

Community Infrastructure Levy

The Council has been collecting CIL funding since the Charging Schedule came into effect on the 1st December 2014.

The CIL Regulations require that the Council, as the collecting authority, pay money over to the parishes where development has taken place. It is for the parishes to decide how to use that money, and to publish its CIL income and expenditure.

The Council received a total of £1,299,716.82 for the reporting period 1st April 2019 – 30th September 2019.

A breakdown of the CIL receipts received for this reporting period is shown in Appendix 1, attached to this report.

Portfolio: Finance

Wards Affected

All

Recommendation

The Executive is advised to RESOLVE

- (i) To note the CIL monies received;
- (ii) that Ward Councillors for the non-parished areas be asked to submit to the CIL Governance Panel ideas for spending CIL generated income within their wards; and
- (iii) that the remaining CIL contributions held by the Council be retained for spending to support key priorities.

1. Resource Implications

- 1.1 CIL includes a contribution toward the cost of administration of the scheme. The monies raised are covering the cost of administration.

2. Key Issues

- 2.1 Section 106 payments are now increasingly being replaced by Community Infrastructure Levy contributions.
- 2.2 In respect of monies collected to date, Appendix 1 lists CIL monies collected from sites by parish and ward in the period 1st April 2019 – 30th September 2019. 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.
- 2.3 It should be noted that from 1st September 2019, new amendments to the CIL regulations were introduced requiring an Infrastructure Funding Statement to replace the Section 123 List. The regulations introduce a

requirement for councils to publish "infrastructure funding statements". These statements will replace existing Regulation 123 lists and should include details of how much money has been raised through developer contributions and how it has been spent. Statements must be published on local authority websites at least once a year. Councils will be required to publish their first statements by 31 December 2020.

- 2.4 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. The Council is also required to report on levy income and spending on its website on 31st December each year.
- 2.5 The CIL Regulations require that no more than 15% of CIL collected within parishes and wards is payable. The payment to parishes and wards, in the absence of a neighbourhood plan, is currently capped at £100 per annum for each existing Council tax dwelling. Where neighbourhood plans have been adopted, 25% of CIL collected within parishes and wards is payable. This is uncapped.
- 2.6 The Windlesham Neighbourhood plan was adopted at Full Council on 12th June 2019. This covers the Windlesham ward only within the Windlesham Parish area. From 12th June 2019, this ward will receive 25% of CIL collected within this ward. CIL collected in the other areas of Windlesham Parish remains at 15%. To date, no CIL has been collected from development in this ward since the neighbourhood plan was adopted.
- 2.7 Under the CIL Regulations, the Levy portion collected for Parishes and Wards from new development must be spent on infrastructure provision in the local area in which development takes place.
- 2.8 Funding received for neighbourhoods in excess of the capped limits (currently capped at £100 per annum for each existing Council tax dwelling), is retained by the Council (as the Local Charging Authority) to spend on General Levy funds. This must be spent on infrastructure.
- 2.9 Payments to parishes' payable from 1st April 2019, for income collected in the last reporting period were as follows;
 - a. Chobham £696.30
 - b. West End £194,800.00
 - c. Windlesham Parish £20,408.77
- 2.10 In March 2015, the Executive agreed that as with the parishes a 15% proportion 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 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 In accordance with the Executive resolution in March 2015, Ward Councillors for the non-parished areas are reminded to submit suggestions and bids in writing to the CIL Governance Panel, for projects in their areas to be funded from the 15% of CIL collected in those areas. The CIL Governance Panel is made up of the Chief Executive, Head of Regulatory Services, the Leader of the Council and Portfolio holder. Ward Councillors can also choose to save the money to roll forward to fund larger projects or combine across wards for jointly beneficial projects. The amount collected in the reporting period 1st April 2019 – 30th September 2019 within these areas is as follows:

- Deepcut & Mytchett £9,350.22
- Frimley £6,420.26
- St Michaels £7,878.57
- Town £1,971.00
- Watchetts £1,956.93

4.2 At the time of writing, the current CIL collected and available to each ward is as follows:

Deepcut & Mytchett - £32,327.22
 Frimley Green - £0.00
 Frimley - £27,758.36
 Heatherside - £46,074.79
 Old Dean – £0.00
 Parkside – £47,900.11
 St Michael's - £44,522.60
 St Paul's - £16,146.00
 Town - £171,023.83
 Watchetts - £4,737.95

4.3 Local projects will then be put forward to the Executive for agreement for funding in 2019/20 in combination with any projects taken forward from any remaining Planning Infrastructure Contributions.

5. Supporting Information

- 5.1 Income from CIL has steadily increased since the CIL Charging Schedule was introduced in December 2014. 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.
- 5.2 It is anticipated that CIL income will continue to increase in the next coming year.
- 5.3 The CIL income received from each development is proportioned as follows:
 - 5% - Administration
 - 15% -to local neighbourhood ward or Parish (25% where Neighbourhood Plan adopted)
 - £125.00 per sqm (charged on net additional floor space created) - to SANG (Suitable Alternative Natural Greenspace)
 - Balance of income allocated to Surrey Heath BC CIL Main Fund for spending on the priorities, as set out in the Council's Section 123 List.
- 5.4 Surrey Heath Borough Council also operates an instalment policy. The instalment policy requires the SANG element of the charge to be paid on commencement of the development, with the remaining instalment payments allocated, as set out in paragraph 5.3 above.
- 5.5 A total of £1,299,716.82 has been collected for the reporting period 1st April 2019 – 30th September 2019.
- 5.6 Of the total amount collected for this period, £457,646.21 is retained by the Council, with £549,674.21 payable to SANGS.

6. Corporate Objectives And Key Priorities

- 6.1 PLACE - to make Surrey Heath an even better place where people are happy to live.
- 6.2 PROSPERITY - 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, 25% where that Parish Council has a Neighbourhood Plan. Payment commenced on 28th October 2015 and six monthly periods thereafter.

9. Governance Issues

- 9.1 Surrey Heath BC may arrange the transfer of CIL revenue to Surrey County Council as part of a programme to prioritise improvement of infrastructure in the Borough. This will be for projects or assets that are normally delivered through County Council resources. Such projects would be agreed on a case basis by the Executive.

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.

Annexes	Appendix 1 - List of CIL Income 01/04/2019 – 30/09/2019
Background Papers	
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