

## PLANNING OBLIGATIONS AND COMMUNITY INFRASTRUCTURE LEVY

### Executive Summary

The Community Infrastructure Levy (CIL) was introduced by the government in 2012 as a tariff-based charge on development to complement S106 agreement planning obligations as part of a council's planning toolkit to secure and deliver infrastructure. CIL is not mandatory, but WBC concluded that it would be beneficial to the Borough to become a CIL-charging authority and adopted the CIL charging schedule and '123 List' in October 2015.

As part of the Council's improvement journey, a review of our planning obligations practices has been undertaken with support from the Planning Advisory Service (PAS) which is part of the Local Government Association (LGA).

This review work, the Council's own Improvement and Recovery Plan, coupled with the experiences and ideas of officers has led to measures being identified which will deliver a more streamlined and transparent approach, allow for a better customer experience and a more efficient service. This in turn will create capacity to take a more proactive role in the monitoring and management of planning obligations and CIL which has the potential to deliver an uptick in receipts.

This report contains a programme of measures that could be introduced to ensure the Council's approach to planning obligations and CIL is transparent, efficient and easy to access for all users. This programme should be implemented within 12 months of this meeting date to reduce risks associated with current practices and maximise the opportunities available.

In addition to updating our approach to planning obligations and CIL, now is also the time to refresh our infrastructure priorities. This should be done within the context of the emerging corporate strategy, Working for All and the new local plan that will seek to deliver the spatial objectives of the corporate strategy.

### Recommendations

The Committee is requested to:

#### **RESOLVE That**

- (i) Members endorse the planned activities to improve our approach to the management and monitoring of Planning Obligations and CIL.

The Committee has the authority to determine the recommendation(s) set out above.

**Background Papers:** None.

**Reporting Person:** Jill Peet, Planning Policy Manager

Email: Jill.Peet@woking.gov.uk

**Contact Person:** Jill Peet, Planning Policy Manager

Email: Jill.Peet@woking.gov.uk

## **Planning Obligations (Community Infrastructure Levy and Section 106)**

**Portfolio Holder:** Councillor Liam Lyons  
Email: [CllrLiam.Lyons@woking.gov.uk](mailto:CllrLiam.Lyons@woking.gov.uk)

**Date Published:** 28 August 2024

## **Planning Obligations (Community Infrastructure Levy and Section 106)**

### **1.0 Introduction**

- 1.1 The Community Infrastructure Levy (CIL) was introduced by the government in 2012 as a tariff-based charge on development to complement S106 agreements (planning obligations), as part of a council's planning toolkit to secure and deliver infrastructure. CIL is not mandatory, but WBC concluded that it would be beneficial to the Borough to become a CIL-charging authority and adopted the CIL charging schedule and '123 list' in October 2015. It remains the view of officers that being a CIL charging authority is appropriate and in the best interests of the Borough.
- 1.2 CIL receipts are pooled from across all qualifying developments and those funds can be used to deliver strategic local infrastructure that benefits the whole borough and unlocks growth. S106, however, can only be used to address the infrastructure requirements generated by the paying development and is the vehicle for delivering affordable housing.
- 1.3 There are two prongs to this review work, the first relates to the review of our processes and procedures for CIL and S106 to ensure that the service is maximising opportunities for efficiency and best practice. Aligned with this, the second prong will focus on the need to refresh the infrastructure priorities for Woking and ensure this supports growth delivery options that will be delivered via the emerging new local plan, delivering the spatial objectives of the corporate strategy, Woking for All.
- 1.4 This report provides an overview of the activities that could be undertaken to deliver that refresh and secure the funding for infrastructure that benefits our communities. To maintain the status quo is to continue to put the Council at risk of under-collection and inefficient working practices. This would conflict with the Council's Improvement and Recovery Plan that was published in August 2023.

### **2.0 Background**

- 2.1 WBC was one of the first authorities to adopt CIL and processes for its management and maintenance have developed organically. In taking stock of these practices, the Council has, with the help of the Planning Advisory Service (PAS) been able to identify improvements.
- 2.2 There are many strands to planning obligations and different customers with differing needs. This review seeks to streamline our practices and make better use of technology to allow customers to access the information they want by themselves. Planning obligations information is already a matter of public record and enabling users to 'self-serve' has the potential to reduce pressure on staff resources. There is also considerable scope for specialist software to automate many of the key steps in the administration and management of planning obligations monies, again reducing pressure on staff resources. More efficient systems will, in turn, create capacity to take a more proactive role in the enforcement and monitoring of monies and in continuous review of our procedures to ensure they reflect best practice.
- 2.3 CIL receipts are also used to pay for its own administration (5% of all receipts collected are ringfenced for this purpose). A percentage is also available for Neighbourhood CIL and a further percentage of 39.5% is ringfenced to fund Suitable Alternative Green Spaces (SANGs) to ensure the additional recreational pressures development could place on the Thames Basin Heaths Special Protection Area (SPA) is mitigated by providing attractive alternatives to these ecologically sensitive areas.
- 2.4 The CIL charging schedule and '123 list' were initially drawn up to deliver the infrastructure needs identified in the Local Development Framework Core Strategy, identifying infrastructure that would unlock growth in and around Woking town centre. Circumstances are somewhat different since this time and a review of the strategic priorities for CIL should be reviewed. This should align with the spatial priorities in the emerging corporate strategy,

## **Planning Obligations (Community Infrastructure Levy and Section 106)**

Working for All, which will also set out the new development strategy in the new local plan that will aim to deliver our future development needs for the period 2028 to 2043/44.

- 2.5 Neighbourhood CIL can be applied for by the relevant ward councillor to fund (or part fund) local infrastructure projects. The percentage of CIL made available is 15% of the monies collected from qualifying developments within that ward unless there is a 'made' neighbourhood plan. In the case of areas with a 'made' neighbourhood plan, it's 25%.
- 2.6 The changes proposed to our current approach are expected to deliver greater transparency and efficiency and a more satisfactory experience for all our customers. The Environment and Place Overview and Scrutiny Committee have asked for these proposed activities to be set out for their information and perusal. Although operational in nature, members are asked to endorse the review of the Council's overall approach and, when the time comes, to engage with officers in reviewing our infrastructure priorities for the post 2027 period. Discussion around a new development strategy to meet future development needs, including infrastructure, to support our communities as part of the new local plan will be integral to this.

### **3.0 Proposal**

- 3.1 The proposals for a new approach fall broadly under four categories as follows:
  - Leadership, strategy and governance
  - Policy and evidence
  - Systems
  - Project delivery
- 3.2 Specific actions have been identified under the headings listed above to achieve the desired outcomes. As well as new systems and mechanisms to achieve our aims, it is proposed that monitoring mechanisms are put into place to ensure regular review and sense check against

## Planning Obligations (Community Infrastructure Levy and Section 106)

best practice. The tables below set out the specific activities that will be completed under this workstream.

<b>Leadership, Strategy &amp; Governance</b>		
<b>Recommendation</b>	<b>Context</b>	<b>Proposed action(s)</b>
Design and develop a new spending strategy for CIL ensuring use of CIL links to funding infrastructure needed to support growth identified in the new local plan.	<p>Identification of future development needs and how and where we can deliver that will form early work for the new local plan. The infrastructure needed to unlock delivery of that growth will be identified and assessed. The options for how growth should be delivered should reflect the objectives of the corporate plan, Woking for All and support the development strategy in the emerging new local plan (yet to be determined).</p> <p>The new spending strategy for CIL would replace the '123 List' and update the tariff.</p>	<p>Through close collaboration with infrastructure providers, prepare high-level evidence that looks at likely infrastructure needs in light of our Local Housing Need number (calculated using the government's standard method).</p> <p>Arrange training workshop for members and officers to identify infrastructure priorities with the information above plus audit of existing/ current priorities.</p> <p>Develop a draft spending strategy for CIL that supports the development strategy for the new local plan, for consultation. This would interlink with local plan work and could be developed through a 'task and finish' group reporting to the Environment and Place Committee.</p>
Training for Leadership Team and Members on the strategic role of CIL	<p>Member training as part of the general member training programme.</p> <p>Training for corporate leadership team on the strategic relevance and opportunities of CIL. (and, where relevant, for officers on the working group). This should be delivered early in the process of delivering new approach to CIL/S106.</p>	<p>Arrange training for members and corporate leadership team. Training would best be delivered by external specialist consultants. Although there will be a charge for this, it does represent best value for money. Admin ringfenced funds can be used.</p> <p>CIL and Planning Obligations training can be undertaken by officers as part of standard commitments to continuing professional development.</p>
Refresh our governance framework to support greater ownership for CIL spending strategy,	Current governance is set out in broad terms in the <a href="#">Normal Template (woking2027.info)</a> CIL Charging Schedule 2014. Woking's CIL was one of the first in the country to be adopted so as time has gone on,	Officer Working Group set up to support wider corporate ownership of infrastructure delivery. Membership of group and ToR with specific objectives could be set to ensure focus and

## Planning Obligations (Community Infrastructure Levy and Section 106)

<b>Leadership, Strategy &amp; Governance</b>		
<b>Recommendation</b>	<b>Context</b>	<b>Proposed action(s)</b>
effective decision-making, stronger project assurance and improved reporting.	<p>other guidance and governance has developed in a more organic way.</p> <p>Data currently stored, managed and maintained in internally produced databases (Access and Excel) with all stages having to be completed manually. Significant risks associated with this approach, especially around human error and data set collection across several departments</p>	<p>delivery of specific outcomes. This could include (but not limited to) refresh of NCIL application process, including introduction of fully interactive online forms, pre-application surgery and more streamlined ways to determine community support for proposals. End to end process mapping and use of specialist software also for consideration.</p> <p>Use of specialist software (Exacom) will automate the standard stages in the process and link to both existing Development Management and Finance software. Specialist software can also support 'self service' access to information and data, negating the need for officers to respond in detail to requests for information from conveyancing solicitors, FOIs etc. But this will need historic data to be entered into the new system.</p>

<b>Policy and Evidence</b>		
<b>Recommendation</b>	<b>Context</b>	<b>Proposed action(s)</b>
Clear and strategic policies that set out how we identified and prioritised the infrastructure projects (123 list) and how we will collect and redistribute funds (backed up by viability evidence report)	<p>This links with workstreams identified in 1. above as this would be covered in the evidence needed to deliver a robust and sound CIL schedule.</p> <p>Delivery of Exacom software and revised processes will update and clarify how we will collect and redistribute funds</p>	Commissioning of Exacom software (in hand) and preparation/ refinement of user notes and reporting mechanisms (through the WG)
Consider use of public facing software (EXACOM) to deliver efficiency savings allow public access to up-to-date data and information relating to CIL and NCIL	Use of specialist software will support automation of many Will support greater 'self-service' for information requests and free up officer time (FOIs requests, solicitor queries, neighbourhood CIL balance enquiries etc.) to perform more critical tasks.	Management of historic data transfer into new Exacom system.

## Planning Obligations (Community Infrastructure Levy and Section 106)

<p>Specific guidance and support for ward members and NFs when making applications for NCIL funds</p>	<p>Draft guidance for this purpose to be prepared (within the context of Exacom and general digital accesses)'.  </p>	<p>Refine draft guidance prepared for this purpose within the context of Exacom.  Member training could be extended to include members of neighbourhood forums.</p>
---	---	---

### 4.0 Purpose and Outcome

- 4.1 Infrastructure provision is a major priority for both the council and its communities. Most comments made by local residents during local plan consultations and in response to planning applications raise concerns about infrastructure capacity. Development is generally required to deliver the additional infrastructure it generates but this is set within the parameters of what the relevant authorities and infrastructure providers consider those needs to be. The council cannot require additional infrastructure over and above what the provider asks for but, with more integrated collaboration, could look at longer term infrastructure needs through the lens of the new infrastructure-led local plan. Strong governance and clear processes that are transparent and easily accessible will demonstrate that the structures are in place to secure the funding needed to deliver infrastructure that unlocks and supports growth to meet the borough's future needs.
- 4.2 The activities underway and proposed within this paper support the strong governance needed to deliver infrastructure in the future. Maintaining the status quo is not a realistic option because it will not deliver the service improvements and efficiencies needed.

### 5.0 Process

- 5.1 The council's CIL/ S106 practices were reviewed by specialist experts at the request of officers because there was an awareness that opportunities were not being maximised to deliver efficient and safe services with existing systems. The conclusions of the review support the introduction of specialist software to manage the management and monitoring of CIL and S106. This will negate the substantial risks associated with current practices, making expected efficiency savings which will free up officer time to take a more proactive role in identifying breaches and focussing on further improvements that will support maximum collections, greater transparency and an overall more satisfactory customer experience.
- 5.2 The programme of measures set out in the above tables were developed from the recommendations with input from officers across the council with a stake in S106 and CIL. The new officer working group will focus on delivering the improvements listed and will monitor progress.
- 5.3 Maintaining the status quo is not a realistic option because it will not deliver the service improvements and efficiencies needed, nor will it support the objectives of the Council'.

### 6.0 Decision Type

- 6.1 The proposals are operational in nature, and this is therefore a non-key decision. However, given how significant CIL/ S106 and infrastructure is, and that all members can apply for neighbourhood CIL on behalf of their communities, it is important that there are opportunities for members to review these proposed activities. It is paramount that the Council embraces new ways of working in relation to planning obligations. To reject the recommendations of

## **Planning Obligations (Community Infrastructure Levy and Section 106)**

this report would result in lost opportunities for greater efficiency and transparency and would not deliver best value for money. As such, there are no realistic alternatives to that proposed.

### **7.0 Implications**

#### Legal

- 7.1 At this stage there are no legal implications. It is anticipated that an officer from legal services will sit on the Officer Working Group and any legal implications will be addressed as they arise.

#### Resources (including finance)

- 7.2 This is a priority for the Council and the resources (officer time) have been made available to deliver these improvements. The costs associated with the procurement of Exacom software are covered by the 5% top slice from CIL that is ringfenced from total receipts. This also covers the costs of a full time Planning Benefits Officer. It is anticipated that the approaches set out will deliver efficiency savings which in turn could result in an increase in resources.

#### Equalities and Diversity

- 7.3 No impacts identified or expected.

#### Risk (Corporate Governance)

- 7.4 The proposed activities are expected to significantly reduce risk.

#### Scrutiny

- 7.5 The proposed activities are expected to improve transparency.

#### Decision Scope

- 7.6 There are no realistic alternatives to the decision sought.

### **8.0 Engagement and Consultation**

- 8.1 Engagement and consultation have taken place amongst relevant officers. Users of the NCIL process will be asked to provide input to help shape improvements.

REPORT ENDS