIL.
- 2 Since the last CIL Spending Board in December 2019, there has been a steady income from CIL contributions resulting in sufficient income for the CIL Spending Board to allocate funding again, 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 in September 2020. The invitation to Bid closed on 31 December 2020.

Update on CIL process and Legislation

Deferrals in CIL payments

- 4 In July last year, the Government put in place a number of financial measures to help businesses during the COVID 19 outbreak. They introduced some changes to the CIL legislation to ease the financial burden to developers, to help small and medium sized developers in particular. They gave CIL charging authorities the discretion, for a limited time (in certain prescribed circumstances and if it is considered appropriate), to defer CIL payments, and to not apply late payment interest. There is also discretion over whether to credit interest already charged to developers.
- 5 This came into effect on 22 July 2020, the guidance will remain in place until further notice. A CIL deferral request can be made for any CIL payment due between this date and 31 July 2021 and any CIL payment due prior to this period, which has not been previously paid. The Local Authority has 40 days to consider the request. A request for deferral can be made more than once, provided it is still made within the material period.
- 6 This has resulted in a small reduction on our CIL income as a few requests for deferrals have been made to Sevenoaks District Council.

The White Paper

- 7 As Members are aware the Government produced a White Paper seeking to change the planning system. One element of this was to remove the need for Section 106s and CIL and replace them with an Infrastructure Levy. Sevenoaks District Council made a response to this document in November 2020. No further information has been provided, since then to indicate how the Government would like to take the Infrastructure Levy forward.

Infrastructure Funding Statement

- 8 At the end of December last year, Sevenoaks District Council produced their first Infrastructure Funding Statement. Through this document, the Government asks us to report *“on the infrastructure projects or types of infrastructure that the authority intends to fund wholly or partly by the levy.”*
- 9 It was agreed that the following projects would be considered as priority for CIL money over the next year:
- Specific Highways and Transport Projects
 - Specific Utilities projects
 - Specific Health and Social Care projects
 - Local Infrastructure projects that show a clear public benefit or support a clear local need.
 - Any infrastructure that supports the Council’s ambition to achieve net zero Greenhouse gas emissions by 2030.
 - Rural Broadband projects.
- 10 A full copy of the Council’s Infrastructure Statement can be found in Appendix H

Infrastructure Delivery Plan

- 11 The Sevenoaks District Infrastructure Delivery Plan (IDP) is an evidence base document that supports the Local Plan and its objectives. The IDP provides a summary of the infrastructure required for the District, according to the level of development proposed to meet the District’s needs for housing, employment and retail.
- 12 Currently, as the Local Plan is delayed due to the Judicial review and appeal, it is not considered to be an appropriate time to renew the Infrastructure Delivery Plan. The aim is to carry this out this year.

Pilot

- 13 The Council are currently one of a number of pilot authorities working with the Planning Advisory Service to produce guidance on good governance of developer contributions. Through this PAS are trying to improve the way councils manage money provided to them under the system of developer contributions. This is to ensure that money collected is used to deliver the best outcomes and is done transparently, fairly and in a way that helps communicate the benefit developer contributions can make. Through being one of the pilot councils we will be involved in ‘road-testing’ the guidance, and will subsequently have the opportunity to go through a ‘self-

assessment' process with PAS and access to resources and lessons from elsewhere as to how we may wish to improve.

- 14 As part of this study, PAS are likely to use our interactive map and also our Governance procedures as good practice for other authorities across the country.

Update on Governance

- 15 Since the last CIL Spending Board, officers did carry out of the CIL Governance in July (2020) and this recommended a number of changes listed below. Since this review we have carried out the following:

A. Clearer guidelines and timescales for monitoring bids after they have been awarded CIL through the CIL Spending Board.

We have now set up a review process where we ask for regular updates from organisations that have been awarded CIL by the Board quarterly. We provide these updates to the Chair and Vice Chair of the CIL Spending Board.

B. We need guidelines in place, to govern how we consider bids that change after money has been awarded.

These guidelines were agreed by the Development and Conservation Advisory Committee and then by Cabinet in July 2020. They are now in place and we ensure that any changes meet the guidelines set out.

C. Updating the CIL Spending Board Chair and Vice Chair quarterly on the money available to spend through the CIL Spending Board and also a synopsis on the current state of the CIL awarded.

This is now happening on a quarterly basis.

D. Clarification is required for officers and the CIL Spending Board as to how to manage bids that are not successful.

We now have a clear guide as to how to manage bids that are not successful and we also have a number template letters to ensure that we are consistent in our approach.

E. The need to make clear in the officer's report to the CIL Spending Board Report, how each bid relates to the priorities of the Infrastructure Delivery Plan.

This is included in this current report

F. Setting up a process to review the Council's decisions regarding CIL.

A review process is now in place.

Update on CIL Contributions

- 16 As you are aware, CIL contributions are collected on all qualifying developments. A percentage of these receipts are passed to the Town and Parish Councils to spend on infrastructure and/or anything else that is concerned with addressing the demands that development places on an area.
- 17 This has resulted in over £2.7 million being passed to Parish and Town Councils to date.
- 18 Furthermore, the District Council may apply up to 5% of CIL to administrative expenses incurred by it in connection with CIL. The remaining proportions of CIL receipts collected are retained by the District Council to be allocated by the CIL Spending Board towards 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.
- 19 The following table summarises the total value of CIL contributions collected and the amount of contributions available for the CIL Board to allocate. Members should note that the information provided is accurate from the commencement of CIL up until 23rd February 2021.
- 20 Please see below a summary of our income and spending:

Total value of CIL receipts	Amount
Total value of CIL receipts collected by Sevenoaks District Council to date (04.08.2014 - 23.02.2021)	£10,097,076.95
Total value of CIL receipts passed to town and parish councils	£2,783,698.20
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)	£6,609,885.07

Total value of CIL receipts	Amount
Total value of CIL receipts that have been previously allocated by the CIL Spending Board (to date)	£4,566,061.00
Total value of CIL receipts available for the CIL Spending Board to allocate for local infrastructure projects	£2,043,824.10

Consideration of Shortlisted Bids

21 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:

- A completed bidding pro-forma has not been submitted;
- 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;
- Schemes that could clearly not be defined as infrastructure to support development.

22 **Stage Two:** Bids are considered against criteria in order to make a recommendation to the CIL Board. The criteria for the assessment of bids was discussed with members of the CIL Spending Board and agreed by the Development and Conservation Advisory Committee and Cabinet in July 2020. In this case the lead officer has assessed the bids in accordance with the criteria agreed and ranked them accordingly. Bids with the highest scores are shortlisted and presented to the Board.

Consideration of Shortlisted Bids

23 The following reports set out the shortlisted bids. Each report sets out the application proposal and indicates the strengths and weaknesses of each bid against the key considerations of the Board.

24 In line with the CIL Governance, the CIL Spending Board's key considerations will be whether the proposal is for infrastructure that supports development in the area. It should also consider whether there is a community 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 laid out in Appendix G relating to the recommendations.

- 25 The board may also take into account other factors that it considers relevant.
- 26 It is important to note that whilst there is limited CIL funding available for the Board to allocate on this occasion, from the 23rd February 2021 it is understood that there is enough to cover all the projects.

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

That the recommendations laid out in Appendix G are accepted.

Appendices

Appendix A - Application for Sports Hall and Facilities at Orchards Academy, Swanley. (Orchards Academy)

Appendix B - Application for Kemsing Surgery Extension at Kemsing Surgery, Kemsing.

Appendix C - Application for the Otford Traffic Calming Scheme at Otford.

Appendix D - Application for Wilderness Sports and Community Facilities, to serve community and 3 local schools (Kent County Council)

Appendix E - Application to maintain and renovate the Weald Memorial Hall, Weald (Weald Memorial Hall)

Appendix F - Application to refurbish Knockholt Village Centre, Knockholt. (Knockholt Village Centre)

Appendix G - Recommendations

[Appendix H - the Council's Infrastructure Statement](#)

Background Papers

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

CIL Governance Arrangements: Cabinet [June 2017](#), [July 2017](#), [July 2019](#) and [July 2020](#)

Applications removed from the consideration process

[Council Constitution](#)

Richard Morris

Deputy Chief Executive and Chief Officer - Planning and Regulatory Services