

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

Community Infrastructure Spending Levy (CIL) Spending Board- 1 September 2022

**Report of:** Chief Planning Officer

**Status:** For Consideration

**Also considered by:** Cabinet - 20 September 2022

**Key Decision:** Yes

**Executive Summary:** This report will be presented to the CIL Spending Board.

It includes the following:

- Introduction and Background to CIL
- Update on CIL Legislation
- Information in regard to the Infrastructure Funding Statement
- Update on CIL Governance
- Update on CIL Contributions
- Consideration of short listed bids
- Officers Assessment of the CIL bids
- Recommendation 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. Julia Thornton

**Contact Officers:** Claire Pamberi, Ext. 7221; Carlyn Kan, Ext.7264

**Recommendation to CIL:** That the Board consider the report and appendices, and agree the recommendations as set out in Appendix H to the report for ratification by Cabinet.

**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 As you are aware, 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. To date this has not been amended.
- 2 Since the last Spending Board, there has been a steady income from CIL contributions resulting in there now being sufficient income for the CIL Spending Board to allocate funding to make a meaningful contribution to infrastructure projects in the area. Whilst our intention is to hold a CIL Spending Board every year, due to the pandemic there has been a reduction in our CIL income, which has resulted in a larger gap between the last CIL Board held in March 2021 and this Board in September.
- 3 An invitation for Bids was sent out to all statutory providers and interested parties. The invitation to Bid was open for 4 weeks from 21<sup>st</sup> June 2022. The invitation to Bid closed on 17<sup>th</sup> July 2022.

## **Update on CIL Legislation**

- 4 As you may be aware the Government (Govt) have introduced a major change to CIL through their Levelling up and Regeneration Bill introduced in May 2022. The Government's main objective of the Bill is to reverse geographical disparities between different parts of the United Kingdom by spreading opportunities more equally.
- 5 In regards to the Community Infrastructure Levy specifically, the Govt have proposed the following changes:
  - (1) The Bill seeks to replace the current system of securing developer contributions (section 106 Agreements and CIL) with a new Infrastructure Levy. This will be a non negotiable and locally set.
  - (2) The government wants to make sure that more of the money accrued by landowners and developers goes towards funding the local infrastructure e.g. affordable housing, schools, GP surgeries, and roads - that new development creates the need for.
  - (3) The Levy will be charged on the value of property when it is sold and applied above a minimum threshold.
  - (4) To strengthen infrastructure delivery further, the Bill will require local authorities to prepare infrastructure delivery strategies.

(5) The Bill will also enable local authorities to require the assistance of infrastructure providers and other bodies in devising these strategies, and their development plans.

(6) The Govt intend to bring forward legislation to enable the piloting of Community Land Auctions.

7 Alongside the Bill, the Govt have indicated that much of the detail of different elements of the new Infrastructure Levy will need to be set in regulations, following a consultation.

8 Specifically, the Govt intend to:

- Introduce a new ‘right to require’ to remove the role of negotiation in determining levels of onsite affordable housing. This rebalances the inequality between developers and local authorities by allowing local authorities to determine the portion of the levy they receive as onsite affordable homes.
- Require developers to deliver infrastructure integral to the operation and physical design of a site - such as an internal play area or flood risk mitigation. Planning conditions and narrowly targeted section 106 agreements will be used to make sure this type of infrastructure is delivered.
- There is a retained role for section 106 agreements to support delivery of the largest sites. In these instances, infrastructure will be able to be provided in-kind and negotiated, but with the guarantee that the value of what is agreed will be no less than will be paid through the Levy.
- They aim to retain the neighbourhood share and administrative portion as currently occurs under the Community Infrastructure Levy.
- Introduce the Levy through a ‘test and learn’ approach. This means it will be rolled out nationally over several years, allowing for careful monitoring and evaluation, in order to design the most effective system possible.
- Sites permitted before the introduction of the new Levy will continue to be subject to their CIL and section 106 requirements.

9 The Govt have also indicated that technical consultations will take place on the detail of the new infrastructure levy.

10 Please note that this new legislation does not change our current CIL process or Governance. But may do in the future.

## **Infrastructure Funding Statement**

- 11 At the end of December last year, Sevenoaks District Council produced their second Infrastructure Funding Statement. It was agreed that the following projects would be considered as priority for CIL money over the next year:
- Specific Highways and Transport Projects
  - Water Supply Upgrades to specific areas
  - Specific Health and Social Care projects
  - Any infrastructure that supports the Council's ambition to achieve net zero Greenhouse gas emissions by 2030.
  - Any infrastructure projects which support mental health and wellbeing.
  - Rural Broadband projects.
  - Any infrastructure project that would assist with the Upper Darent Flood Alleviation scheme.
- 12 A full copy of the Council's Infrastructure Statement can be found in Appendix I and these priorities need to be taken into account when allocating CIL monies.

## **Infrastructure Delivery Plan**

- 13 The Sevenoaks District Infrastructure Delivery Plan (IDP) is an evidence base document that highlights the infrastructure required to support the Local Plan and its objectives. The Infrastructure Funding Statement is also influenced by the Infrastructure required in the IDP.
- 14 Currently, we are drafting a new IDP to support our emerging Local Plan which will not be ready until the Autumn. So the current assessment is based on information in our current IDP. This can also be found in appendix I.

## **Update on CIL Governance**

- 15 Since the last CIL Spending Board, officers did carry out a review of the CIL Governance in September 2021. This recommended the following changes which have all been implemented:

- Since November 2021, money has been set aside for officers to spend outside of the CIL Spending Board process. However, we have not currently allocated any of these funds as no projects have been submitted or have met the criteria. There are however projects that are being considered.
- CIL Governance has been changed to clarify the format of the CIL Spending Board in regards to Order of speaking and how the Board's decisions are ratified.
- The assessment criteria for assessing bids to ensure that the Council's priorities in regard to Net Zero have now been included.

### 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. This has resulted in over £3.8 million being passed to Parish and Town Councils to date.
- 17 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. Currently 15% of this amount is set aside for officers to allocate. The remaining amount is available to be spent through the CIL Spending Board.
- 18 Once a decision have been made by the Board, 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 close of bids on 17<sup>th</sup> July 2022. This was the cut of date for bids and the CIL income to ensure that it was clear as to how much money the Board had to allocate. 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	£12.95 million

Total value of CIL receipts passed to town and parish councils	£3.8 Million
Total value of CIL receipts that have been previously allocated by the CIL Spending Board	£6.76 million
Total value of CIL receipts allocated but not spent	£2.02 million
<b>Total value of CIL receipts available for the CIL Spending Board to allocate for local infrastructure projects</b>	<b>£1.77 million</b>

### Process for Assessing Bids

- 20 The bids go through a 2-stage assessment process, firstly to ensure that the application is valid. This considers whether the project is for infrastructure, the pro-forma is completed and also that the applicant has the legal right to carry out the scheme.
- 21 The second stage is where bids are considered against a set of criteria. The criteria was agreed by Cabinet and refined by Members of the CIL Spending Board in September 2021. The lead officer assessed and scored the bids and then, in discussions with the Chair and Vice Chair of the Board, ranked them accordingly in accordance with the criteria. The bids with the highest scores were shortlisted and are now being presented to the Board.

### Consideration of Shortlisted Bids

- 22 The following reports set out the shortlisted bids. Each report sets out the application proposal, which criteria the bids closely met and recommendations from officers.
- 23 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 show how the project helps the Council achieve its ambition to reduce net greenhouse gas emissions and achieve its Net Zero target.

- c) Whether the organisation is working in partnership to deliver the scheme.
  - d) Whether sufficient evidence has been provided to demonstrate a strong link between new development and the scheme.
  - e) Whether the scheme forms part of an existing strategy or plan.
  - f) Whether other sources of funding have been maximised.
  - g) Whether there is sufficient certainty that the scheme will be delivered.
  - h) Whether the scheme has local support.
  - i) Whether the project has already had CIL funding or benefited from a CIL exemption.
  - j) Whether the bid has received CIL funding from the Parish or Town Council.
- 24 The board may also take into account other factors that it considers relevant.
- 25 Limited CIL funding is available and whilst in this case the CIL income will fund all of the infrastructure schemes put forward. It is important for Members of the Board to note that not all of the CIL money needs to be spent. Members may decide that they may be insufficient information or that some of the bids deserve CIL funding over others. The Board is asked to give consideration to the public benefit of all of the schemes put forward for residents in Sevenoaks District and also the link between development and growth in regards to each scheme, before making a decision.

## **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.

## Net Zero 2030

Members are reminded of the Council's stated ambition to be Net Zero with regards to carbon emissions by 2030. The decisions recommended in this paper directly impact on this ambition. The impact has been reviewed and there will be a decrease on carbon emissions produced in the district as a result of this decision. The Net Zero impacts and contributions to carbon emission reductions will be detailed in each recommendation.

## **Conclusions**

Members are asked to consider all the bids put forward and then decide which ones should be allocated CIL money. Members are welcome to follow the officer recommendations as laid out in Appendix H of the report. It should also be noted that if all the projects laid out in the report tonight are approved, this will not exceed the total amount of CIL available to the Board. This excess of approximately £400 000 which will be left over to be spent at the next Board.

All options for a way forward and the advantages and disadvantages of each option.

### **Appendices:**

Appendix A - Application for Heath Care Facility at Edenbridge

Appendix B - Application for the refurbishment of the play ground at St George's Field Westerham

Appendix C - Application for the Swanley Rugby pitch and associated facilities

Appendix D - Application for improvements to Weald Recreation ground

Appendix E - Application for Eynsford new village Hall with associated car parking and improved football pitch

Appendix F - Application for Bradbourne Lakes Landscape Improvements

Appendix G - Solar Panels at the Stag Theatre

Appendix H - Recommendations

Appendix I - Infrastructure Funding Statement and Infrastructure Delivery Plan.

### **Background Papers:**

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

CIL Governance Arrangements: Cabinet November 2021

[Council Constitution](#)

**Richard Morris**

**Deputy Chief Officer and Chief Officer Planning and Regulatory Services**



