

Annex 2 -

Reigate & Banstead Borough Council's second Community Infrastructure Levy (CIL) Strategic Infrastructure Programme (SIP2) 2023 to 2027

Screening Qualification Criteria and Assessment Criteria for Project Applications for funding allocation in SIP(2)

Introduction

National legislation and guidance concerning CIL spending is very broad-brush, giving CIL "charging authorities", such as RBBC, considerable freedom to decide how to spend the "strategic" portion (at least 80% of the total CIL collected across the borough) of the CIL receipts that it collects.

CIL Regulations specify that charging authorities must apply the strategic CIL to funding the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area. The strategic CIL can be used to increase the capacity of existing infrastructure or to repair failing existing infrastructure if needed to support development. We can also use the "strategic" CIL portion collected to fund infrastructure located outside of the borough, where to do so would support the borough's development.

Infrastructure is defined in the CIL Regulations as the "relevant infrastructure" types or projects listed on the Council's "infrastructure list" in its "annual infrastructure funding statement" (*see list at the end of this report*).

This flexibility gives us the opportunity to choose what infrastructure we need to support both planned (in our Local Development Plan) and other "windfall" development across the borough.

As required, we publish a report annually on our website of CIL income received, allocated and spent, in our annual infrastructure funding statement. Whilst we have considerable flexibility in spending the "strategic" CIL portion, the process we use to decide how to allocate our CIL funding should be transparent to infrastructure providers who might benefit from the CIL, to developers who pay the CIL, and to the borough's communities.

Process

Decision-making criteria will enable Council's Principal Policy Development Officer and the Community Infrastructure Levy Officer to "screen" and to provide a quantitative and qualitative assessment of project bids for strategic CIL funding.

This will ensure that the evaluation of proposals is robust, consistent and transparent, which is particularly important given the interest in SIP(2) at a time of considerable inflation of pressure on public funding. This quantitative scoring will be considered alongside qualitative commentary in drawing up the SIP.

The Project Bid Evaluation Process will consist of the following 3 stages:

Stage 1 – Checking and inputting information

Once all bids have been read, and **the information provided** input into a single **screening & assessment spreadsheet**. If needed, telephone discussions will be held with project bidders to obtain clarification on any parts of the bids, including requesting any further evidence

documentation needed to fully assess the bid.

Stage 2 - Screening of project proposals using Qualification Criteria (section 3 of the bidding form) to determine whether submitted projects are eligible for consideration under SIP(2).

Stage 3 - For bids meeting the Qualification Criteria, a full **Assessment** will be undertaken using “project assessment criteria” to ensure consistency and transparency.

The 2 officers assessing the bids will present the draft Assessment Scoring for each project along with any commentary for each bid assessed, to the Head of Planning and the Policy Manager with responsibility for CIL for any feedback before the Council’s second SIP (SIP(2)) is drawn up.

NOTE: These 4 officers involved in the assessment of project bids all have responsibility for CIL and are not involved in any project bid submissions from other RBBC Services.

The Council’s second SIP (SIP(2)) will then be recommended to the Executive for its agreement.

Stage 2 - Screening for meeting Qualification Criteria

Officers will determine whether submitted projects are eligible for CIL funding from strategic CIL, that is, that they meet statutory requirements for funding infrastructure, as well as the Council’s stated requirements from the Application Form for considering bids for strategic CIL funding.

Each SIP bid will be screened to ensure all parts of the application form have been completed, and for compliance with **Qualification Criteria (Section 3 of the SIP(2) bidding form)**

The following 4 criteria will be used to screen project bids:

- i) That the project would involve the provision, improvement, replacement, operation or maintenance of a type (or types) of infrastructure on the Council’s Infrastructure List in its annual infrastructure funding statement (IFS) (*)
- ii) That evidence has been provided that the project would support the development of the borough of Reigate & Banstead.
- iii) That the evidence provided confirms that the project can be delivered within the five year period 2023-27
- iv) That the project bid is for at least £10,000 of CIL funding (as lower value projects *needing less CIL funding are potentially more suitable for Local CIL funding*)

Project bids not meeting these Qualification Criteria and requirements will not be considered further.

All bidders will be advised of the outcome of their bids before the SIP2 is made public on the Council’s *committee* webpages.

Additionally, (from the SIP2 Application webpage) -

Religious organisations and groups can apply if the infrastructure to be provided or improved is open to all and the project clearly benefits the wider community.

The CIL should not be used to promote more followers to any religion. and

Any funding bids made by schools should not be to support the core curriculum or anything concerned with meeting their statutory duties.

Stage 3 – Project Assessment of Qualifying bids

Project Assessment Criteria for SIP(2) 2023-2027

The criteria set out in **Table 1** below will be used as the Project Assessment criteria for SIP(2).

Projects will be scored (1-5) against each of the criteria, using specific questions from the Funding Application Form, as well as considering the response to all questions on the Form as a whole, along with any supporting documents submitted.

Table 1 - Project Assessment Criteria for SIP(2) 2023-2027

	Project Assessment Criteria SIP(2) 2023 - 2027	Score 0 - 5
1. Supporting development in the borough Assessment of the extent to which the project bid would support development in the borough taking account of:		Score out of 20 =
a	Relationship of the project bid to regeneration areas and other priority areas for development (Borough's Local Plan Core Strategy 2014 Policy CS6 "Allocation of land for development" **	
b	Degree to which the project bid would support specific allocated development sites	
c	Degree to which the project bid would support the infrastructure needs identified in the Council's Infrastructure Delivery Strategy (DMP Annex 6)	
d	How well would the project bid fit with specific Local Plan policies (<i>list policies</i>)?	
2. Benefit to borough; its environment, economy and communities Assessment of the overall		Score out of 20 =
benefit of the project to communities of the borough taking account of:		
a	The likely scale and significance of benefit (including borough-wide, and specific geographic areas / communities, and / or groups of people	

b	Supporting the priorities and objectives in the Council's Five Year Plan 2020-25 (<i>consider flexibly for projects to be delivered 2026 & 2027</i>)	
c	Supporting other R&B Borough Council Strategies (such as its <i>“Playing Pitch and Outdoor Sports Facilities Study Stage D” 2022</i> ; <i>“Environmental Sustainability Strategy 2020”</i> ; <i>“Green infrastructure Strategy 2017”</i> ; <i>“Economic Development Framework 2021-26”</i> ; and <i>“R&B Local Cycling and Walking Infrastructure Plan 2022”</i>)	
d	Evidence of community, public and / or business support for the project bid	
3. Deliverability Assessment of the feasibility of the scheme and likelihood of timely delivery taking account of:		Score out of 20 =
a	Stage of project development within the organisation - including feasibility and obtaining any internal authorisation needed	
b	If other landowner consents; legal and other consents; planning permissions, and / or public consultations are needed, have these been obtained, sought, neither.	
c	Stage in obtaining any match funding needed - <ul style="list-style-type: none"> - <i>Project bid already has the other funding it needs, or it does not need other funding sources =Score 5</i> - <i>Project bid has other funding sources needed formally committed = Score 4</i> - <i>Evidence of other funding sources needed having been applied for = Score 2</i> - <i>Stated intention to bid for or apply for other funding needed = Score 1</i> - <i>No information provided on any bids made for other funding needed nor sources of other funding needed = 0</i> 	
d	Plans for project management and monitoring and for sustaining the operation of the project and its benefits in the medium term, including maintenance needs	

4. Value for Money and Match Funding Assessment of the “value for money” and the other public and private funding “match funding” that the CIL could lever in for the project “adding value” to the CIL spending, taking account of:		Score out of 15 =
a	Percentage of the project cost sought from CIL funding (specify both maximum and minimum if a range of funding sort.. and take mid-point %) <i>Lower percentage of CIL funding needed scoring higher, representing greater value for money from match funding</i> 100% - Score 0 80 – 99% = Score 1 61 – 80% - Score 2 41 – 60% = Score 3 21 – 40% = Score 4 1-20% = Score 5	
b	Need for CIL funding – Does the project need CIL funding to be delivered? Yes (5) / No ... and if “No” .. then the “ <u>Added Value / Additional Benefit</u> ” to the project which CIL would bring to the scheme in <u>scope / quality / timing</u> score 4, 3, 2, 1, or 0 (if no evidenced benefits from CIL)	
c	The amount of CIL funding sought against likely benefits and outcomes for the borough’s environment, economy and / or communities	
TOTAL SCORE Out of 75 =		X

Scoring narrative

5 – Excellent Satisfies the requirement and demonstrates exceptional evidence. Evidence provided identifies factors that will offer potential added value.

4 – Good Satisfies the requirement with minor additional benefits. Above average evidence demonstrated

by the bidder.

3 – Acceptable Satisfies the requirement. Bidder demonstrated evidence.

2 – Minor Reservations Some minor reservations of the bidder's submitted evidence, with limited evidence to support the response.

1 – Major Reservations / Non-compliant Major reservations of the bidder's evidence, with little or no evidence to support the response.

0 – Unacceptable/Non-compliant Does not meet the requirement. Does not comply and / or insufficient information provided, with little or no evidence to support the response.

In addition to the scoring of bids, qualitative commentary will also be provided for each project bid where relevant and presented to the head of Planning and Planning Policy Manager for consideration and finalising of SIP(2). Provision of commentary will help to provide a qualitative overview of the relative benefits of each project bid.

Additional Qualitative considerations provided as commentary :

1. Would the project provide a 'quick win' in terms of deliverability taking account of strategic CIL already collected, the amount of CIL requested, and potential impact of the project?
2. Is the project's CIL request too large for the amount of funding available and the anticipated delivery the year CIL would be required?
3. If the project bid is for a large amount of the total anticipated funding available in the 5-year SIP period, how does the potential impact of the project compare to the potential cumulative impact of many other smaller projects, and would allocation of the required amount of CIL prevent support being allocated to other high-scoring projects, which require less CIL funding?

(*)

Highways and transport - Strategic road network

Highways - Local road network

Public transport

Active transport - Pedestrian and cyclist infrastructure

Off-street parking including public car parks

Electric car charging facilities

Education facilities

Healthcare

Emergency Services

Community and cultural facilities

Digital infrastructure

Security and anti-crime infrastructure

Public realm improvements

Leisure centres

Open space sports and recreation including pavilions

Open space, green infrastructure and allotments

Biodiversity and tree planting

Cemeteries and crematoria

Sustainability and Climate change

Flood risk reduction schemes

Waste and recycling collection and management facilities

More than one : list which infrastructure types

(**)

Sustainable locations in the urban area that are:

- The key urban development areas and regeneration areas of: - **Scores 5**
 - Redhill town centre
 - Horley town centre
 - Horley North East and North West sectors
 - Preston regeneration area
 - Merstham regeneration area
 - Other regeneration areas as identified by the Council and its partners
- The built up areas of Redhill, Reigate, Horley and Banstead (including Reigate & Banstead Town centres) - **Scores 4**
- Other sites in the urban area and sustainable urban extension sites allocated in the Development Management Plan (DMP). - **Scores 3**

Anywhere else in the borough – **Scores 1**

Outside the borough – **Scores 0**

SIP(2) Assessment Criteria – Learning from SIP(1) Assessment

The assessment criteria for SIP(2) are broadly the same assessment criteria as were agreed in Oct 2016 for the first SIP, although with the percentage weighting removed (to give more equal weight to value for money / match funding, supporting development, benefit to the borough, and deliverability, for reasons set out below).

Table 2 below, is the SIP(1) Appraisal Criteria used for evaluating bids, which, along with the following narrative, was agreed in October 2016 :

“The Appraisal Criteria emphasises supporting areas experiencing significant development / growth (30 per cent) but also those projects which offer wider community benefits (20 per cent).

Consideration of value for money (20 per cent) will include the reasonableness of total project costs and the necessity for CIL funding (as opposed to other funding streams). The inclusion of a match funding criteria (20 per cent) recognises the role of CIL as gap funding, and will maximise the benefit that CIL can achieve for the borough.”

Table 2 – Project Appraisal Criteria for SIP(1) 2017-2022

Projects scored (1-5) against each of the criteria, with scores weighted as stated. The rationale for the weighting is as follows:

Project appraisal criteria	Weighting
<p>Supporting growth: Assessment of the extent to which the project would support growth and/or development in the borough taking account of:</p> <ul style="list-style-type: none"> - how the project relates to areas of significant growth/regeneration - whether the project would enable or unlock specific key development sites or growth opportunities - the fit of the project with specific policies or objectives in the Local Plan - the fit with existing infrastructure needs identified within the Council's Infrastructure Delivery Plan or other infrastructure planning documents 	30%
<p>Benefit to our residents and businesses: Assessment of the overall benefit of the project to communities of the borough taking account of:</p> <ul style="list-style-type: none"> - the likely scale/significance of benefit (e.g. borough-wide or specific groups) - fit with priorities in the Council's Five Year Plan - evidence of public or business support for the project 	20%
<p>Match funding: Assessment of</p> <ul style="list-style-type: none"> - the extent to which other funding would be secured/leveraged in alongside CIL funding - the proportional contribution of CIL to total project costs 	20%
<p>Value for money: Consideration of</p>	20%

<ul style="list-style-type: none"> - <i>project costs compared to benchmark costs</i> - <i>the costs of the project (in particular the amount of CIL funding sought) against potential benefits and outcomes for the borough.</i> - <i>alternative funding sources available and the need for CIL funding</i> - <i>the added value which CIL could bring to the scheme</i> 	
<p><i>Deliverability: Assessment of the feasibility of the scheme and likelihood of timely delivery taking account of:</i></p> <ul style="list-style-type: none"> - <i>stage of project development</i> - <i>identified risks to project delivery</i> - <i>status of funding</i> - <i>the plan for sustaining the benefit /operation of the project in to the long-term</i> 	10%

In drawing up the assessment criteria in late 2016 for the Council’s first SIP, it was considered that *“whilst deliverability is important, the lesser emphasis on deliverability at the bidding stage (10 per cent) reflects the fact that further evidence to demonstrate deliverability will be sought from providers before money is released for a particular project.”*

Based on experience from the first SIP (including project delivery), and likely information available, the weighting of assessment criteria has been re-balanced to change its emphasis from “match funding” and “the extent to which other funding would be secured by allocation of CIL funding” and “the proportional contribution of CIL to total project costs”, towards greater emphasis on the project’s “deliverability” and “supporting the borough’s development” and the benefits to the borough through support of the Council’s priorities (through its Corporate Plan and accompanying Strategies).

One of the main issues that has been re-considered is the weighting given in assessment of third party match funding and value for money criteria, given lessons learnt from the first SIP. The first SIP projects which were scored high for “value for money” and “match funding” relied on other (sometimes 3rd party) funding sources to be delivered, some of which has not been forthcoming and so the project has not been able to be delivered. The 40 per cent weighting which was given to each project bid for “match funding” and “value for money” (20 per cent each) in the first SIP assessment round weighs disproportionately against “deliverability” (given maximum of 10 per cent weighting). This is particularly important at a time when public funding is under great pressure relative to need.

In hindsight, particularly given the need for certainty of funding streams for the project delivery organisation and of infrastructure being provided to support develop for RBBC, it is considered ineffective to allocate strategic CIL funds to a project that brings with it lots of match funding (so scored high on “Value for Money”) if that match funding is not forthcoming in the SIP 5-year period (match funding and value for money was weighted 40 per cent in the first SIP).

On reflection, the emphasis in SIP(1) on “match funding” and some of the assessment criteria for “Value for Money” versus “Deliverability” played a part in resulting in less than half of the SIP(1) projects (6 of the 15) being delivered within the SIP timeframe 2017-22, mostly because of lack of the required match funding (with a few due to changes in the bidding organisations priorities). Particularly in the current economic climate, giving greater weighting to “match funding” and “value for money” (namely the assessment criteria of “project costs compared to benchmark costs”, and “alternative funding sources available and the need for CIL”) is no longer considered a suitable assessment criteria weighting.

For SIP2, evidence of the project delivery progress and dates will be required to be submitted by

successful bidders by way of quarterly project delivery updates. A Spending Agreement will only be entered into, and CIL funding released at an appropriate time in the project's delivery, and subject to sufficient strategic CIL funding being available.

There is a need to balance certainty of delivery against flexibility of the SIP, if annual review of the SIP shows that a project on the SIP cannot be delivered to anticipated timescales.

Annual reviews of the SIP will include the potential to "re-allocate" funding from projects whose delivery timescales change to after the current SIP period, to other projects that were shortlisted.

In the interest of value for money, it is desirable to spend the strategic CIL funding collected but unspent and unallocated at the end of the first SIP period of 2022, which is **£9,406,388.14**. At a time of considerable inflation of construction materials and labour costs, it is suitable to allocate this funding to projects which could be delivered in the earlier years of SIP2. Further strategic CIL funding collected from developments from 2022 predicted at **approximately £2m per annum** (planned and "windfall" developments, based on the Planning Policy Team's monitoring) would be used to fund delivery of SIP project bids in the later years of the SIP, including an amount set aside for "indexing" of the CIL amount offered.

In order to address these issues, the Assessment Criteria will be re-balanced, with greater importance attached to deliverability and committed funding than they were in SIP1. Bids received for the second SIP (SIP(2)) funding period will be assessed by CIL Team officers based on the agreed Assessment Criteria (set out in **Table 1**).

The 2017 SIP also factored in qualitative considerations:

1. Could the project provide a 'quick win' in terms of deliverability, the amount of CIL requested and potential impact?
2. Conversely, if a project's CIL 'ask' is a large proportion of the total anticipated funding available, how does the potential impact of the project compare to the potential cumulative impact of other smaller projects?
3. Does a project complement (or could it be combined with) another proposal?
NOTE: the CIL Portfolio Holder has requested, on the basis of experience of the first SIP, that project bids are NOT combined in the second SIP, i.e. SIP(2).
4. Would other funding sources be available to support a project, in the absence of CIL?
5. Is a project's CIL request too large for the amount of funding available?
If so, would an allocation up to the 'ask' prevent support being allocated to other good projects, which require less CIL support?
6. Does a project require feasibility work that could be funded from a non-CIL source? NOTE: it has since been clarified that CIL should not be used to fund initial feasibility of infrastructure projects, as if found not to be feasible, no infrastructure will have been provided for the CIL spent.

A similar qualitative commentary will be made for each SIP(2) bid where relevant, and presented for consideration and finalising of SIP(2). This will help to provide a qualitative overview of the relative benefits of each project bid.

As a result of lessons learnt from the Council's first SIP, project bids to be included in the Councils' SIP 2023-27 will not be grouped, but each will be assessed and scored separately on their own merits, even when submitted by the same infrastructure provider or on the same site.