

Meeting date: 30 January 2019
Report to: Cabinet Member Stronger Communities and Partnerships



Subject/report title: Spending Mechanism for Neighbourhood Proportion of the Community Infrastructure Levy

Report from: Ransford Stewart – Head of Service Planning, Design and Engagement

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Wards affected:

- All Wards | Bickenhill | Blythe | Castle Bromwich | Chelmsley Wood |
 Dorridge/Hockley Heath | Elmdon | Kingshurst/Fordbridge | Knowle |
 Lyndon | Meriden | Olton | Shirley East | Shirley South |
 Shirley West | Silhill | Smith's Wood | St Alphege

Public/private report: Public

Exempt by virtue of paragraph: N/A

1. Purpose of Report

- 1.1 To provide an update on proposed spending mechanism for the Neighbourhood proportion of the Community Infrastructure Levy (NCIL) and to seek approval for the scoring matrix which has been developed in order to determine whether projects are eligible for funding.

2. Decision(s) recommended

- 2.1 To approve the scoring matrix, which will be utilised to assess proposed projects seeking funding from the neighbourhood proportion of the community infrastructure levy.
- 2.2 To agree the proposed timeline for engagement with communities, submission of proposal bids and decision on successful projects.

3. What is the issue?

- 3.1 The Community Infrastructure Levy (CIL) was introduced in 2010 as a more transparent, flexible and fairer way of raising developer contributions. It is a tariff based planning charge levied on new development by local authorities to fund infrastructure to support the development of their area.

- 3.2 CIL takes the form of a tariff per m² of additional floor space. The level of the tariff is set by the local authority based on the needs identified through infrastructure planning, but is also tested to ensure that it will not affect the overall viability of development of the area. Solihull's levy rates are set out in an adopted Charging Schedule, which was approved by Full Council on 12th April 2016, with the levy being applied to liable planning approvals from 4th July 2016.
- 3.3 Liable developments are only required to pay the levy once development commences, and for larger developments, the option of paying in instalments is available.
- 3.4 Once funds have been received, 15% is apportioned to either a parish fund (if the development was undertaken within a parished area) or a ward fund (if the development is undertaken within an unparished area). A breakdown of the current funds received within each Parish and Ward is attached in Appendix A.
- 3.5 The neighbourhood proportion will be increased from 15% to 25% following the adoption of a neighbourhood plan.
- 3.6 The individual parish funds are transferred at the end of the financial year to the relevant Parish Council. Responsibility falls with the Parish Council to ensure the levy is spent in accordance with the CIL regulations. Monies are to be transferred regardless of amount collected.
- 3.7 Although Parish Councils have a limit of 5 years to spend this neighbourhood fund, there is no such limit on charging authorities. The neighbourhood portion of the levy can be spent on a wider range of things than the rest of the levy, provided that it meets the requirement to 'support the development of the area'.
- 3.8 Cabinet approved on the 8th November 2018, that the spending on the individual ward neighbourhood funds is to be overseen by the Cabinet Portfolio member for Stronger Communities and Partnerships. The process by which projects are to be assessed and funded is set out below.
- 3.9 In April of each year, engagement with neighbourhoods to be undertaken in a coordinated approach by members of the Stronger Communities Board, which is overseen by the Assistant Director of Stronger Communities and Partnerships. Representatives of the board include officers from the authority's Neighbourhood Management team, Public Health team and Adult and Childrens Services. These teams have existing strong links with a variety of local neighbourhood groups, elected Members and external agencies. Clear guidance for neighbourhoods outlining the legislation, definitions and what can/cannot be funded by CIL will be provided by officers from Planning Design and Engagement Services.
- 3.10 Bids would be expected to be received by August and proposed projects will be assessed to ensure they comply with the CIL spending regulations and scored against a number of criteria, including benefits of the project, how the outcomes of the schemes align with the Councils priorities and level of public support.
- 3.11 The scoring matrix is attached to this report in Appendix B and has been subject to member consultation. Development of the scoring matrix is discussed in further sections of this report.

3.12 Projects bids will be reported to Cabinet Member for Stronger Communities and Partnership for approval in September/October. An update of successful bids would be specified within the CIL Annual Monitoring Report, which is reported to Cabinet in December.

4. What options have been considered and what is the evidence telling us about them?

Scoring Matrix

- 4.1 A draft version of the scoring matrix was shared with Cabinet on 8th November 2018, all Members were consulted on the criteria and a summary of feedback received is outlined below:
- 4.2 Members recognised the benefits of NCIL fund within their own communities. Similarly, it was stated that NCIL fund has the ability to bring communities together, which were not previously involved in community life. However, it was also stated that the process of NCIL, applying for funding and the scoring of projects needs to be transparent and the process must be robust. This includes making individuals and community groups aware of the process in plain English, ensuring the process is free of jargon and planning specific language.
- 4.3 Furthermore, it was also suggested that to communicate how NCIL will work, guidance sheets for councillors and community members could be produced to aid decision making and in the development of potential projects. The matrix should take into account the possibility of an area with no neighbourhood plan in place, with an adjusted scoring system. This will ensure a fair and transparent approach.
- 4.4 The above has been taken into consideration and an explanatory worksheet has been developed to sit alongside the scoring criteria, this is attached in Appendix C. The scoring criteria have been updated, with thresholds for areas without neighbourhood plans set at a lower level.
- 4.5 An application form and information pack has also been devised to provide to neighbourhoods who will be interested in requesting funding.

Timeline

- 4.6 The timeline has been devised to ensure adequate resources are available to support in the engagement with communities and consider project proposals and parity with funding distribution to the Parish Councils.
- 4.7 At the end of each financial year, if a ward fund has accumulated over £10,000, the bidding process will commence for local communities to access the funds. As stated above, there is no time restriction for the spending on these funds. Any ward fund which has not reached this amount or where funds are not allocated will be carried forward to the next financial year.
- 4.8 Between April and July, engagement work will be undertaken by teams who are represented on the Stronger Communities board. The deadline for bids to be submitted is expected to be 31st July.

- 4.9 Scoring and assessment of the projects will be undertaken throughout August, with a summary of the proposals and assessment scores reported to Cabinet Member Stronger Communities and Partnerships Decision Session in September/October of each year.
- 4.10 Successful projects will be expected to provide a project plan and report milestone progress to the Planning Design and Engagement Team, who will monitor ongoing outcomes.

5. Reasons for recommending preferred option

- 5.1 The updated version of scoring matrix takes into consideration Members feedback and ensures a transparent and clear way of assessing projects eligible to Neighbourhood CIL funding.
- 5.2 The timescale proposed will ensure adequate resources and time is available for bids to be developed and forwarded. It will also ensure sufficient deliberation is given to scoring the bids forwarded.

6. Implications and Considerations

6.1 Delivery of key themes in the Council Plan:

How will the options/proposals in this report contribute to the delivery of the key themes in the Council Plan?

- Improve Health and Wellbeing - communities will be able to bid for funds to support groups and activities, as well as to deliver enhancements to play areas, open spaces etc.
- Managed Growth - Helping to contribute positively towards the mitigation of the impacts of new development in the Borough.
- Build Stronger Communities - Creating the conditions for communities to thrive and allowing to enabling communities to be more self-reliant and working together in local areas to solve problems.
- Deliver Value - Ensuring that the funds raised are targeted effectively, and deliver value for money within the legislative constraints

6.2 Implications for children and young people, vulnerable groups and particular communities:

6.2.1 No immediate implications as a result of this report.

6.3 Consultation and Scrutiny:

6.3.1 The preferred option will allow for neighbourhood consultation as part of determining which proposals come forward. Successful bids will also need to show that significant consultation has taken place within the respective neighbourhood

6.4 Financial implications:

6.4.1 5% of the total levy collected is retained by the Charging Authority to recover the cost of any administration activities relating to the management of the fund. It is expected that costs associated with engagement work, assessment of the bids and preparation of reports would be recovered by the administration fund.

6.4.2 Funds will be passed forward to the Parish Council and allocated to the ward pots once funding has been received, rather than once the authority has invoiced the liable party.

6.5 Legal implications:

6.5.1 Regulation 59A-59C of the Community Infrastructure Levy Regulations 2010 set out the Council's responsibility for spending of the neighbourhood allocation. The preferred option presented will ensure the Council meets its obligations under these Regulations

6.6 Risk implications:

6.6.1 Without an appropriate spending mechanism for the neighbourhood allocation, the Council would not be undertaking its statutory duty as a charging authority to ensure infrastructure payments to fund neighbourhood projects.

6.7 Statutory Equality Duty:

6.7.1 No implications as a result of this report.

7. List of appendices referred to

7.1 Appendix A – Current allocations

7.2 Appendix B – Spending scoring matrix

7.3 Appendix C – Spending scoring matrix guidance documentation.

8. Background papers used to compile this report

8.1 Cabinet Report – Neighbourhood CIL, 8th November 2018.

9. List of other relevant documents

9.1 N/A