

Notice of Meeting

Leader Decisions

**Date & time**

Tuesday, 20 May
2014 at 4.00 pm

Place

Room 107 - County
Hall, Kingston Upon
Thames, Surrey, KT1
2DN

Contact

Anne Gowing
Room 122, County Hall
Tel 020 8541 9122

Chief Executive

David McNulty

anne.gowing@surreycc.gov.uk

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This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Anne Gowing on 020 8541 9122.

Leader

Mr David Hodge

AGENDA

1 DECLARATIONS OF INTEREST

To receive any declarations of disclosable pecuniary interests from Members in respect of any item to be considered at the meeting.

2 PROCEDURAL MATTERS

2a Members' Questions

The deadline for Member's questions is 12pm four working days before the meeting (14 May 2014).

2b Public Questions

The deadline for public questions is seven days before the meeting (13 May 2014).

2c Petitions

The deadline for petitions was 14 days before the meeting, and no petitions have been received.

3 FUNDING AND DELIVERING INFRASTRUCTURE IN PARTNERSHIP. MEMORANDUM OF UNDERSTANDING BETWEEN ELMBRIDGE BOROUGH COUNCIL AND SURREY COUNTY COUNCIL

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- 8)

To agree the overarching principles which will guide how the county council and districts and boroughs will work together when identifying, prioritising, funding and delivering infrastructure.

Based on these principles, to agree a Memorandum of Understanding (MoU) with Elmbridge Borough and delegate approval of similar MoUs to the Strategic Director.

David McNulty
Chief Executive

Published: Thursday 8 May 2014

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SURREY COUNTY COUNCIL

LEADER

DATE: 20 MAY 2014

LEAD OFFICER: TREVOR PUGH, STRATEGIC DIRECTOR ENVIRONMENT AND INFRASTRUCTURE

**SUBJECT: Funding and delivering Infrastructure in partnership.
Memorandum of Understanding between Elmbridge Borough Council and Surrey County Council**



SUMMARY OF ISSUES:

To agree the overarching principles which will guide how the county council and districts and boroughs will work together when identifying, prioritising, funding and delivering infrastructure.

Based on these principles, to agree a Memorandum of Understanding (MoU) with Elmbridge Borough and delegate approval of similar MoUs to the Strategic Director.

RECOMMENDATIONS:

It is recommended that:

1. The Leader approve and sign the MoU with Elmbridge Borough (as set out in Annex A)
2. Delegate the approval of future similar MoUs relating to the delivery of infrastructure to the Strategic Director Environment & Infrastructure in consultation with relevant Cabinet Members and the Chairman of the Local Committee.

REASON FOR RECOMMENDATIONS:

The Borough and District Councils and Surrey County Council plan and deliver significant amounts of infrastructure. The Community Infrastructure Levy (CIL) is a new and flexible source of funding that provides an opportunity to improve the way infrastructure is planned, funded and delivered in partnership.

DETAILS:

Background

1. CIL is generally replacing the system of agreeing planning obligations between local councils and developers under [section 106 of the Town and Country Planning Act 1990](#). In a two tier area such as Surrey charges are set by the borough or district councils based on the size and type of the new development and its viability. The levy is due once planning permission has been granted for development. Where a community infrastructure levy is in force, applicants must pay the levy to the local council when development commences and can be paid in instalments. The money raised from the community infrastructure levy is used to support growth by funding new and improved infrastructure. This infrastructure is largely provided by the

Borough and County Councils and can include transport network improvements, new or enhanced schools and better leisure and recreation facilities.

2. Elmbridge Borough is one of the first councils in the country to adopt CIL. Elmbridge Borough and Surrey County Council are committed to joint working to use CIL funding effectively to help deliver infrastructure, and have agreed on a number of principles which will guide this process, as set out within a Memorandum of Understanding (MoU).
3. The Draft MoU with Elmbridge Borough is not a legally binding agreement, but a statement of joint intent on how both Councils will work together in providing the necessary infrastructure for the Borough. The MoU sets out four key principles on how both authorities will work together.

Principle 1 – Identification of infrastructure

A commitment to the comprehensive assessment and planning of both short and long term infrastructure needs. In the Borough this is through the Infrastructure Delivery Plan, Settlement Investment and Development (ID) Plans. In the county council this is primarily through the Elmbridge Borough Local Transport Strategy and schools capital programme.

Principle 2 – Prioritisation of infrastructure

A commitment to review the CIL Regulation 123 List (this is a list of infrastructure which may be funded by CIL) and to receive input into the prioritisation of infrastructure needs through Local Spending Boards¹, the Strategic Spending Board² and through the Surrey County Council Local Committee.

Principle 3 – Funding of infrastructure

A commitment to using best endeavours to access and release all potential funds to meet the borough's infrastructure needs and to work with a wide range of stakeholders, including those in the private sector and through Government agencies to secure funding.

Principle 4 – Delivery of infrastructure

A commitment to provide clear delivery timescales for infrastructure projects, for each council to inform the other of any material changes to infrastructure projects and any risks that may delay delivery and to return any unspent CIL receipts to the Borough Council. The County Council will keep the Borough Council informed for the purposes of reporting on the progress of any identified project.

4. The Draft MoU with Elmbridge will act as a model for similar agreements with other districts and boroughs as CIL is adopted. The Leader is asked to delegate the future detailed wording of MoUs based on this model to the Strategic Director Environment & Infrastructure – in consultation with relevant Cabinet Members and the Chairman of the relevant Local Committee

¹ New settlement based borough committees comprising local ward and non-voting county councillors. The committees will allocate 25% of CIL receipts collected within a local area.

² The Strategic Spending Board will comprise both borough councillors and a non-voting county councillor supported by borough and county officers. The board will make recommendations re the allocation of 75% of CIL receipts to be ratified by the borough's Cabinet.

CONSULTATION:

5. The Draft MoU has been produced in partnership. Both Councils have consulted internally with Cabinet Members, officers and relevant departments such as finance and legal for comment. Consultation with Members has occurred informally through the Elmbridge Local Committee.
6. The Leader and Cabinet of Elmbridge Borough support the MoU. The Leader considers that once the MoU is approved, it will be the responsibility of elected Members from Borough and County to work in close partnership to meet the challenge of what should be an exciting and imaginative way to deliver infrastructure.

RISK MANAGEMENT AND IMPLICATIONS:

7. There are no significant risk management implications arising from this report.
8. A more unified approach to infrastructure planning and delivery could reduce the risks of fragmented service delivery and duplication or omission.

Financial and Value for Money Implications

9. Once CIL is implemented across the county the total available funding for county council led infrastructure (largely transport and schools) could be in the range of £10m - £15M per year. By working closely with districts and boroughs the county council will be able to use CIL funding to help deliver important infrastructure. This should ensure that all available funding is used in the most efficient and effective way to support local growth.

Section 151 Officer Commentary

10. The Section 151 Officer confirms that all material financial and business issues and risks have been considered and addressed. The introduction of an MoU is intended to facilitate improved planning, funding and delivery of infrastructure in the future.

Legal Implications – Monitoring Officer

11. The Community Infrastructure Levy has been introduced generally to replace the system of section 106 planning agreements, ensuring that appropriate contributions are made to Councils by developers to provide for the consequential infrastructure needs arising from new development. The Borough Council is responsible for administering this and it is important that the County Council ensures its own infrastructure needs are adequately taken into account and provided for through the CIL process. This MOU, although not legally binding, will provide a clear basis for both councils to work together to enable the full range of infrastructure needs for the area to be properly considered when dealing with CIL. The Legal Services Lead Manager has seen and agreed the wording of the draft MoU.

Equalities and Diversity

12. There are no particular impacts on groups with protected characteristics arising from this agreement but any relevant equalities impact assessment will be undertaken as part of the plans and strategies that will inform infrastructure prioritisation and spending.

Climate change/carbon emissions implications

13. The provision of strategic transport infrastructure will help reduce congestion and encourage the use of other forms of transport such as walking, cycling and public transport. This will help reduce carbon emissions and pollution and potentially improve public health.

WHAT HAPPENS NEXT:

14. Elmbridge Borough has already asked for bids from infrastructure providers to use the first tranche of approximately £0.75m of CIL receipts. The County Council will bid for some of this funding in order to enhance its capacity to deliver infrastructure in line with its Draft Local Transport Strategy and Schools Capital programme. The Strategic Spending Board (a Member and officer group) will make a recommendation to the Borough Council's Cabinet on the allocation of CIL funds. A final decision on the first tranche of CIL funding will be made by the Borough Council in September 2014.
15. In future years bids for CIL funding will be invited in January by the Borough Council. Up to £1.5 m of CIL funding could become available on an annual basis. This will involve the County Council working with the borough council in accordance with this MoU to identify and priorities suitable infrastructure which accords with strategic priorities. County Council priorities will be agreed through the Local Committee. Each year a list of planned and delivered infrastructure will be published by the Borough Council.
16. As other boroughs and districts adopt and collect CIL it is anticipated that the principles embodied in this MoU will be a model for similar joint working.

Contact Officer:

Paul Sanderson, Minerals & Waste Policy Manager. 020 8541 9949

Consulted:

Borough Council; Surrey County Council Cabinet Members, Surrey County Council Local Committee; Chief Officers

Annexes:

Draft MoU

Sources/background papers:

Borough Council Regulation 123 List
 Borough Council CIL Charging Schedule
 Surrey County Council LTP3.



Memorandum of Understanding between Elmbridge Borough Council and Surrey County Council to inform partnership working on delivering infrastructure to support development in Elmbridge

This agreement is dated XX May 2014

1. Purpose

This Memorandum of Understanding (MoU) provides a set of principles for the identification, prioritisation, funding and delivery of infrastructure improvements in Elmbridge Borough. Infrastructure delivery is a partnership process and both councils need to work together to meet existing infrastructure deficiencies, support growth and the planned development within the Borough.

This MoU is a statement of joint intent and is not a legally binding agreement.

2. Shared Principles

This MoU includes principles which Elmbridge Borough Council and Surrey County Council have agreed to apply to the identification of infrastructure needs, prioritisation, funding and delivery. These principles are as follows:

Principle 1 - Identification of short and long term infrastructure needs

A commitment to developing a comprehensive assessment and the forward planning of both short and long term infrastructure needs in the Borough through the Infrastructure Delivery Plan, Settlement Investment and Development (ID) Plans and LTP3 Elmbridge Borough Local Transport Strategy and Implementation Programme.

Elmbridge Borough Council's Infrastructure Delivery Plan (IDP) and Settlement ID Plans provide an assessment of different infrastructure needs in the Borough and both councils agree that these documents will function as the primary evidence basis to inform the identification of strategic and localised infrastructure needs in the Borough to deliver the aspirations of the Elmbridge Local Plan. The Local Transport Strategy will provide the evidence for both local and strategic transport infrastructure needs across the Borough. It is acknowledged that both the IDP and Settlement ID Plans represent a snapshot of infrastructure needs at a given point in time and therefore require regular input to keep them up to date, taking account of changes in national and local priorities for funding, changing demographics and the rate and location at which development comes forward.

Principle 2 - Prioritisation of infrastructure

A commitment from both councils to review the CIL Regulation 123 List and to receive input into the prioritisation of infrastructure needs through both Local Spending Boards, Strategic Spending Board and through the Surrey County Council Local Committee when required.

The prioritisation of infrastructure needs in the Borough will be conducted through a number of different mechanisms. Surrey County Council as the Highways and Education authority will look to prioritise what strategic transport and education infrastructure is required for the Borough and request funding for these schemes through the Strategic Spending Board. Transport infrastructure will be set out through the LTP3 Local Transport Strategy and Implementation Programme (LTSIP) which should form an evidence base for the prioritisation of transport schemes. County and Borough Members will be involved in this prioritisation through the Surrey County Council Local Committee for strategic infrastructure. The Local Committee is a Surrey County Council committee where Borough Members are co-opted on to the Committee and have voting rights. For local infrastructure, sub committees of the Borough Council will prioritise local infrastructure. These will be known as Local Spending Boards. County members will be invited to sit on these Boards but due to the legislation in which the committees have been constituted they can only have an advisory role.

The Regulation 123 list was produced in partnership between both councils and should continue to be revised jointly.

Principle 3 - Funding of infrastructure

A commitment to using both councils' best endeavours to access and release all potential funds to meet Elmbridge's infrastructure needs and to work with a wide range of stakeholders, including those in the private sector and through Government agencies to secure funding.

Both councils acknowledge that in order to maximise funding for infrastructure, all possible funding streams will need to be explored and utilised where appropriate. Both councils will work in partnership to explore these opportunities.

Principle 4 - Delivery of infrastructure

A commitment from both councils to provide clear delivery timescales for infrastructure projects, inform either council of any material changes to infrastructure projects and any risks and to return any unspent CIL receipts. The County Council will keep the Borough Council informed for the purposes of reporting on the progress of any identified project.

For the purpose of CIL receipts, the Borough Council is the designated CIL Charging Authority. As a Charging Authority the Borough Council has a number of statutory rights and statutory reporting duties which include the provision to reclaim unspent or misappropriated funds. The Borough Council is required to publish annually the total CIL receipts for the reported year, the total CIL expenditure for the reported year, summary of the items to which CIL has been applied and the amount of CIL expenditure on each item. When the Borough Council agrees to release funds to the County Council for a specified project, or projects, these funds will be used exclusively for the purpose(s) agreed. The County Council will need to inform the Borough Council's Infrastructure Delivery Coordinator of any material changes to any proposals agreed. If the County Council ceases or suspends provision of any agreed infrastructure project it will return these receipts to the Borough Council unless an alternative scheme, already on the Regulation 123 list, can be delivered and is agreed by the Borough Council.

Both councils are committed to continuous improvement and acknowledge the importance of monitoring the efficiency of the planning and delivery process and the subsequent effectiveness of new infrastructure.

Signed

Date

Cllr John O'Reilly

Leader

Elmbridge Borough Council

Signed

Date

Cllr David Hodge

Leader

Surrey County Council

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