Community Infrastructure Levy in Surrey

Hertfordshire County Council Scrutiny Committee Meeting

Friday 30th November 2018
Hertfordshire CC Offices
Hertford
CIL in Surrey
Overview of the planning authorities CIL receipts and allocations to date

• In Surrey eight of the eleven LPA's have now adopted CIL
  • Elmbridge BC receipts £20.4M since April 2013 – allocated £8M
  • Epsom & Ewell BC receipts £4.4M since July 2014 – allocated £1.3M
  • Surrey Heath BC receipts £6.27M since December 2014 – allocated £4.7M
  • Tandridge DC receipts £2.5M since December 2014 – allocated £300K
  • Spelthorne BC receipts £2M since April 2015 – allocated £365K
  • Woking BC receipts £1.8M since April 2015 – allocated £NIL
  • Reigate & Banstead BC receipts £1.2M since April 2016 – allocated £3.6M
  • Mole Valley DC receipts £872K since January 2017 – allocated £NIL

• In the remaining three LPA areas s106 is still negotiated on an application by application basis
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Charging Rates

- Elmbridge BC - £125 per sq metre
- Epsom & Ewell BC - £125 per sq metre
- Surrey Heath BC – £95 to £220 per sq metre
- Tandridge DC - £120 per sq metre
- Spelthorne BC - £40 to £160 per sq metre
- Woking BC - £75 to £125 per sq metre
- Reigate & Banstead BC - £20 to £200 per sq metre
- Mole Valley DC - £175 to £250 per sq metre
- Waverley BC (charging from 1\textsuperscript{st} March 2019) - £25 to £452 per sq metre
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Overview of successful funding applications to-date

CIL funding achieved by the County Council to date

- £2.8M towards primary school expansion projects & £1.2M towards highways and rights of way projects (Elmbridge BC)
- £476K towards a Town Centre project, which includes highways and transport improvements (Epsom & Ewell BC)
- £2.7M towards education, highways, libraries and fire & rescue projects (Reigate & Banstead BC)
- £365K towards a sustainable transport project (Spelthorne BC)
- £500K towards a primary school expansion project (Tandridge DC)
- £290K towards pedestrian facilities outside a school and in three other locations and a cycle route (Elmbridge BC)
- £340K towards five highways projects (Elmbridge BC)
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Overview of unsuccessful funding applications to-date

Unsuccessful CIL bids to date

• £330K towards a £1.3M Cycle Path project (Elmbridge BC 2014 and 2018)
• £1.9M towards six education projects (Elmbridge BC 2016)
• £240K towards external improvements to a school (Elmbridge BC 2016)
• £50K towards a Safer Route to school project (Tandridge DC 2016)
• £143K towards a school expansion project (Tandridge DC 2016)
• £618K towards two highway improvement projects (Tandridge DC 2018)
• £1.135M towards a library refurbishment (Elmbridge BC 2018)
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Managing infrastructure delivery in CIL areas

• Uncertainty around the level of available funding makes project financial planning difficult
• An agreed programme of projects, against which CIL will be allocated, will overcome uncertainty and lead to a more consistent approach
• Reigate & Banstead BC have developed a 5 year Strategic Infrastructure Programme from which selected projects will receive CIL funding
  • The programme of projects support the growth shown in the Local Plan
  • The programme reduces the need for annual ad hoc CIL applications
  • The programme of projects is subject to an annual review
• Consistency will only be achieved once strategic CIL receipts are utilised as a shared resource and agreement is reached on the priorities for an area
• County Council projects have in the past not aligned with planning authorities priorities but that alignment is now taking place through the Local Plan and Infrastructure Delivery Plans process
• Reduction in revenue streams having consequences for scheme design and planning
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Current s106 regulatory restrictions and impacts upon infrastructure provision (1)

- Section 106 becoming very important in the three remaining LPA areas because resources are now following the money and the projects being promoted as a result of those monies
- Current pooling restrictions impact on a range of projects previously funded through the S106 regime
- CIL Regulations prohibit tariff schemes (such as PIC) and require that no more than five s106 contributions are pooled for an individual project
- Whilst securing S106 contributions was in the main an officer led regime, CIL allocation is in the main a politically led regime
- Increasing reliance on LEP bids which provide either 75% or 85% funding towards strategic schemes with CIL often being used as the local contribution
- Developers and resident groups/Parish Council’s starting to express concerns that local infrastructure required to support new housing is not being provided but the new housing is still being built
- CIL breaks the historic link between s106 and individual developments
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Current s106 regulatory restrictions and impacts upon infrastructure provision (2)

- The s106 pooling restrictions are having the greatest impact upon education provision
- Expansions of schools are having to be split into individual projects to ensure developers do not escape the funding of school infrastructure
- The educational landscape has also changed with the introduction of the Academies and Free School regime (see separate note as to how the system works in Surrey)
- New schools or sites are now only being provided by developers when major or strategic sites are proposed for development
- The regime is now creating an extra market for education contributions with Academy providers and Trusts now seeking education contributions for their schools from LPA’s
- We have recently had to argue for an early years contribution to come to the County Council due to a Trust trying to secure the contribution direct for their school
- Trusts are now picking up when contributions are not being sought by the EA due to pooling restrictions or where forecasts show more than 5% capacity, and are now seeking the contributions direct
- This situation is also being reflected in the CIL world where private schools and providers are now seeking CIL contributions for improvements to their school facilities
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Different governance structures and the decision making processes (1)

Elmbridge BC
- Annual Strategic bids to Officers, who make recommendations to the Borough’s Spending Board (made up of seven Borough Members), Spending Board recommendations then determined by the Borough’s Cabinet
- No joint Officer/Member Infrastructure Group in place

Epsom & Ewell BC
- Schemes from the Borough’s Infrastructure Delivery Plan (IDP) considered for CIL funding by the Borough’s Joint Infrastructure Group (comprising the Head of Planning, three Borough Members and two County Members)
- The Group consider the distribution of CIL receipts against the bids submitted, their recommendations being made to the Capital Member Group who in turn report to the Borough’s Financial Policy Panel
- The Financial Policy Panel report to the Borough’s Strategy & Resources Committee who then report to the Full Council for final determination
- Joint Officer /Member Infrastructure Group in place

Mole Valley DC
- A Strategic Infrastructure Priority Statement will determine the projects to be funded by CIL.
- CIL allocations will be determined by the Cabinet
- No joint Officer/Member Infrastructure Group in place
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Different governance structures and the decision making processes (2)

Reigate & Banstead BC
• Strategic Infrastructure Group, led by Borough Officers, agrees and updates a rolling 5 year Strategic Infrastructure Programme (SIP), which prioritises the projects to be allocated CIL in the light of specified criteria and business cases provided by infrastructure providers
• Recommendations of the Group go to the Borough’s Executive Committee for determination
• No Joint Officer/Member Infrastructure Group in place

Spelthorne BC
• The Spelthorne Joint Committee, made up of an equal number of Borough and County Members with equal voting rights, advise on the suitability of bids proposed by a CIL Task Group (comprising the Borough’s portfolio holder for Planning and Economic Development and a County Councillor representing the Division plus officers from each authority)
• Bids assessed against a ‘framework’ of criteria which assist decisions on eligibility, and if eligible, their suitability, value and deliverability; all parties required to justify their bid proposals against each of the criteria
• The Joint Committee’s determination is final, subject to the scrutiny role of each authority and power to refer to their respective Cabinets
• No Joint Officer/Member Infrastructure Group in place
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Different governance structures and the decision making processes (3)

Surrey Heath BC
- A CIL Governance Panel (comprising the Leader, the Portfolio Holder for Finance, the Chief Executive and Section 151 Officer) recommends the prioritisation of projects and the allocation of CIL to the Borough’s Executive Committee for determination
- No Joint Officer/Member Infrastructure Group in place

Tandridge DC
- Strategic bids annually; officer recommendations to the Local Plan Working Group and then to Planning Policy Committee for determination
- Joint Officer Infrastructure Group in place

Woking BC
- CIL bid recommendations made by the Infrastructure Working Group (IWG) having previously consulted with relevant Borough Ward Members, County Divisional Members, Neighbourhood Forums (as necessary) and Infrastructure providers, including utility companies
- The IWG is a Member working group, supported by Borough and County officers, set up to work jointly and collaboratively on determining the CIL priorities for the Borough, its infrastructure capacity and requirements, infrastructure required by development and infrastructure delivery across the Borough, utilising CIL and other funding streams
- Strategic bids made in accordance with their Regulation 123 List.
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Different governance structures and the decision making processes (4)

• Establishing a consistent approach is challenging in the light of the current CIL governance structures and different allocation criteria operating across Surrey
• The Joint Committee model (three adopted to date) offers a way forward building upon the current Local Committee structure in Surrey
• The Joint Committee model offers
  • a more coordinated and consistent response to delivery of the infrastructure in support of the Core Strategy
  • a review of the robustness of the infrastructure delivery mechanisms
  • a review of the Regulation 123 List schemes and priorities in delivery terms to ensure maximum benefit to the community, and
  • a joint public forum to discuss the funding of infrastructure of which CIL is but one funding source
• Joint committees work best where strategic CIL receipts are considered a shared resource
• If the Reigate & Banstead Strategic 5 year Infrastructure Programme were to be aligned with a Joint Committee in its area, officers consider this could provide the necessary joint approach to CIL allocation and successful infrastructure planning and provision in Surrey
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Neighbourhood CIL and its growing importance for local infrastructure (1)

Elmbridge
• Seven Settlement areas - bids made to settlement specific Spending Boards (the Local Members for each settlement area) and recommendations are determined by Cabinet

Epsom & Ewell
• Members and local community groups bid for the neighbourhood element and bids considered by the Strategy & Resources Committee and then determined by full Council.

Reigate and Banstead
• Still to determine their local governance process but likely to be based on ward boundaries.

Surrey Heath
• Ward Councillors for the non-parished areas submit ideas for projects, following discussion with their communities, considered by the CIL Governance Panel and then reported to the Executive Committee for determination

Tandridge
• As all areas are parished the neighbourhood element is transferred to the Parish Councils twice a year

Woking
• Bids from Groups currently determined by the Joint Committee.
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Neighbourhood CIL and its growing importance for local infrastructure (2)

• Many historic local infrastructure projects are the projects which would have been funded previously through Local Committees
• In the current financial climate those local projects will no longer progress unless neighbourhood CIL is utilised as they are projects that are not considered large enough for strategic CIL receipts
• Members need to work with their Parish Councils/Community Groups to agree local infrastructure projects that could be funded utilising neighbourhood CIL
• Projects such as new school crossings and highways and junction improvements, improvements to school facilities such as MUGA’s, all weather sports surfaces and recreational areas and improvements to library facilities are all types of projects now being promoted at a local level
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Neighbourhood CIL and its growing importance for local infrastructure (3)

• Some Parish Councils will receive CIL funding at a level never previously contemplated as a result of strategic housing sites or very large new settlement developments proposed in their areas.
• So it is important that relationships are established with Parish Councils/Community Groups if they do not currently exist.
• Technical officer support for managing/implementing projects promoted by the County Council is being offered to Parish Councils/Community Groups.
• Officers with Member support have presented to the Association of Local Councils in order to create ongoing relationships and identify partnerships for future infrastructure planning and the establishment of projects which the Parish Councils/Community Groups are happy to promote and support, such as Rights of Way projects.
Any Questions?

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