

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

Cabinet – 14 December 2023

Report of: Deputy Chief Executive and Chief Officer for Planning & Regulatory Services

Status: For consideration

Also considered by:

- Community Infrastructure Levy (CIL) Spending Board – 29 November 2023

Key Decision: Yes

Executive Summary: This report sets out the amount of CIL funding available for local and strategic infrastructure projects, and the schemes shortlisted for said funding, subject to consideration by the CIL Spending Board.

This report supports the Key Aim of: Ensuring that Sevenoaks District remains a great place to live, work and visit.

Portfolio Holder: Cllr. Reay

Contact Officer(s): Emma Henshall Ext. 7358; Carlyn Kan Ext. 7264

Recommendation to the CIL Spending Board: That the Board considers the report and associated appendices, and agree the recommendations set out in Appendix G.

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

Reason for recommendation: To ensure that development is supported by appropriate infrastructure and delivered in a timely manner.

Introduction and Background

- 1 The District Council adopted its Community Infrastructure Levy (CIL) charging schedule in 2014 and has been charging on all qualifying development since. The CIL Charging Schedule sets out the types of development to be charged along with the charge per square metre. To date this has not been amended.
- 2 Since the last CIL Spending Board in September 2022 there has been a steady income arising from qualifying development. The amount currently sitting in the CIL Spending Board pot, and therefore available to the Board, is £1,631,552.12. This amount is considered sufficient for the Board to allocate

funding to make a meaningful contribution to infrastructure projects in the local area. The Board will next meet on 29 November 2023.

- 3 Infrastructure providers and other interested parties were notified of the intention to hold a CIL Spending Board and were invited to submit bids between 13 July and 15 September 2023 (9 weeks).

Update on CIL Legislation

- 4 The government's Levelling Up and Regeneration Bill (LURB) received royal assent on 26 October 2023, with the main objective being to reverse geographical disparities between different parts of the country by spreading opportunities more equally. The new Levelling Up and Regeneration Act will have a direct impact on the current Section 106 and the Community Infrastructure Levy (CIL) regimes, through the introduction of a new Infrastructure Levy.
- 5 The new Infrastructure Levy (IL) was the subject of a technical consultation earlier this year. A summary of the proposals is as follows:
 - The IL will ensure local authorities receive a fairer contribution of the money made from development to support funding for infrastructure (e.g. affordable housing, schools, GP surgeries, green spaces and transport infrastructure).
 - It will replace CIL and S106 (for most developments) and seeks to stop developers from negotiating down infrastructure and affordable housing contributions i.e. it will be non-negotiable.
 - The amount developers will have to pay will be calculated once a project is complete (i.e. the contribution will be based on the value of the property at completion) instead of at the stage the site is given planning permission. This is so that increases in land value can be captured, which CIL doesn't do.
 - IL rates and thresholds will be set and collected locally and we will be able to set different rates across the District and for different development types. In this regard it is similar to CIL.
 - A portion of the money will be passed directly to communities in the same way that money is passed onto our towns and parishes under CIL.
 - We must prepare an Infrastructure Delivery Strategy (IDS) which will clearly set out how we will deliver local infrastructure and spend Levy receipts.
 - The government recognises that the introduction of the IL will be a significant change and will be introduced through a 'test and learn' approach.

- The new regime requires a major system change to enable a ‘simpler and more transparent’ system and will take ten years to be rolled out fully.
- 6 The District Council responded to the technical consultation. To date the government has not published its response, but recognises that consultation responses will be taken on board in drafting the forthcoming regulations, which will be subject to further consultation in due course.
- 7 It is important to note that the current status of the LURB and the introduction of the Levelling Up and Regeneration Act does not immediately change our current CIL process or CIL governance. However, it will do in the future once new regulations come into force. As such, members should be aware that the Council will need to be ready to make changes to the way CIL funds are allocated and. If required, rethink the Board and the wider process.

Update on CIL Contributions

- 8 CIL contributions are collected on all qualifying development, and allocated as follows:
- 25% is allocated to Town and Parish Councils to spend on local infrastructure projects. Part of this money can also be spent on ‘anything else that is concerned with addressing the demands that development places on an area’ (CIL Regulations 2010 as amended);
 - 5% is allocated to the District Council to cover the administration costs associated with collecting and spending CIL;
 - 15% is allocated to officers for spending outside of the CIL spending process; and
 - 55% is allocated to the CIL Spending Board to be spent on local and strategic infrastructure projects.
- 9 The following table sets out the total value of CIL contributions collected, spent, and the amount available for the CIL Spending Board to allocate. This information reflects a cut-off date of 15 September 2023, when the bidding process closed and to ensure Board members were aware of the funding available in good time.

Total value of CIL receipts (since the introduction of CIL on 4 August 2014)	Amount
Total value of CIL receipts collected by Sevenoaks District Council	£15.1 million

Total value of CIL receipts (since the introduction of CIL on 4 August 2014)	Amount
Total value of CIL receipts passed to Town and Parish Councils	£4.2 million
Total value of CIL receipts allocated by the CIL Spending Board	£7.9 million (of which £2.6 million not yet spent)
Total value of CIL receipts available for the CIL Spending Board to allocate for local and strategic infrastructure projects	£1,631,552.12

Infrastructure Priorities

Infrastructure Funding Statement (IFS)

- 10 At the end of each calendar year the Council is required to publish its Infrastructure Funding Statement (IFS), which sets out the infrastructure projects prioritised for CIL funding over the next year. The latest IFS, published in December 2022, identified the following priorities:
- a. Specific highways and transport projects;
 - b. Specific water supply upgrades;
 - c. Specific health and social care projects;
 - d. Projects that support the Council's commitment to tackling climate change;
 - e. Projects that support mental health;
 - f. Rural broadband projects;
 - g. Projects supporting the Upper Darent flood alleviation scheme; and
 - h. Projects that support the delivery of education facilities.
- 11 The IFS is attached at Appendix H. The above priorities should be taken into account when allocating CIL funding.

Infrastructure Delivery Plan (IDP)

- 12 The Infrastructure Delivery Plan (IDP) sets out the infrastructure projects required across the District to support the growth identified in the Local Plan. The IFS is also influenced by the projects listed in the IDP.
- 13 The Council is working on a new Local Plan to 2040 and so the emerging IDP is not yet complete. For the purposes of allocating CIL funding this year, the 2019 IDP should be used and is attached at Appendix H.

Assessment of Bids

- 14 20 bids for CIL funding were submitted to the District Council between 13 July and 15 September 2023. These are set out in Appendix I. All 20 bids have been subject to a two stage assessment process. The first stage ensures the application is valid and considers whether the project is for infrastructure, that the application form is completed fully and also that the applicant has the legal right to carry out the scheme.
- 15 The second stage robustly assesses each application against a strict set of criteria (agreed by Cabinet in September 2021) including the social, economic and environmental benefits of the scheme. Applications were ranked, and a shortlist agreed following discussion with the Chair and Vice Chair of the Board. It is the shortlisted bids that proceed to the CIL Spending Board and are the focus of this report.

Consideration of Shortlisted Bids

- 16 The following reports (attached at Appendices A-F) consider each of the six shortlisted bids, for consideration by the Board. Each report sets out the scheme applied for, assessment against the agreed criteria, and the officer recommendation.
- 17 The key considerations for the CIL Spending Board are twofold. Firstly, whether the scheme would provide a public benefit for residents of Sevenoaks District, and secondly, whether the scheme constitutes value for money. In determining this, the CIL Spending Board should consider the following matters in making its recommendation:
 - a. The social, economic and environmental benefits of the scheme;
 - b. Whether there is a strong link between new development and the scheme;
 - c. Whether the applicant is working in partnership to implement the scheme;
 - d. Whether the scheme is part of an existing Strategy or Plan;
 - e. The public benefit of the scheme;

- f. Whether the applicant has sought to maximise funding from other sources;
- g. Whether the scheme is deliverable (including planning permission and clear project management);
- h. Whether the scheme has local support;
- i. Whether the scheme has already benefitted from CIL funding;
- j. Whether the scheme provides an overall community benefit; and
- k. Whether the scheme contributes to the Council's commitment to tackle climate change.

18 The Board may also take into account other factors that it considers relevant.

19 In deliberating the merits of each bid, members may decide, for example, that there is insufficient information or that some of the bids deserve CIL funding over others. The Board is asked to give consideration to the above matters for each scheme, before making a decision.

20 In this case, if the Board were to award funding to all six shortlisted bids, this would amount to £1,288,500, leaving £343,052.12 which would automatically roll over to the next CIL Spending Board. There is no obligation for the Board to spend all the money.

Other options Considered and/or rejected

21 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). The way the CIL Spending Board is run forms part of the Council's constitution. There are therefore no other options to be considered.

Key Implications

Financial

The funding available for allocation by the CIL Spending Board has been levied from qualifying development. There are no financial implications for the Council 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 Implications

The decisions recommended through this paper have a remote or low relevance to the council's ambition to be Net Zero by 2030. There is no perceived impact regarding either an increase or decrease in carbon emissions in the district, or supporting the resilience of the natural environment.

Conclusions

The funding available to the CIL Spending Board is £1,631,552.12, to be awarded to infrastructure projects in the local area. Members are asked to consider the merits of each of the six shortlisted bids (as set out in Appendices A-F) before deciding which schemes should be allocated CIL funding. It should be noted that the sum of all six shortlisted bids amounts to £1,288,500, which would leave a balance of £343,052.12 to roll over to the next Board. Members are reminded that CIL funding is not infinite, and there is no obligation to spend all of the money.

Appendices

Appendix A – Application A: Sevenoaks Wildlife Reserve redevelopment project

Appendix B – Application B: Public Rights of Way improvements

Appendix C – Application C: New sewerage connection at Swanley Park

Appendix D – Application D: West Kingsdown Village Hall car park

Appendix E – Application E: Greatness community pavilion

Appendix F – Application F: Harvestfield Park play facilities improvement

Appendix G – Recommendations to Cabinet

Appendix H – Infrastructure Funding Statement (IFS) and Infrastructure Delivery Plan (IDP)

Appendix I – Schedule of submitted bids

Background Papers

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

[CIL Governance Arrangements: Cabinet November 2021](#)

[Council Constitution](#)

Richard Morris

Deputy Chief Executive and Chief Officer for Planning & Regulatory Services