



Environment and Transport Committee
23 January 2014

Community Infrastructure Levy (CIL) in Surrey

Purpose of the report: Policy Development and Review.

This report provides an update of the implementation of the Community Infrastructure Levy (CIL) in Surrey. It sets out how the CIL workstream will be taken forward within the County Council as part of an integrated approach to the planning, funding and delivery of infrastructure. In particular, the Select Committee is asked to support the continuing development of Local Transport Strategies.

The report also highlights progress with the adoption of core strategies and the implementation of CIL in the district and boroughs

Introduction

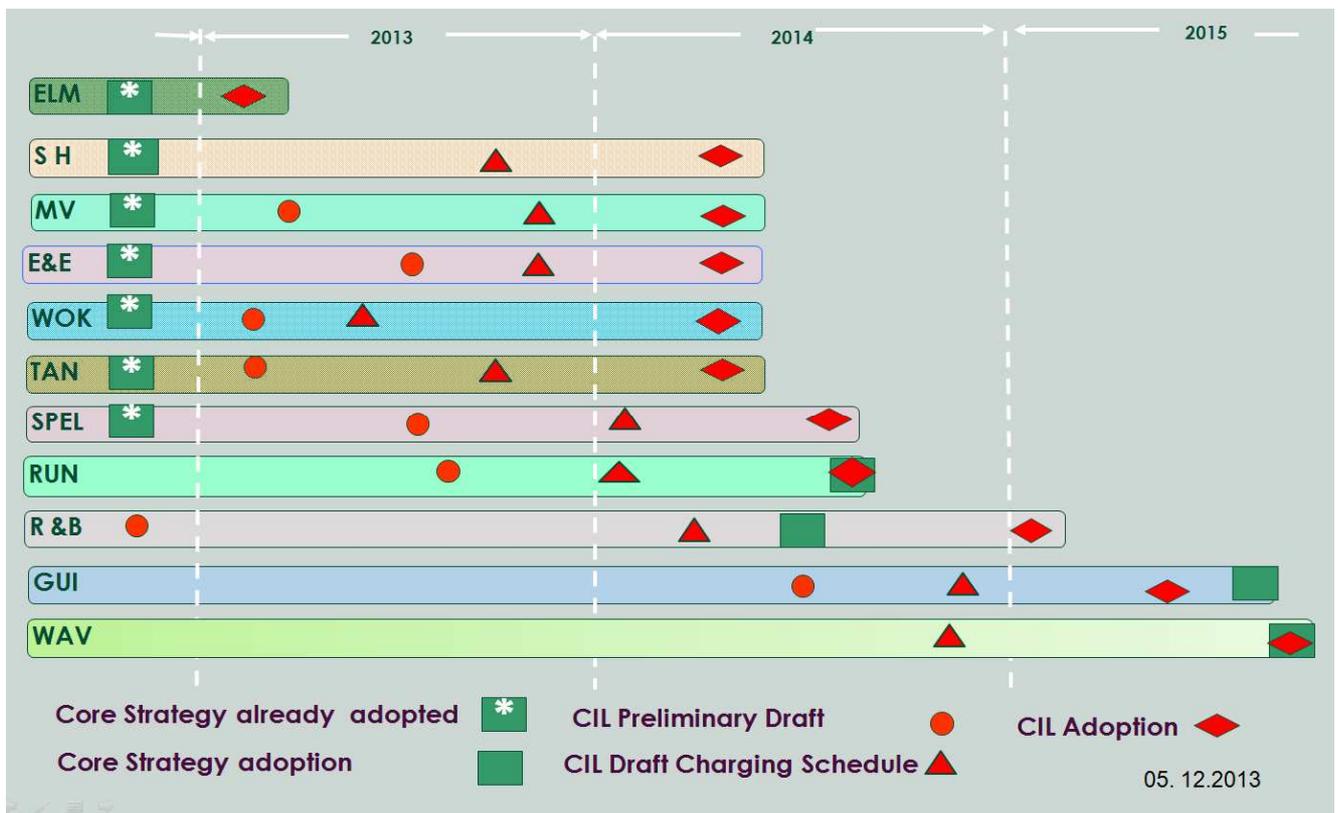
- 1 CIL will be levied and collected by district and borough councils. It is seen as an important additional source of infrastructure funding to help provide the new and improved infrastructure needed to support the growth identified in local plans. At the outset a figure of over £20M was suggested as potential total annual CIL income for all boroughs and districts. But there were perceived risks that boroughs and districts would not adopt CIL (it is not mandatory) and CIL income would not be released for schemes promoted by the county council.
- 2 Hence it is important that the county council plays a proactive role in supporting and encouraging districts and boroughs to adopt CIL and to develop robust evidence of infrastructure requirements. A collaborative approach is seen as the way to maximise the potential of CIL to provide additional funding for all types of infrastructure which will ultimately benefit all local communities in Surrey.

Progress so far

Implementation within district and boroughs

- 3 Elbridge Borough is now charging CIL and all districts and boroughs except Guildford Borough have published preliminary draft CIL charging schedules. Officers have worked with Elbridge Borough to agree a final list of potential infrastructure schemes (known as a Regulation 123 list).
- 4 The county council has worked with and supported district and boroughs to enable them to move towards implementing CIL. Excellent collaboration has been developed and joint working improved at both officer and member level. Specific support has been given through:
 - Viability assessment training – provided by SCC consultants Peter Brett Associates.
 - Joint member seminars in 2011/12
 - Provision of robust evidence of transport and education infrastructure requirements.
- 5 Four boroughs have yet to adopt their Local Plan core strategies. Runnymede Borough Council plan to adopt their Core Strategy in July 2014 together with CIL. Reigate & Banstead Borough Council is expected to adopt their Core Strategy in the Spring of 2014 with the adoption of CIL early in 2015. Both Waverley and Guildford Borough Councils core strategies have some way to go before being adopted – with CIL implementation not likely until mid/late 2015.

CIL & Core Strategy progress as of December 2013



Governance:

- 6 Joint working on a range of related issues is being progressed at the member level through Surrey Future, public sector boards and in some cases at local committee level.
- 7 Each district and borough is likely to agree its own process for allocating CIL. Elmbridge has agreed principles which set the likely tone for others to follow:
 - a) A significant percentage of annual CIL receipts (75% in Elmbridge) to be pooled for the purpose of delivering strategic infrastructure improvements.
 - b) Infrastructure providers, including Surrey County Council, will need to formally bid for the release of funds via a formal application process
 - c) The onus will be on the infrastructure providers to produce strong evidence-based arguments, including clear delivery plans.
 - d) The Borough Council's Cabinet and Full Council will make the final decision on the allocation of CIL funding.
 - e) A joint member/officer working group (with county representation) will help to identify and shape infrastructure priorities and vet applications for the release of CIL receipts before they are given formal sign off
- 8 This approach of maintaining local control whilst engaging with infrastructure providers is understandable. It is therefore vital that the county council is in a strong position to bid for funding by providing evidence of infrastructure need and engaging in the process.

Evidence

- 9 Funding gaps have been identified and the district and borough have included county council infrastructure requirements in their infrastructure delivery plans (IDPs) which will feed into the CIL spending plans contained in the Regulation 123 lists.
- 10 Achievements:
 - a) Schedules of transport infrastructure requirements are now available for all 11 districts and boroughs. These are focused on places such as town centres and settlement areas and on route corridors.
 - b) Officers in the education school place planning team have clarified the scale and likely geography of schools expansion programmes.
 - c) There has been a transformational change in the clarity and relevance of the evidence being provided to ensure it aligns with the borough and district Local Plan policies.
 - d) Work is now progressing to produce place based transport strategies (see below) which will require member engagement and agreement through Local Committees and Cabinet. Transport Strategies develop the schedules into clear priorities and programmes and will help secure funding from a range of sources.

Taking CIL work forward within the County Council

- 11 The emphasis now is to move to a focus on Surrey County Council statutory responsibilities as an infrastructure provider. CIL is just one potential funding stream and county council schemes will need to be produced at officer level and promoted through local committees supported by the necessary evidence.

| CIL Workstream | Taking forward as |
|--|--|
| Infrastructure evidence for districts and boroughs in support of their place shaping role | Surrey Future and Major schemes |
| | District and borough Transport Strategies |
| | Education capital programme |
| Joint working with districts and boroughs | Public Sector/Partnership Boards (in Reigate & Banstead, Guildford and Woking) |
| | Surrey Future |
| | Local Committees |

Potential county council income from CIL:

- 12 Total available income is potentially in the region of £15 - £20m per annum although this is unlikely to be realised before 2017/18. The amount available for more strategic infrastructure will be reduced by admin costs (potentially up to 5%), funding transferred to neighbourhoods and parishes (potentially up to 25%) and funding for SANGS in the west of the county. The amount the county council will receive will itself depend on district/borough decisions but these will very much depend on the quality of the evidence provided and any competing schemes promoted by the District and Boroughs and government agencies. This could mean anything between £5m and £10 m for county council infrastructure projects split between transport and education.

Place Based Transport Strategies

- 13 A key part of the county council's evidence of transport infrastructure needs will be communicated through district and borough focused transport strategies. It is intended that these strategies will be genuinely joint county & district/borough place shaping documents. They will be adopted by Cabinet having been endorsed by local committees (see below for the current programme of adoption).
- 14 Transport strategies and their accompanying improvement programmes will perform an essential place shaping function to support the growth in the borough and district's local plans.
- 15 The improvement programmes will comprise a short term (up to 2 years) delivery programme and a forward plan of medium (2-6 years) and long term (6 years +) schemes. They will include major schemes and rail infrastructure (£2m +) and intermediate schemes (£250K+) as well as smaller scale schemes. Improvement programmes will be a tool to help identify how potential funding sources can be combined so that available funding can be used more effectively.

- 16 CIL funding is unlikely to be at a scale to deliver major schemes (but could be used to lever in funding from the LEPs). They will be reliant on funding from government, most probably channelled, in the future, through the LEPs. The true value of CIL will be in helping to secure funding for intermediate or smaller scale schemes in conjunction with other sources of local capital finance, including local committee budgets, as well as finance from the LEPs.

Transport strategies - indicative adoption programme

| Borough | Major Schemes | Status of Local Plan | Stage 1 Informal Local Committee | Stage 2 Consultation | Stage 3 | |
|--------------------|---|--|-------------------------------------|-------------------------|------------------------|------------|
| | | | | | Formal Local Committee | Cabinet |
| Epsom & Ewell | Plan E Kiln Lane Link | Adopted | 16 Oct 13 | Jan-Feb 14 | 23 June 14 | 22 July 14 |
| Woking | Victoria Arch | Adopted | 07 Nov 13 | Jan-Feb 14 | 25 June 14 | 22 July 14 |
| Elmbridge | None to date | Adopted | 04 Feb 14 | Mar - Apr 14 | June 14 | 22 July 14 |
| Tandridge | None to date | Adopted | 24 Jan 14 | Mar – Apr 14 | June 14 | 22 July 14 |
| Reigate & Banstead | Redhill Network Reigate Network Reigate–Redhill Hub | Examination stage | 28 Oct 13 | Mar - Apr 14 | June 14 | 22 July 14 |
| Runnymede | Runnymede Roundabout Egham Package | Pre-submission | 02 Dec 13 | Mar-Apr 14 | June 14 | Sept 14 |
| Mole Valley | Dorking TC Management A24 Capel - Surrey Boundary A24 Clarkes Gn - Holmwood | Adopted | 12 Feb 14 | Mar/Apr - May 14 | 11 June 14 | Sept 14 |
| Spelthorne | Staines Bridge | Adopted | 17 Feb 14 | Apr-May 14 | 30 June 14 | Sept 14 |
| Surrey Heath | A30/A331 Corridor Camberley | Adopted | Feb/Mar 14 ¹ | Apr-May 14 | 3 Jul 14 | Sept 14 |
| Waverley | Farnham TC A31 Hickley's Corner A31 Hickley's Corner underpass Wrecclesham Relief Rd | Revised timetable with adoption Oct/Nov 2015 | Jan-March 14 ² | May - June 14 | Sep 14 | Oct/Nov 14 |
| Guildford | Gyratory A3 Corridor Guildford Hub | Issues & options | March – April 14 | May – June 14 | Sep 14 | Oct/Nov 14 |

¹ Date to be formalised

² Needs first to be discussed by the four Waverley Local Committee Task Groups

Coordination and implementation

- 17 Following the Rapid Improvement Event held in 2011 a county council Infrastructure Delivery Group (IDG) now meets regularly. The IDG is based upon the four highway areas and involves a range of service representatives and other stakeholders. The IDG reviews the planning and funding of all types of transport schemes, from aspirational through to completed, and considers funded from all potential sources. The Local Transport Strategies will inform and be influenced by the work of the IDG
- 18 The IDG which will increasingly need to influence decisions around CIL funding and inform the Infrastructure Delivery Plans and Regulation 123 lists being prepared by the district and boroughs. Representatives of the IDG will attend district and borough infrastructure working groups.
- 19 Officers will continue to work closely with district and borough colleagues to ensure evidence of county infrastructure requirements is provided when required and with the right level of detail. Indeed the county council has recently agreed to second an officer to work for Elmbridge Borough Council in order to undertake the role of Infrastructure Delivery Coordinator for a temporary period.

Conclusions

- 20 By mainstreaming the CIL project workstreams CIL will become part of the wider picture of infrastructure programming, funding and delivery.
- 21 The value of CIL can then be maximised by using it creatively alongside other funding sources.
- 22 The county council should continue to engage with district and boroughs by focusing on its statutory responsibilities and strengths as a strategic infrastructure provider and facilitator.
- 23 Transport strategies are a key tool for reaching agreement on local place based transport priorities and for securing funding.
- 24 Increasingly we will also need to engage with the LEPs and the same place based evidence will both feed into their strategic economic plans and support requests which seek to secure significant funding for transport infrastructure improvements.

Recommendations

- 25 The Select Committee are asked to
 - a) note the progress of CIL implementation,
 - b) support the mainstreaming of the CIL Project workstreams and
 - c) support the ongoing production of local transport strategies through local committees with final endorsement by Cabinet.
 - d) support the work of officers in working more closely with districts and boroughs

Next steps:

Progress on the adoption of transport strategies will be reported to the Select Committee in autumn 2014.

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