

Hook Heath Neighbourhood Forum and the Community Infrastructure Levy

Most readers of this newsletter will be aware of the parlous state of the finances of Woking Borough Council (WBC) and the effective declaration of bankruptcy by the council on June 7 2023.

As a consequence of the June 7 declaration the council's financial affairs are currently managed by three Commissioners appointed by the government.

WBC is now severely restricted in its ability fund its activities and is largely limited to obligations required by statute.

IMPACT ON HOOK HEATH

WBC is holding large amounts of money on behalf of Hook Heath as a result of its collection of funds from developers and householders in relation to the Community Infrastructure Levy (CIL)

CIL

The Community Infrastructure Levy is a charge, initially introduced by the Planning Act 2008 and set out in CIL regulations in 2010 , on development within the area of any local planning authority in England and Wales which chooses to adopt it. A levy liability is triggered by a planning permission for a development, and the levy starts to become payable from the commencement of the development.

The levy is intended to focus on the provision of new infrastructure in the neighbourhood relating to where the levy was collected.

There are strict statutory regulations limiting for what purposes CIL can be spent. The Hook Heath Residents Association (HHRA) and Neighbourhood Forum (HHNF) do not have control over the CIL raised but have the ability to recommend infrastructure projects to WBC for which the CIL can be used.

The financial crisis in WBC raised many questions within the Hook Heath Residents Association (HHRA) as to the security of the large sums of money paid to WBC in CIL which WBC is holding for the benefit of the Hook Heath neighbourhood.

As one might expect the legal position is not clear. However, the scale of the amounts involved required us to attempt to gain some clarity on the position.

THE AMOUNT OF CIL HELD BY WBC

The HHRA have always kept a close watch on the amounts of CIL raised by WBC in respect of developments in the Hook Heath neighbourhood .

The HHRA then attempt to reconcile our figures with those provided by WBC.

Given the financial turmoil in WBC, obtaining a conclusive reconciliation has proved to be quite a challenge.

Nevertheless we have provided below our estimate of the amounts of CIL that WBC are holding on behalf of Hook Heath.

CIL collected in respect of planning applications for the period pre June 7 2023: £59,987

CIL collected in respect of the period post June 7 2023 to date: £15,951

TOTAL £75,938.

In summary almost £76,000 is being held by WBC sourced from CIL and is being held for the benefit of the Hook Heath neighbourhood.

The significance of separating the amount pre and post June 7 2023 is as follows.

It seems to be clear that the amounts held post June 2023 are segregated by WBC and are not intermingled with other WBC accounts. These monies should therefore be available for spending on approved infrastructure projects proposed by HHNF

The situation in respect of pre June 2023 amounts, which were collected before the announced bankruptcy of the council, is less certain: the monies were not segregated in WBC accounts and were therefore intermingled with other WBC moneys.

These moneys would appear therefore to be subject to the problems surrounding WBC financial troubles and although the statutory restrictions on how CIL can be spent will still apply the ability of WBC to actually authorise such spending will remain restricted until the financial situation in WBC improves. This may be many years ahead.

COUNCIL RESPONSE

We have provided below the council's response to our enquiries provided by Councillor Liam Lyons

Date: Tuesday, 5 September, 2023

Cllr Liam Lyons, Woking Borough Council's Portfolio Holder for Planning and Regulation, said: "I shared the frustration and disappointment of many local residents when we learned that Community Infrastructure Levy (CIL) funds were not currently available due to the financial restrictions as a result of the council's Section 114 Notice, issued in June.

"Since then, there has been further CIL monies paid to the council and I can confirm that these new monies are available to communities to spend immediately. As with all council expenditure, this will need to be approved by the Financial Control Panel before any payments are made.

"I hope residents and community groups will share my satisfaction that these funds are now available and that any new CIL funds received by the council will similarly be immediately available to communities to spend on local infrastructure, as intended."

Statement: Community Infrastructure Levy (CIL) Funds

Date: Monday, 7 August, 2023

Cllr Liam Lyons, Woking Borough Council's Portfolio Holder for Planning and Regulation, said: "The Council is committed to improving amenities which enable local communities to thrive. The Community Infrastructure Levy (CIL) is a levy that Councils apply to new developments. It plays a critical role in maximising the funds available to Councils and communities to improve local amenities, from park improvements to safer highway schemes.

"The Council will comply with its statutory obligations under both the Section 216 of the Planning Act 2008 and in the Community Infrastructure Levy Regulations 2010, and it will utilise all CIL funds that have been collected for the intended purposes.

"However, the Council is dealing with unprecedented financial challenges. The expenditure of the Council is likely to exceed the financial resources available and, therefore, it can no longer balance its budget for the remainder of this financial year and subsequent years. As a result, the Council has had to adopt spending controls which stops all but essential spending, ensuring that it can continue to provide vital services to its most vulnerable residents.

"Officers have advised all Councillors, irrespective of their political party, that the spending controls that have had to be introduced must apply to all financial transactions which have an impact on cash coming into and leaving the Council's accounts. It is in this context that CIL commitments are required to comply with the controls the Council has had to put in place.

"This is however a temporary position and the Council is planning to comply with all of its commitments and contractual requirements.

"I am equally frustrated by the impact of the Council's spending controls on the delivery of services and support to communities, but I accept this is required and I will continue to represent and advocate for communities to ensure that CIL schemes can progress at the earliest opportunity."

HHNF Proposals

The HHRA and HHNF welcome input from Hook Heath residents for the spending of CIL money.

To date there have been two proposals considered by HHRA in relation to defective footpaths.

1) Improvements to the footpath connecting Hook Heath to St Johns that passes by the golf club and over the railway bridge. The surface is practically impassable to wheelchair traffic and needs to be replaced. As many are aware, the railway bridge was found to be unsafe and has been removed by Network Rail. It is expected that it will be replaced in 2024.

2) The pathway between the end of Pond Road and Golf Club Road is also impassable after bad weather and needs to be resurfaced