Report to: Strategic Planning Committee

Date of Meeting 19 May 2025

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Community Infrastructure Level (CIL) bid recommendations

Report summary:

In September 2024 bids were invited from major infrastructure providers from the Councils Strategic Community Infrastructure Level (CIL) fund. The fund currently holds £12.034m. 12 bids were received from 9 bidders requesting a total of £17.216m. This report provides summaries of the bids received, sets out the principles that were adopted for allocating CIL and details how the bids were scored. The CIL Members Working Party (CMWP) met on the 15th January & 27th February 2025 to discuss the bids and made recommendations on which bids to support and which to reject. This report sets out the CMWP recommendations to reject 5 bids and support the remaining 7 bids.

Is the proposed decision in accordance with:

Budget	Yes $oxtimes$ No $oxtimes$
Policy Framework	Yes ⊠ No □

Recommendation:

- 1. That Members agree the recommendations of the CIL Members Working Party in respect of each CIL bid received and reject the bids listed in the table at paragraph 6.2 and approve those listed in the table at paragraph 6.3.
- 2. That Members agree that all bidders who submitted rejected bids be advised of the outcome of their bid with reference to the reasons stated in this report.
- 3. That Members give delegated authority to the Assistant Director Planning Strategy and Development Management in consultation with the Director of Governance to agree funding agreements with the successful bidders based on the conditions as set out in this report.
- 4. That Members advise Cabinet that they do not agree to funding an endowment to cover the maintenance costs of the SANG at Station Road, Broadclyst as per Cabinet's resolution of the 1st May 2024 and recommend that Cabinet agree that these costs be funded through an annual contribution of £40k from CIL for the first 3 years after which these should be reviewed.

Reason for recommendation:

To ensure that CIL money is allocated to projects that assist in the delivery of community and strategic infrastructure to support and mitigate development in the district.

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Portfolio(s) (check which apply):
☐ Climate Action and Emergency Response
☐ Coast, Country and Environment
☐ Council and Corporate Co-ordination
☐ Communications and Democracy
□ Economy
☐ Finance and Assets
☐ Culture, Leisure, Sport and Tourism
Equalities impact Low Impact
Climate change Low Impact
Risk: Medium Risk; Infrastructure is needed to mitigate and support housing delivery in the district.
Links to background information <u>Issue - items at meetings - Station Road Countryside Park - Delivery & Management Options - East Devon</u>
Link to Council Plan
Priorities (check which apply)
☑ A supported and engaged community
☐ Carbon neutrality and ecological recovery
□ Resilient economy that supports local business
☐ Financially secure and improving quality of services

1.0 Introduction & background

- 1.1 The CIL Members Working Party (CMWP) met on 1 August 2024 and agreed that a bidding process for the Council's CIL Strategic Infrastructure Fund be established. Bids were subsequently invited from major infrastructure providers in the district, with a stated preference for projects referenced in the Infrastructure Delivery Plan (2017). Bids closed on 21 October 2024. 12 bids were received from 9 bidders requesting a total of £17.216m in CIL funding, this figure has since reduced to £16.112m. The Strategic CIL Fund held £11.289m in unallocated and unspent funds at the end of March 2025.
- 1.2 Planning obligations generally do not provide the perfect mechanism for delivering community infrastructure, but they are the most significant tool at the Council's disposal. The potential allocation of CIL in this bidding round is both timely and justified by the amount of development that has occurred in the district in recent years.
- 1.3 This report sets out details concerning the types of infrastructure that can be funded; the process adopted for scoring bids; the bids received; and recommendations from the CIL members working party meetings on 15th January & 27th February 2025 on those bids to recommend for support.

2.0 Types of Infrastructure to be funded

2.1 The Council publishes an annual Infrastructure Funding Statement as required by legislation. This provides an infrastructure list of likely areas for spend on projects or types of infrastructure which the Council intends will be, or may be, wholly or partly funded by CIL. The list is as follows:

- Education
- Exe Estuary habitat mitigation
- Pebblebed Heaths habitat mitigation
- Clyst Valley Regional Park
- Healthcare facilities
- Emergency service facilities
- Libraries
- Community & Youth facilities
- Sport & Leisure provision
- Open space/recreation provision
- Transport
- 2.2 This list should align with projects in East Devon's Infrastructure Delivery Plan (IDP). The IDP is categorised by priority order (one-three). Priority one is critical infrastructure which is fundamental to the delivery of the objectives and policies of the Local Plan. Priority two is important to deliver specific development schemes but the precise timing is less critical. Priority three is desirable infrastructure that would create a better place to live and work and to build sustainable communities. Ideally through this round of CIL bidding, we should be funding priority one projects. When the IDP was published in 2017, it was estimated that the then costs of delivering priority one projects was £110m with a funding gap of £72m. The infrastructure costs associated with delivering all the projects in the IDP was about £350m and there is a total funding gap of £271m. It is reasonable to assume that this funding gap has widened since 2017. This funding shortfall is a significant risk for infrastructure delivery.

3.0 Bid Scoring

- 3.1 All bids were scored against 4 key criteria: inclusion in the Council's Infrastructure Delivery Plan (IDP) 2017, demonstrable need, value for money (i.e. match funding) and deliverability. The link to the Council's IDP may not be possible for projects that have emerged since 2017. Some unsolicited bids which did not meet these criteria were received and they are included in this report but scored poorly as a result.
- 3.2 Each scoring criterion was given equal weight of 25 points.
 - 1. IDP: Priority one projects scored maximum marks (25), priority two scored 15, priority three scored 5.
 - 2. Need: This considered the current infrastructure issues, consequences of not carrying out the project, support for housing and/or economic development, and whether it delivers actual infrastructure.
 - 3. Value for money: Those with additional funding/match funding scored higher. Bids which provided detailed costings and evidence scored higher.
 - 4. Deliverability: Whether the project has planning permission, the risks associated with delivery and the timescale for delivery of the project with those projects ready to proceed scoring highly.
- 3.3 Scores ranged from 29-84 points. This system enables the bids to be ranked but this should be regarded purely as a guide to their suitability for funding. However, it is inevitable that those bids scoring well are likely to be the most deliverable within a relatively short timeframe together with greater certainty over cost, alternative funding, planning permission and site ownership.

4.0 Principles for allocating strategic CIL

4.1 Feasibility Studies

Given the fact that the CIL fund is oversubscribed in this current bidding round, it was agreed by the CMWP that bids for feasibility work alone will not supported. The CIL regulations are silent in this respect but there is a wide expectation that where the Council does fund a bid, an actual piece of infrastructure is delivered as a result. This cannot be guaranteed by feasibility studies where, by their very nature, the outcome is uncertain.

4.2 Cost Overruns

It is suggested that the Council does not expose itself to future risk by underwriting any project cost overruns with a further award of CIL later. If this threatens the delivery of the project, then it should be the responsibility of the bidder and not the Council to find additional funds.

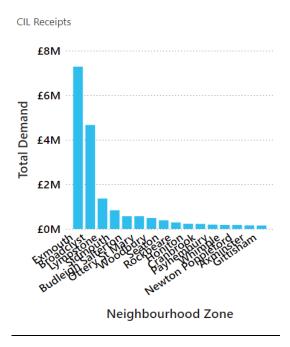
4.3 Combining S106 & CIL

Some bids relate to projects that require both CIL and S106 contributions. The CIL regulations were amended in 2019 to remove the cap on pooled contributions from S106, so it is permissible to apply both types of planning obligation to a specific project. Others have been in the pipeline for so many years that they straddle the period when the Council switched to CIL as its main means of mitigating the impact of development. This has resulted in some development proceeding in advance of infrastructure provision and this bidding round provides an opportunity to address this, if only in part, due to the amount of CIL available for allocation.

4.4 Retaining Money for Future Bids

The CMWP proposed that a sum of at least £1m should be retained for delivery of future projects. The Council needs to be able to respond to future match funding opportunities on major infrastructure schemes that may, for example, be reliant on Government funding to be viable. This retention effectively means that there is approximately up to £11m available to award in this bidding round.

4.5 Giving preference to bids in growth areas



The chart above shows the total CIL collected in individual parishes since it was implemented by EDDC in 2016. This shows, as one would expect, a clear correlation between new development and CIL receipts with Exmouth and Broadclyst seeing significant new housing and therefore generating most CIL. Regulations do not require Strategic CIL to be spent in a specific area, but members should be mindful of the need to mitigate the impact of development when considering bid proposals.

5.0 Bids received

The table below is a summary of the 12 bids received. Some of the bid amounts have changed since the original submission. The table captures the revised bid amounts after discussions with the bidders and fine tuning of their bid.

Bidder	Project name	Project summary	CIL bid (£)	Total costs	IDP priority	Score
East Devon District Council	Clyst Meadow Country Park, Station Road, Broadclyst SANGS	Delivery of 10 Ha Country Park (SANG) & future management	£3,383,624 £1,383,624 (capital costs) £2m endowment for future management costs	£4,114,000	1	84
Honiton Town Council	Enhancing sport provision in Honiton	New pitches at Tower Hill, 3G at HCC&HPS, drainage & lighting at Allhallows	£601,000	£1,874,092	2	79
Devon County Council	Cranbrook Multi-Use Path	1.5km off-road walking, wheeling & cycling route between Cranbrook & Exeter	£1,800,000	£4,470,000	1	77
Devon County Council	Mosshayne/ Tithebarn Primary School	Construction of 210 place primary school & nursery provision	£4,500,000	£6,000,000	1	73
Devon County Council	London Road, Cranbrook	Construction of missing footpath/cycle provision between Cranberry Farm pub to Ingrams	£750,000	£805,000	1	72
NHS Devon Integrated Care Board	Pinhoe Surgery extension	216 sq m extension to surgery to create 6 new clinical	£800,000	£1,153,000	2	72

Stockland Tennis Club	New path access &	Court surface renewal & new all-	£28,350	£37,800	No	43
Council	school feasibility	confirm whether 3 sites are deliverable and infrastructure costs and risks. Submission of 3 planning applications				
Rugby Club Devon County	Tipton primary	changing rooms (women & girls) Feasibility & design work to	£600,000	£600,000	1	60
Network Rail	Devon Metro Rail scheme -feasibility study	Enhance rail frequency, capacity & reliability. Two track infrastructure to allow 2 trains an hour. Business Case for single option 2 RFU compliant	£1,000,000	£300,000	2	68
		rooms due to 56% increase in patient numbers from East Devon growth areas				

5.1 <u>Clyst Meadow Country Park, Station Road, Broadclyst - SANGS</u>

This is an East Devon project involving 10ha of land in Broadclyst already purchased to form a country park as part of the SE Devon European Site Mitigation Strategy. It will mitigate the impact of 1800 residents (770 dwellings) at Cranbrook Phase 1. Although Cranbrook infrastructure is being funded through Section 106 agreements the funding

secured for this SANGS area has proved to be insufficient despite being based on the best available costings at the time. Project funding comprises £3.383m ClL, £530k S106 receipts secured for Habitat Mitigation and £200k from the Council's capital programme. The site has planning permission and is about to go out to tender so is considered low risk due to the detailed feasibility work already undertaken.

The project scored highly as it is IDP priority 1, is a critical project to mitigate development at Cranbrook and required by Natural England, the project has planning permission and will be delivered this year. The project didn't score well on value for money as it mostly relies on CIL & S106 funding.

Cabinet considered a report on the issues of the delivery and future management of the site at its meeting of the 1st May 2024 under part b. As part of their resolution, they agreed that the SANG's would be managed in-house using an endowment model but it was flagged at this time that the endowment would need to be funded from CIL and that this would equate to around £2million of funding. Decisions on spend of CIL are within the remit of Strategic Planning Committee based on recommendations made by the working group but Members should be mindful that if they did not support the endowment model then the issue would need to be revisited by Cabinet.

The alternative to the endowment model is an annual contribution from CIL. The estimated annual maintenance costs have been assessed to be in the region of £15,000-£30,000 per annum plus capital replacement programme and staff/management cost. The capital replacement programme costs (for maintenance/replacement of paths, car park, fencing, boardwalks, bridges and site furniture) were identified as follows for each period (excluding inflation):

- 5 years £18,020 - 10 years £12,000 - 15 years £26,600 - 25 years £128,950

The total cost of capital replacement costs, excluding inflation, is in the order of £930,000 – which averages out at an additional c£12,000 per annum. This brings the total maintenance costs to c£40,000 per annum, or £4,000 per hectare. The two alternative options are for an annual contribution of £25,000pa plus varying capital replacement costs as required or an annual contribution of £40,000pa into a ring-fenced sinking fund. Both these options reduce the upfront CIL costs, and the sinking fund option allows capital replacement costs to be spread to reduce upfront costs when capital replacement works are required. The cons of these options are that in the long run over the 80-year period the cost to CIL is greater and inflation means the costs will increase. There is also the on-going impact on future infrastructure from strategic CIL and SANG management costs are paid from all CIL qualifying residential developments not just those which impact on the SPA/SAC.

5.2 Enhancing sport provision in Honiton

This involves a cohesive bid led by Honiton Town Council seeking funds to improve facilities for football and rugby plus multi-sport provision in the community coordinated by the Town Council. It will deliver new youth football facilities at Tower Hill adjoining Honiton Golf Club (subject to the planning application being approved), a new all-weather 11 v 11 3G floodlit pitch at the Community College and Primary School in conjunction with Ted Wragg Trust (subject to the planning application being approved), and drainage and floodlights for the rugby club at Allhallows (planning approved). The project delivers on the Playing Pitch Strategy 2015 & Honiton Playing Pitch Strategy 2016.

The proposal includes good levels of match funding with S106 monies for playing pitches secured from the Hayne Lane development combined with other S106 contributions

together with the Football Foundation, Ted Wragg Trust and Honiton Town Council funding. The project has the support of Richard Foord MP for Honiton and Sidmouth.

The project scored highly as although it is only priority 2 in the IDP, the need for additional and improved pitches is highlighted in the Playing Pitch Strategy, the project is deliverable (subject to receiving planning permission) in the short term and provides very good levels of match funding.

5.3 Cranbrook Multi-Use Park

This Devon County Council project involves the design and construction of a 1.5km off-road route for walking, wheeling and cycling providing a link between the Clyst Meadow Country Park (SANG) and Mosshayne Lane. It is the last section in the multi-user route between Cranbrook and Exeter together with a developer-led scheme through the Bluehayes development. This will provide an alternative means of travel between Cranbrook, Tithebarn and local employment (10,000 jobs in total). The trail has planning permission and includes a section in the Country Park and through third party land. Total project cost is just under £4.5m with £1.8m required from CIL. The challenging wet ground conditions and ecology issues result in a high project cost.

This project scored highly as it is priority 1 in the IDP, meets the green agenda and active travel, has planning permission and DCC have £2.47m in funding. The project is very expensive for the distance it covers but this is due to the land constraints.

5.4 Tithebarn/Mosshayne Primary School

This proposal from Devon County Council is for the construction of a new 210 place school to support a 900-dwelling development. Just under 50% of dwellings have been built to date generating CIL proceeds (for the strategic CIL fund) of £2.375m. Completion of the development will take CIL revenue over the £4.5m requested in this bid. The school was originally planned to be delivered through S106 contributions, but the developers switched to CIL when the Council implemented its CIL Charging Schedule in 2016. DCC will fund 25% of the costs of the school.

There is an acute need for this school to be built to serve the Tithebarn community. The location of this development is somewhat isolated from other education facilities leading to an increase in travel distances and an adverse impact on neighbouring schools such as those at West Clyst, Monkerton and Cranbrook that are already operating at full capacity. This impacts even more significantly on those with disabilities or without access to private transport. Many residents moved to Tithebarn in the reasonable expectation that a school would be provided on site. Lack of delivery is causing reputational damage to the Council as demonstrated by residents' surveys and social media posts.

It should also be noted that DCC secured the school land as part of a side legal agreement with the developer and if not delivered then the land would need to be handed back to the developer and the opportunity to deliver the school would be lost. The deadline for DCC to transfer the land is May 2027.

The project scored well as it is priority 1 in the IDP, there is a pressing need for the school, the land is secured and could be brought forward relatively quickly with DCC responsible for granting planning permission. The project did not score well on value for money as there is limited match funding and the projected development costs are estimates at this stage.

5.5 London Road, Cranbrook Improvements

This DCC project is seeking to deliver footway, cycle enhancements and traffic calming on London Road, Cranbrook. Developers of various housing schemes are providing elements

of the same project along their frontages and the project is designed to fill the gaps between developments. The priority areas are between Cranberry Farm pub to Ingrams leading to the Cobdens and Grange expansion areas. The intention behind the works is to prevent Cobdens from being isolated from the rest of Cranbrook and reducing the dependence on private cars for short journeys by ensuring continuous footpath provision.

This project scored well because it is priority 1, is needed to ensure safe and green travel options and is deliverable in the next 2 years. The project did not score well on value for money as there is limited match funding.

5.6 Pinhoe Surgery Extension

This is an NHS project to expand Pinhoe Surgery to accommodate current and forecast demand from residents living in East Devon. These account for most of its patients even though the surgery is just over the district border. The works include a two storey 216 sq m extension to create 6 new clinical rooms and additional admin space. Within the current space there are 14 clinical rooms and 5 are deemed not fit for purpose due to size and specification.

This project scored well as it is IDP priority 2, is needed to meet the demands of new development in the West End and West Clyst, has planning permission and is deliverable in the next two years. The project initially did not score well on value for money, but additional NHS funding has since been announced and the ICB will bid for this funding reducing the amount required from CIL.

The bid amount has reduced since it was originally submitted as previously very little other funding was going into the project apart from £11.5k of S106 funding recently secured. NHS Devon has now indicated that they are prepared to reduce their CIL bid to £800k and make this award conditional on them sourcing the balance required through an application to the NHS Utilisation and Modernisation Fund. Planning approval was received on 15th January 2025 and NHS Devon is keen to proceed with the construction at pace. This is a new fund and is only available for work that will be completed by 31st March 2026. This means that the works programme is tight, but achievable, and relies on a CIL funding decision as soon as possible. NHS Devon will underwrite any cost overruns.

The extension will enhance the value of the surgery which is a private business. When funding is provided by S106, CIL or NHS grants, the NHS ensures that GPs, as private businesses, do not receive the reimbursable rent that would normally be paid for the additional space created by the new extension. Instead, the rent is abated for a period of years according to rules set out in the NHS Premises Costs Directions and the NHS Grant Policy.

This means that the proposed combined CIL/S106 and NHS grant of £1.2m would result in the NHS not paying 90% of the rent to the surgery for a period of 18 years. A rent of 10% is allowed to enable the GPs to maintain the new building. NHS Devon has already obtained advice from the District Valuer and a notional rent of £220/m² has been recommended. For the 216m² extension the payment to the GPs would therefore be £4,425 pa for years 0 to 18 and £44,250 pa after year 18 which is a saving to the NHS.

A further safeguard is that in accordance with the NHS Grants policy, the Integrated Care Board (ICB) will be the recipients of the funding and will place a legal charge on the property with Land Registry preventing the building from being sold without the CIL, S106 and NHS grant being repaid.

5.7 Network Rail Devon Metro Rail – feasibility/business case

The bid is for £1m to fund a feasibility study/business case for assessing the options for providing a passing loop on the Exeter-Waterloo line at Feniton or Whimple to enable 2

trains to run an hour and build resilience into the service. There is no guarantee that funding this feasibility work will result in the project happening as Government funding will be needed for a £70m-£100m project.

5.8 Exmouth RFC changing room extension

This is a bid to support the extension of current changing facilities at the club to accommodate the growth in girls and women's rugby teams. This growth has been driven by increased interest in female rugby which will only intensify due to the Women's World Cup being held in England in 2025.

The project scored reasonably well, the enhancement of existing facilities at the club is contained within the Exmouth Sports Pitch Strategy 2016 and is priority 2 in the IDP. The project has planning permission and 50% match funding and can be delivered this year.

5.9 Tipton St John Primary School feasibility

This project is a bid from DCC to fund a feasibility study to relocate the existing school to one of three alternative sites in the village. Tipton St John C of E Primary has been identified in the Department of Education (DfE) schools rebuilding programme due to flooding. A DfE preferred site has been identified in Ottery St Mary but there is local support to keep the school in the village. The ClL bid is to fund feasibility/initial design work on three sites in Tipton St John to confirm if each of the sites is deliverable and the likely infrastructure costs and risks. The DFE have minimum requirements so the work would result in 3 outline planning permissions for each site.

This project will not deliver any infrastructure and the requirements of the DfE are considered excessive and may not result in them changing their mind on where to locate the new school. The project is not mitigating the impact of development, the majority of which is in Ottery where the new school is proposed. There is no match funding available for this project.

5.10 Stockland Tennis Club - resurfacing

This bid from Stockland Tennis Club is for resurfacing their existing tennis court and a new all-weather path to the court. The bid came in via the Lawn Tennis Association as all sports organisations were contacted and informed about the CIL bidding round. The project is not listed in the IDP.

5.11 Tipton St John replacement pavilion

This bid also came in via the Lawn Tennis Association and is for a replacement pavilion to provide changing facilities for cricket, tennis and football uses. The project is not listed in the IDP.

5.12 Devon Cricket Foundation – Performance and recreational cricket hub at Winslade Park

This bid is for a performance cricket pitch, purpose built sustainable club house and training facility to meet the growing demands of cricket. The pitch will be available to Devon's Men's and Women's County cricket as well as for use by local clubs. The bid also includes a 3km trim trail and refurbishment of 3 tennis courts. This project is not in the IDP and Winslade Park already has cricket facilities with additional facilities secured in the Section 106 agreement for the redevelopment of the site. This bid, if successful, would further enhance the facilities.

6.0 Recommendations from the CIL Members Working Party

6.1 All bids were discussed by the CMWP resulting in the recommendations set out below. Devon County Council were invited to present on two of their bids and to answer Members questions. Further clarity was also sought from the NHS on their bid following member concerns. In the meetings, 5 bids were proposed to be rejected and recommendations were made to support and fund 7 projects. Minutes of the CMWP meetings are appended to this report.

6.2 Rejected bids

The following bids were not supported and therefore are not recommended for CIL funding:

Bidder/Project	Amount	Reason for not supporting the bid
Network Rail Devon Metro rail scheme business case	£1,000,000	Feasibility study with no guarantee that the project will proceed.
Devon County Council Tipton Primary school site feasibility	£600,000	Feasibility study only- rejected due to lack of actual delivery
Tipton St John Playing Field Association Replacement pavilion	£350,000	Not in the Council's Infrastructure Delivery Plan
Stockland Tennis Club Surface replacement & new path	£28,350	Not in the Council's Infrastructure Delivery Plan
Devon Cricket Foundation	£2,150,000	Not in the Council's Infrastructure Delivery Plan

6.3 Supported bids

The following bids and amounts were recommended for support with any conditions of funding also given.

Bidder/Project	Amount	Main conditions of funding
East Devon District Council Clyst Meadow Country Park, Station Road, Broadclyst SANGs	£1,383,624	The capital (works) costs were supported. The £2m for the endowment was rejected. An annual payment of £40,000 from the CIL pot for 3 years was instead recommended (decision to be taken to Cabinet). Cost overruns will have to be met from CIL
Honiton Town Council	£601,000	None specified but evidence of match funding will be required in due course and subject to planning permission being obtained.

Sports provision enhancement in Honiton		
Devon County Council	£4,500,000 Conditional on DCC providing more	Conditional on DCC providing more detailed
Mosshayne/Tithebarn Primary school		costings
NHS Devon Integrated Care	£800,000	Match funding from the NHS (£400k)
Board		CIL money to go to the ICB
Pinhoe Surgery Extension		Clawback on sale of the premises or of a proportionate share of value if a partner sells their stake
		Legal advice will be sought on appropriate safeguards to include within the grant agreement.
Devon County Council	£1,800,000	Safeguards required to ensure CIL is spent on
Cranbrook Multi-Use Path		this project if post devolution
Devon County Council	£750,000	First phase of project to be completed within 2
London Road footpath/cycle improvements		years of CIL award
Exmouth Rugby Club	£100,000	Match funding of £200,000 will be required as a
Changing room extension		condition of this bid
Total	£9,934,624	

The Council will require all successful bidders to enter into grant funding agreements based on the conditions set out in this report and other further appropriate legal measures.

Financial implications:

The report outlines the recommendation to fund £9,934,624 of CIL bids from CIL funding currently held by the Council. There is a risk of future costs from any overrun of cost on the Clyst Meadow Country Park, Station Road, Broadclyst SANGs bid. As much prior notice as possibile needs to be given to the Accountancy team to facilitate Treasury Managment and ensure funds are readily available on the required transfer dates

Legal implications:

Members are being asked to consider the recommendations of the CIL Member Working Party in respect of the CIL bids received.