

Community Infrastructure Levy

The Community Infrastructure Levy (CIL) is a new way in which local authorities can raise funds towards infrastructure from developments in their area. This will, in the majority of cases, replace the existing system of using planning obligations (Section 106 agreements) to secure funds. The money can be used to fund infrastructure that supports development and offsets its effects.

CIL is a non-negotiable charge on development and is calculated as pounds per square metre based on the net level of development proposed.

The Council is now receiving CIL funding and needs to pay money over to the parishes, decide how to use that money and to publish its CIL income and expenditure.

Portfolio: Finance

Date Portfolio Holder signed off report: 28th October 2015

Wards Affected

All

Recommendation

The Executive is advised to RESOLVE

- (i) to note the Community Infrastructure Levy (CIL) monies received;
- (ii) to note that the 15% of CIL funds from parished areas received for the reporting period 1st April - 30th September 2015 has been transferred to those Parish Councils where development has occurred, as required by the legislation;
- (iii) that Ward Councillors for the non-parished areas be asked to submit ideas for projects within their wards following discussion with their communities and that these be reported to the Executive in due course;
- (iv) that the remaining CIL contributions held by the Council be retained for spending to support the Council's Key Priorities; and
- (v) to note that the report of levy income and expenditure, as set out in Annex 1, will be published on 31st December 2015.

1. Resource Implications

- 1.1 CIL includes a contribution toward the cost of administration of the scheme. At this time the monies raised are not covering the cost of administration but are expected to do so over time.

2. Key Issues

- 2.1 Section 106 payments are now increasingly being replaced by Community Infrastructure Levy contributions. Unlike some S106 payments, there is no time limit within which CIL has to be spent.
- 2.2 In respect of monies collected to date, Annex 1 lists CIL monies collected from sites by parish and ward in the period 1st April 2015 to 30th September 2015, no monies were collected before this date. It also sets out how the CIL money is apportioned out according to the priorities in the Section 123 List, in particular for SANGs and parishes. For development which is exempt from CIL the Executive agreed a separate funding mechanism in July 2015.
- 2.3 The expenditure of CIL is governed by regulations. Thus payments must be reported half yearly to Executive and payments to parishes must be made half yearly, the Council has no discretion in this. Payment is due on 28th October and six monthly thereafter. The Council is also required to report on levy income and spending on its website on 31st December each year. It is suggested, that at this time Annex 1 be published as that report.
- 2.4 No neighbourhood plans have been adopted and thus no more than 15% of CIL collected within parishes and wards is payable. The payment to parishes, in the absence of a neighbourhood plan, is currently capped at £100 per annum for each existing Council tax dwelling. No parish is expected to have its payments capped in the current financial year. Payments to parishes were as follows.
 - a. West End £5012.46
 - b. Windlesham £2221.32
- 2.5 In June 2015, the Executive agreed that as with the parishes 15% of CIL collected would be available to spend for non-parished areas according to local priorities. Whilst, the amount of money available to spend remains low at this time there may be small scale projects within these areas that would benefit.

3. Options

- 3.1 The options for the Executive to agree are:
 - (i) To agree that Ward Councillors for the non-parished areas be asked to submit to the CIL Governance Panel ideas for spending CIL generated within their wards.
 - (ii) To not agree that Ward Councillors for the non-parished areas be asked to submit to the CIL Governance Panel ideas for spending CIL generated within their wards.
 - (iii) To agree that the remaining CIL contributions held by the Council be retained for spending to support key priorities

(iv) To not agree that that the remaining CIL contributions held by the Council be retained for spending to support key priorities.

3.2 3.2 The Executive is asked to agree options (i) and (iii).

4. Proposals

4.1 As agreed by Executive in June 2015, the CIL Governance Panel will comprise the Leader, Portfolio Holder for Finance, the Chief Executive and Section 151 Officer.

4.2 In accordance with the Executive resolution in June 2015, it is suggested that, in due course, Ward Councillors for the non-parished areas, following discussions with local communities, will be asked to submit suggestions for projects in their areas to be funded from CIL. The Infrastructure Delivery Officer will be responsible for contacting Councillors and collating responses. Once the total amount collected in 2015/16 within these areas is known, suggestions will be considered by the CIL Governance Panel which will then report to the Executive.

5. Supporting Information

5.1 The CIL Regulations set out that a charging authority may publish a list of the infrastructure which it intends will benefit from CIL funding (A Regulation 123 list or 123 list). Surrey Heath Borough Council's list is attached as Annex 2.

5.2 Infrastructure funding raised through CIL will, in the main, be directed towards those infrastructure projects or types which are required to mitigate cumulative rather than site specific impacts. Some site specific issues can still be addressed through S106 agreements. A report on PIC and S106 payments will be brought to Executive at the end of the financial year.

5.3 There has been little income received from CIL so far, as the CIL Charging Schedule was only introduced in December 2014. In addition, the levy is only payable on development which creates net additional floor space, where the gross internal area of new build exceeds 100 square metres.

5.4 Most householder planning applications for extensions to their property can often fall within this limit and therefore would not be subject to the CIL charge. In addition, the CIL Regulations permit exemption from paying the charge for people who extend or build their own homes.

5.5 Nor is CIL generally payable on schemes allowed through the 'prior consent' regime.

5.6 However, it is anticipated that CIL income will start to increase in the next coming months. At the time of writing this report, there are 24 current CIL liable applications with planning consent, awaiting

commencement of development start dates. The CIL Regulations require the CIL charge to be paid upon commencement of development and cannot be claimed before this point.

6. Corporate Objectives And Key Priorities

- 6.1 Underpins Objective 1 to make Surrey Heath an even better place where people are happy to live.
- 6.2 Underpins Objective 2 to sustain and promote the local economy so that our people can work and do business across Surrey Heath by promoting improvements to local transport and infrastructure.

7. Policy Framework

- 7.1 The ability to set a CIL charge is set out in the Planning Act 2008 (as amended) and Community Infrastructure Levy Regulations 2010 (as amended). A CIL charging schedule will sit alongside the Local Plan, although it does not form part of the statutory development plan.

8. Legal Issues

- 8.1 The legislation requires that that 15% of CIL funds received are transferred to a Parish Council where development has occurred in that area. Payment commenced on 28th October and six monthly thereafter.

9. Governance Issues

- 9.1 Governance arrangements surrounding the transfer of CIL revenue to Surrey County Council for those projects prioritised by Surrey Heath BC which are to be delivered by the County will need to be agreed at a future date.

10. Sustainability

- 10.1 CIL will enable the Borough Council to direct funding to those projects which it believes best meet the needs of the local community and to support a sustainable community with the Borough.

11. Risk Management

- 11.1 If the housing targets set out in the Council's Core Strategy are not delivered then this would have financial implications in respect of the amount of CIL which would be raised. In addition the prior consent regime takes development outside of CIL, the government is proposing to extend this regime. Thus whilst it is anticipated that CIL will raise 4.5 million pounds to 2018, the emerging changes to legislation may reduce this amount.

Annexes	Annex 1 - List of CIL Income 01/04/2015-30/09/2015
Background Papers	
Author/Contact Details	Steven Appleby - steven.appleby@surreyheath.gov.uk
Head of Service	Jenny Rickard – Executive Head of Regulatory

Consultations, Implications and Issues Addressed

Resources	Required	Consulted
Revenue	✓	<u>21-10-15</u>
Capital		
Human Resources		
Asset Management		
IT		
Other Issues	Required	Consulted
Corporate Objectives & Key Priorities	✓	<u>21-10-15</u>
Policy Framework		
Legal	✓	<u>21-10-15</u>
Governance		
Sustainability		
Risk Management		
Equalities Impact Assessment		
Community Safety		
Human Rights		
Consultation		
P R & Marketing		

Review Date:

Version:

ANNEX 1

Community Infrastructure Levy (CIL) Income received 1st April 2015 – 30th September 2015

<u>Application No</u>	<u>Address</u>	CIL Admin (5%)	Neighbourhood (15%)	SANGS	CIL Main Fund	Status
14/0800	The Ridgewood Centre, Old Bisley Road, Frimley	£10,066.42	£30,199.27 (Heatherside) <i>Neighbourhood Grant to Parish Council's without a Neighbourhood Plan = 15% capped at £100 per dwelling paid to Parish</i>	Providing own SANG	£161,062.81	Completed 01/05/2015
14/1097	1, Commonfields, West End Erection of 2 detached two storey dwellings.	£1,670.82	£5012.46 (West End) <i>Neighbourhood Grant to Parish Council's without a Neighbourhood Plan = 15% capped at £100 per dwelling paid to Parish</i>	£910.00 (Hawley Woods)	£25,823.18	Incomplete – work started CIL DEMAND NOTICE TO BE SENT incl surcharges (£11,342.54 outstanding)
15/0065	2, Cricketers Lane, Windlesham Minor material amendment to (12/0282 Erection of a detached bungalow) to allow for addition of front bay	£23.79	£71.25 (Windlesham) <i>Neighbourhood Grant to Parish Council's without a Neighbourhood Plan = 15% capped at £100 per dwelling</i>	Providing own SANG	£380.00	Completed 12/09/2015

<u>Application No</u>	<u>Address</u>	CIL Admin (5%)	Neighbourhood (15%)	SANGS	CIL Main Fund	Status
	windows, alterations to roof, doors, windows and internal layout.		<i>paid to Parish</i>			
15/0266	4, Chertsey Road, Windlesham Erection of part 2 storey, part s/s side and rear extension, conversion of roofspace to form 1 one bed flat with extension of ground floor retail unit.	£716.90	£2150.07 (Windlesham) <i>Neighbourhood Grant to Parish Council's without a Neighbourhood Plan = 15% capped at £100 per dwelling paid to Parish</i>	£3,700.00 (Station Rd)	£7,771.03	Completed 04/08/2015
TOTALS		£12,477.93	£37,433.05	£4,610.00	£195,037.02	

OVERALL TOTAL - £249,558.00