

STRONGER COMMUNITIES & NEIGHBOURHOOD SERVICES SCRUTINY BOARD

16 NOVEMBER 2022

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(HYBRID MEETING)

MINUTES

Present: Councillor W Qais (Chairman); Councillors A Burrow (substitute), M Carthew, B Donnelly, A Feeney, J O'Nyons, S Sheshabhatte and Mrs G Sleigh.

Apologies:

Councillor B Groom.

Councillor P Hogarth MBE.

West Midlands Police.

Report authors/witnesses in attendance:

Mrs Alison McGrory (Solihull MBC - Assistant Director Communities & Partnerships).

Mark Andrews (Solihull MBC - Head of Design and Engagement). [virtual attendance to observe].

Gary Palmer (Solihull MBC - Group Manager Policy & Engagement).

External Witnesses in attendance:

None.

Cabinet Members in attendance by invitation:

Councillor D Howell – Cabinet Member (Communities & Leisure).

Other Elected Members in attendance by invitation:

None.

1. DECLARATIONS OF PECUNIARY INTEREST AND CONFLICT OF INTEREST

There were no pecuniary or conflicts of interest declared.

2. QUESTIONS AND DEPUTATIONS

There were no questions or deputations.

3. MINUTES

The Chairman invited the Board to receive, for approval, the Minutes of the last meeting held on 14 September 2022.

RESOLVED

That, the Minutes be agreed as a correct record.

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4. PROCESS FOR ALLOCATING FUNDS FROM THE NEIGHBOURHOOD COMMUNITY INFRASTRUCTURE LEVY (NCIL)

In attendance: Councillor D Howell – Cabinet Member (Communities & Leisure), Mark Andrews (Solihull MBC - Head of Design and Engagement) [virtual attendance to observe] and Gary Palmer (Group Manager Policy & Engagement).

The Board considered a detailed report setting out how the Neighbourhood Community Infrastructure Levy (NCIL) had been used in non-parished areas of the Borough since it was first allocated in 2019. The report also set out a number of options to create a non-ward specific fund to aid projects that had cross-ward boundary benefits.

The Board noted that the report had been circulated to all Members of Council in view of the wider interest in this initiative. A number of responses had been received which were also reported for consideration.

Prior to the report being presented, Cllr D Howell – Cabinet Member (Communities & Leisure) stated that she welcomed the inclusion of this topic on the agenda and was very keen to hear the Board's views on the topic. A decision at her earlier Cabinet Decision Session (July 2022) had been deferred to allow for wider consultation with Members. Cllr Howell highlighted that there had been some application scenarios (e.g. cross-ward boundary) which had fallen outside of the current CIL bid allocation criteria and revisions to those were now being explored. The Board was also reminded that 2022/23 funding had already been promoted and the process for receiving bids was already underway. Therefore, any agreed changes to the allocation criteria would be implemented from 2023/24 onwards.

The Council's Group Manager for Policy & Engagement explained that at least 15% of all Community Infrastructure Levy (CIL) funds received as a result of development taking place in an area were to be used at a local level. That local proportion, otherwise known as the "Neighbourhood" Community Infrastructure Levy (NCIL), was paid directly to Parish Councils where development took place in a parished area.

In non-parished areas, the Council retained overall responsibility for allocating the NCIL. The Board noted that in the first 3 years, those allocations had benefited 32 projects which received funding totalling £417,955. The Cabinet Member for Communities and Leisure had direct responsibility for allocating NCIL funds and that was undertaken on an annual basis via bids made to specific ward funding pots.

The Council's Group Manager for Policy & Engagement further advised that, following experience from previous years, it had been suggested that it would be beneficial to establish a non-ward specific fund.

The potential cross-ward boundary options for consideration by the Board (together with their envisaged advantages and disadvantages) were reported and discussed under the following headings:

- Option 1 – "Retain existing 'on own merits' approach."
- Option 2 – "Allocate NCIL to all wards (excluding areas covered by a parish or town council) on an equal basis."
- Option 3 – "Use the Strategic CIL Fund."
- Option 4a – "Introduce a 'top-slice' of NCIL funds from all ward pots."
- Option 4b – "Introduce a top-slice of NCIL funds from ward pots in the main urban area only."
- Option 5a – "Use a proportion of unallocated funds from all wards to fund the subsequent years cross boundary ward fund."

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- Option 5b – “Use a proportion of unallocated funds from ward pots in the main urban area to fund the subsequent years cross boundary ward fund.”

Having considered the report, the Board asked the following questions and made the following observations:

- Cllr A Feeney gave his own ward (Castle Bromwich) as an example which was a parished area of the Borough, albeit with little development potential remaining. Cllr Feeney asked how wards such as this could access NCIL funding when they had no opportunity to generate a levy of their own. Officers advised that Castle Bromwich was an area that was subject to the charging schedule so a CIL levy was liable if a development did come forward. One of the rationale for the CIL levy being introduced was to help accommodate the infrastructure needs arising from any new development. Other northern wards within the Borough had a “nil-rate” CIL liability due to viability concerns, so if a development was undertaken, no levy would be made in those areas. If non-parished wards with little/no funding wished to apply for NCIL funding, a potential non-ward specific fund would need to be used and those bids assessed against a cross-boundary benefit criteria.
- Cllr J O'Nyons highlighted the potential top-slicing threshold of £10k and asked how that amount had been calculated and why that threshold was not higher (e.g. £20k or £30k). Officers advised that the reference to the amount of £10k stemmed back to 2019, when the CIL initiative was first introduced. No revisions to the threshold had been made since that date. Officers advised that the threshold need not stay the same and a higher threshold could be set if that was deemed appropriate as part of any future changes to the overall NCIL process.
- Cllr A Burrow asked if Knowle, Dorridge and Bentley Heath could potentially receive less benefit as those areas currently received 25%, in comparison with the 15% in non-parished areas elsewhere in the Borough that did not have Neighbourhood Plans. Officers confirmed that the only (non-parished) area of the Borough with an adopted Neighbourhood Plan was indeed Knowle, Dorridge and Bentley Heath and the local proportion for those wards was 25% rather than 15% (so there would potentially be a difference if process changes were adopted). Officers also highlighted that another notable difference in terms of that area, in contrast with the rest of the urban area, was that the CIL levy (urban) had been set at £75/sqm and, for the rural areas, the CIL levy was set at £150/sqm. For the same extent of development, the CIL value was double given the development values in those areas in comparison with urban areas. In conclusion, Knowle, Dorridge and Bentley Heath would pay more (as part of the top-slice) than non-parished areas but this would be offset by the higher CIL levy. Cllr Burrow considered that any new (strategic) facilities provided via CIL in rural areas were also less beneficial than in the urban areas and this needed to be taken into account in any future process changes.
- Cllr Mrs G Sleight sought further detail on the background for proposing Options 4b and 4c. Officers advised that both options were similar in that a top-slice would be taken. The individual differences were that 4a would have a top-slice from all ward pots, whereas 4b would have a top-slice from wards in the main urban area only. That sought to recognise that there was less scope for cross-boundary projects between Knowle, Dorridge and Bentley Heath and the urban area potentially coming forward and being funded. Cross-boundary projects in the main urban area were considered more likely given their geographical locations. (Cllr Howell highlighted the disadvantages within the report for Option 4B which set out that if there was only a top-slicing fund for urban areas only, the rural wards would be excluded from accessing the top-sliced fund).

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- Cllr S Sheshabhattar asked what NCIL projects were taking (or had taken) place in north Solihull, particularly Chelmsley Wood. Officers reiterated that as that ward had a nil-rate for CIL, no monies were collected in that area and there was not a local proportion available. Currently, if projects came forward from communities such as Chelmsley Wood, Officers would need to establish if other sources of community funding was available (Cllr Howell highlighted section 3.15 of the report which highlighted routes for other funding opportunities for community projects that could not be funded by NCIL).
- Cllr J O'Nyons sought to confirm if the rural wards did not contribute to the top-slicing then they would not be able to access the non-ward specific funds. Officers highlighted Option 4b which applied to the main urban area only, and in such cases, it was not expected that Knowle or Dorridge would access the non-specific ward funds on that basis. In contrast with areas within the north of the Borough that did not contribute to the top-slice in any event, Officers advised that Knowle and Dorridge had substantial ward funds available whereas nil-rate wards did not.
- Cllr M Carthew supported a potential increase in the threshold from £10k to £20k as wards which only just met the current £10k threshold would be disproportionality affected if either Option 4a or 4b was taken forward. Wards such as Lyndon, Olton and Elmdon were highlighted within section 3.7 of the report and he recalled the instances of deprivation in those wards. Any revisions to the NCIL criteria and allocations should seek to make the process as fair as possible for all wards and a higher threshold would potentially aid that fairness. Cllr Carthew also highlighted the response from Cllr R Grinsell that had been circulated in the update note to the report.
- The Chairman highlighted that with Option 4b, one of the reported advantages was that funding applications could be submitted without having to wait for ward pots to reach the £10k threshold. Officers highlighted as an example from within the report, Elmdon had not reached the £10k threshold during 2022 but could still bid for cross-boundary funds under either Option 4a or 4b. The Chairman also highlighted the (31 March 2022) accumulated total of £1,320,480 into the local/neighbourhood CIL fund (both parished and non-parished) since 2019 which led officers to draw Members attention to the yearly bidding funds and allocations as detailed within the report and the unallocated monies rolled forward annually.
- Cllr B Donnelly asked how community projects costed at higher than available funds might be considered and if they needed to be approved in principle but rolled forward to future years to allow the NCIL pot to be sufficient to cover all costs. Officers advised that the process was not designed to work in that way currently and the roll-over facility was in case of there not being any other projects in specific wards in a particular year that met the criteria. However, particularly worthy higher value projects with a lot of community support could be considered individually and on their own merits and consideration given as to how they might be funded from NCIL or other sources.
- Cllr A Burrow highlighted that he had overall concerns regarding the effect on any changes to wards with an adopted Neighbourhood Plan. He explained that one of the drivers to bring forward a NDP was to increase the local proportion of CIL and to now take that away via a top-slice would not be appropriate. Option 4b was the least disadvantaging in his view or even to do nothing at all (Option 1).

RESOLVED

That, subject to the comments and views recorded in the preamble above, the Board **UNANIMOUSLY** made the following

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recommendations to the Cabinet Member (Communities & Leisure):

- (i) That, the Board notes and welcomes the intentions of the process review;
- (ii) That, no preferred option be recommend from those detailed within the report as no current option completely satisfies all potential scenarios. For any future process changes, the Cabinet Member is requested to approve and adopt those that strike the best balance having regard to the views and opinions expressed in the preamble above; and
- (iii) That, the Board welcomes the opportunity to consider and review the individual 2022/23 bids at its meeting in March 2023.

5. WORK PROGRAMME 2022/2023

The Boards most recent Work Plan was submitted for information and comment. In considering the Work Plan, Mrs A McGrory highlighted changes to the timings of two topics to later dates in the Plan period.

RESOLVED

That, the Board approves its current Work Plan for 2022/23, as submitted.

6. EXCLUSION OF THE PUBLIC AND PRESS

RESOLVED

That, the press and public be excluded from the remainder of the meeting as the information contained herein is defined as exempt information by virtue of Paragraph 7 of Schedule 12A of the Local Government Act - Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

(End time 7.15pm)