
Meeting of the Cabinet - 20th March 2024

Report of the Director of Regeneration and Enterprise

Infrastructure Funding Statement 2023 and Neighbourhood Community Infrastructure Levy (NCIL) - Allocation of Funding

Purpose of report

1. To seek Cabinet approval for the Infrastructure Funding Statement 2023 allocation of funding to CIL eligible projects.
2. To seek Cabinet approval to use a crowdfunding platform as a pilot to allocate Neighbourhood CIL, to run alongside the UK Shared Prosperity Fund (UKSPF) programme.

Recommendation

3. It is recommended that Cabinet: -
 - Approve two projects, which scored the highest, detailed in Table One to receive CIL funding.
 - Approve the use of a crowdfunding platform as a pilot to allocate Neighbourhood CIL, to run alongside the UK Shared Prosperity Fund (UKSPF) programme.
 - Authorise the Director of Regeneration and Enterprise, following consultation with the Cabinet Member for Regeneration and Enterprise, to firm up the criteria and process for allocating NCIL funds via the crowdfunding platform.

Background

4. The current Infrastructure Funding Statement (IFS) (Appendix One) brings together a range of information relating to approved, received,

allocated and spent Section 106 and CIL developer contributions, and Section 278 agreements for the 2022/2023 financial year. It also contains an infrastructure list which identifies the infrastructure projects or types of infrastructure which the Council intends will be, or may be, wholly or partly funded by CIL receipts.

5. Monies allocated to projects on the IFS account for 80% of total CIL receipts (Capital and Revenue Infrastructure Funding), with a further 10% taken from this and kept aside until it reaches approximately £1million. This will allow project holders to apply for funding for larger strategic infrastructure projects which currently have substantial funding gaps identified. This applies to all CIL receipts received from 1st January 2021 and will not be backdated or applied to receipts already with the Local Planning Authority. This was approved by Cabinet on 17th December 2020.
6. It should be noted that inclusion of any type of infrastructure in the Infrastructure Funding Statement does not signify a commitment from the Council to deliver or fund, either in whole or in part, this type of infrastructure through CIL. The Infrastructure List as shown in the IFS has not ordered any project via preference or weighting of infrastructure.
7. The IFS is a 'living' document and is subject to on-going updates and monitoring.

Available CIL Funds

8. CIL receipts are split into three categories – 5% to admin costs, 15% to CIL Neighbourhood Funding and the remaining 80% is for spend on the IFS. As noted in paragraph 5 – 10% of the monies allocated for spend on the IFS is kept aside for spend on large, strategic infrastructure projects.
9. As of 18th January 2024, total CIL receipts are £1,914,972.33. Excluding the allocation to admin costs and Neighbourhood Funding, the 80% allocated to the IFS is £1,531,977.86.
10. Prior to allocation through the IFS, CIL funds were allocated through the Regulation 123 List. During this time, the Local Authority was able to allocate funds to seven projects with a total of £580,185.91 either allocated or spent.
11. Through the IFS, seven projects with a total of £533,920.00 has been allocated or spent.

12. As stated in paragraphs 5 and 8 – 10% of CIL receipts received from 1st January 2021 are not available for allocation through the IFS, this totals £68,988.12.
13. Therefore, CIL receipts available to be allocated to projects on the IFS at this time totals **£348,883.83**.

Infrastructure Funding Statement Process

14. A five-stage process was approved by Cabinet in December 2020 as follows:
15. Firstly, there would be an invitation of infrastructure project submissions followed by an assessment of submitted projects for inclusion within the IFS. The updated IFS would be considered by the Regeneration and Enterprise Strategy Group (RESG) and the recommendations presented to Cabinet for approval. There would then be a further assessment of projects within the IFS for CIL funding, and any proposed CIL allocations will be presented to Cabinet for final approval.
16. The Council consulted all infrastructure stakeholders, members and consultees in August 2023, inviting new infrastructure project submissions and requesting updated details for all existing projects.
17. Following this, the Council were in receipt of submission forms from a total of four organisations/providers with a total of nine projects put forward for inclusion on the IFS. These can be viewed on the consultation statement (Appendix Two).
18. All returned submission forms were assessed by officers to ensure proposals met with the criteria for inclusion on the IFS and to ensure their eligibility in line with CIL Regulations, and were submitted to RESG for consideration at its meeting on the 26th October 2023.
19. All recommendations from RESG were incorporated into the IFS and the current document (Appendix One) was presented to Cabinet on the 13th December 2023 - which was approved and is now available [online](https://www.dudley.gov.uk/residents/planning/planning-policy/dudley-local-plan/community-infrastructure-levy/) .
(<https://www.dudley.gov.uk/residents/planning/planning-policy/dudley-local-plan/community-infrastructure-levy/>)
20. The submission forms were assessed in regard to availability of CIL monies, the deliverability of the projects and the strategic aims of the project in line with the Council's objectives. As eight projects were considered deliverable, all have been scored against the matrix in Appendix Two of the IFS.

21. All the projects scored are listed in Table One (below) with scoring details. The two projects scoring the highest against the matrix were presented to RESG and recommended for funding. RESG agreed with officer recommendations on 1st February 2024.

Funding Recommendations

22. If the two projects that are detailed below are allocated CIL funding, this will total a maximum of £204,344.00 – leaving £144,539.83 in the IFS pot (figures as of 18th January 2024).
23. Table One – projects requesting CIL funding

Provider / Organisation	Project Details	Update / Recommendation
DMBC – Planning	Planning requested – Lowndes Road Footpath , installation of a new cycleway and improvement of footpath from Lowndes Road, Stourbridge – funding gap is £84,344.00.	<ul style="list-style-type: none"> The project scored an average of 31.25 on the scoring matrix. This project scored the highest average score and therefore it is recommended it receives CIL funding. RESG supportive of bid.
DMBC – Street and Green Care	Street and Green Care requested – Kinver Street Car Park , installation of a car park for use by football teams at Kinver Street park – funding gap is £98,529.80.	<ul style="list-style-type: none"> The project scored an average of 29.75 on the scoring matrix. As one other project also scores 29.75, and the available CIL monies do not extend to funding both, it is

		recommended that this project does not receive CIL funding.
DMBC - Placemaking	<p>Placemaking requested –</p> <p>Fountain Square, public realm improvements – funding gap is £120,000.00.</p> <p>Dudley Town Centre Wayfinding – funding gap is £100,000.00.</p> <p>Lye War Memorial, improvements to hard and soft landscaping – funding gap is £150,000.00.</p>	<ul style="list-style-type: none"> • The project scored an average of 30.75 on the scoring matrix. This project scored the second highest average score and therefore it is recommended it receives CIL funding. • RESG supportive of bid. • The project scored an average of 29.75 on the scoring matrix. As one other project also scores 29.75, and the available CIL monies do not extend to funding both, it is recommended that this project does not receive CIL funding. • The project scored an average of 29 on the scoring matrix. The available CIL monies do not extend to funding this project and therefore it is recommended that this project does not receive CIL funding.

	<p>Foster Street, public realm improvements – funding gap is £122,250.00.</p> <p>Talbot Street, public realm improvements – funding gap is £150,000.00.</p> <p>Shell Corner, public realm improvements – funding gap is £105,000.00.</p>	<ul style="list-style-type: none">• The project scored an average of 28.75 on the scoring matrix. The available CIL monies do not extend to funding this project and therefore it is recommended that this project does not receive CIL funding.• The project scored an average of 25.75 on the scoring matrix. The available CIL monies do not extend to funding this project and therefore it is recommended that this project does not receive CIL funding.• The project scored an average of 20.5 on the scoring matrix. The available CIL monies do not extend to funding this project and therefore it is recommended that this project does not receive CIL funding.
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Neighbourhood CIL Proposed Allocation Process

24. Neighbourhood CIL (NCIL) accounts for 15% of total CIL receipts. As of the 18th January 2024, total NCIL receipts are £287,245.85. To date, no projects have received NCIL allocation and therefore the remaining monies in this pot are £287,245.85.
25. The current process for allocating NCIL receipts was approved by Cabinet on the 17th December 2020. Cabinet approved that NCIL receipts would be split equally between each Community Forum (based on the number of wards), and that the Community Forum would lead on allocating this money to projects, once officers in Planning Services had ensured there were eligible for CIL funding. The Cabinet report detailing this process in full is listed in Appendix Three.
26. Prior to the Community Forum NCIL process being approved, an alternative process for allocating NCIL monies was drafted in 2020, and focussed on a crowdfunding platform to deliver projects that were most desired by the community. At the time, this proposal was not progressed.
27. Officers in Regeneration and Enterprise have recently commissioned a civic crowdfunding platform to deliver grant funding projects, including UKSPF monies. As a result of this commission, there is an opportunity to use the platform to allocate NCIL monies on a pilot basis until at least March 2025. This will provide Planning Services the opportunity to trial the use of a platform providing an innovative approach for distributing NCIL monies effectively and allowing for greater transparency. The costs associated with running the funding platform will be paid for by UKSPF funding.

The benefits of using a crowdfunding platform:

28. Crowdfunding and alternative ways of funding via social platforms are continuing to grow in popularity and provide a smarter approach on how resources are allocated. It is a mechanism where community generated projects are promoted via a social media platform to encourage residents and communities to pledge to support the project.
29. The establishment of crowdfunding platforms is a concept that has been implemented by several local authorities, at a time when there are increasing pressures on funding available to the voluntary and community sector, crowdfunding is seen as a way of providing support to bring in additional funding and added value for both the individual projects and the funding pots from which they are supported. Increasingly local authorities are using it as a way of financing

community initiatives and as a means of boosting Community Infrastructure Levy monies available for a particular project.

30. Fundraising platforms are a way of raising money for an initiative or venture by getting contributions from a large and potentially diverse pool of people, who often contribute relatively small sums of money. This provides greater reach than would otherwise be possible. It also gives a clear indication to the Council that there is community support behind a particular project, which is a key requirement of allocating NCIL money.
31. Using the platform could allow alignment with other funding streams such as UKSPF which could allow a holistic approach to grant funding to be adopted to enable optimum leverage for communities from the range of funding available. If the trial is successful, future platform fees could be shared cross-departmentally.

Proposed NCIL pilot process via the crowdfunding platform:

32. Before the Council proposes to contribute towards a project, the owners of the project would be required to sign up to the terms and conditions which would be displayed on the crowdfunding website to safeguard the money. This would effectively be the contract which allows the Council to reclaim the money if the terms were not met.
33. The website would also outline as clearly as possible which types of projects would be eligible for funding via NCIL, essentially those based around local infrastructure. Eligible projects would be identified from the website by officers within the Planning Service and before making any pledges the Cabinet Member for Regeneration and relevant ward Members would be consulted.
34. As part of our terms and conditions, a year after the project has ended or once the project has been completed (whichever is earliest) we would ask the project to complete and send a progress report detailing how the money was spent, this again provides assurance that the money is spent on what was stated in the original project description.
35. To promote the initiative, we would look to run councillor briefings to encourage councillors to get involved in the process and spread the word of the funding available. We would also work with the Communications and Public Affairs (CAPA) team and the voluntary sector (including via community development workers within Public Health and Dudley CVS) and community forums to run a promotional campaign to raise awareness of the fund.

Finance

36. This report relates to decision making on infrastructure requirements on planning applications and the spending of CIL receipts. The update of the IFS on an annual basis provides a transparent approach to make such financial decisions relating to infrastructure. The IFS provides a transparent approach to the reporting of a range of information relating to the approval, receipt, allocation and spend of S106 and CIL developer contributions. There is sufficient funding available in the IFS pot to fund the two highest scoring projects detailed in Table One.
37. The proposed pilot process for the allocation of NCIL funding via a crowdfunding platform is being funded by the UKSPF programme. Approval for the allocation of UKSPF funding was agreed at Cabinet at its meeting 13 March 2023.

Law

38. The Council needs to ensure that robust and transparent mechanisms and procedures are in place to inform planning decisions on developer contributions and on the spend of CIL monies. The IFS brings together in one place information on approved, received, allocated and spent developer contributions and has in place a robust mechanism for funding infrastructure projects through CIL monies.

Risk Management

39. The introduction of an annual Infrastructure Funding Statement (IFS) places a legal requirement on Local Authorities to have the document in place and published on their website by December. The current IFS was endorsed by Cabinet and published on the Council's website by the end of December 2023. The purpose of developer contributions through the CIL mechanism is to fund infrastructure projects throughout the Borough.
40. Regarding the NCIL Crowdfunding Platform Pilot, there is a risk that projects may sign up but not meet their funding target and draw down funds. However, this is already a risk faced by community projects and is reflected in lack of Neighbourhood CIL Spend to date. By widening the reach of projects through the crowd funding platform and providing the opportunity to match other grant funding it helps to mitigate the risk.

Equality Impact

41. It is envisaged that projects funded via NCIL will have a positive impact on people with different protected characteristics (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion, or belief, sex, and sexual orientation) by improving the access to employment and training opportunities as well as enhancing community infrastructure across the borough.

Human Resources/Organisational Development

42. It is considered that there are no additional human resources or organisational development implications resulting from the IFS or the proposed methodology for allocating Community Infrastructure Levy funds. Work on the IFS is carried out by the Planning Policy Team in the Regeneration & Enterprise Directorate with assistance from officers in other departments where necessary.

Commercial/Procurement


43. There are not considered to be any commercial or procurement implications as a result of this report. Any procurement activity resulting from the recommendations set out in the report will be governed by the Councils Contract Standing Orders and the Procurement Management Group (PMG) as applicable. The crowdfunding platform has been procured using the Council's procurement frameworks.

Environment/Climate Change

44. Individual projects identified in the Infrastructure List of the Infrastructure Funding Statement will be assessed for their environmental impact and how they attempt to address the environment and climate change.

Council Priorities and Projects

45. Schemes that may be brought forward as a result of infrastructure requirements will support the Council's priorities: by supporting improvements to community infrastructure across the Borough helping to contribute to a destination of choice, supporting public realm and environmental improvements to create a safe and healthy borough. This report also reflects the importance of financial sustainability which will be a key council priority for the coming year.



Director of Regeneration and Enterprise

Report Author: Vicki Popplewell
Planning Policy Manager
Telephone: 01384 814136
Email: vicki.popplewell@dudley.gov.uk

Background Papers

None

Appendices

Appendix One: Infrastructure Funding Statement December 2023

Appendix Two: Infrastructure Funding Statement Consultation Statement 2023

Appendix Three: Neighbourhood CIL Funding Cabinet Report 2020

(Appendices are available online at the link below:-

<https://dudley.cmis.uk.com/Meetings/tabid/116/ctl/ViewMeetingPublic/mid/543/Meeting/6638/Committee/468/Default.aspx>

Paper copies can be provided for Elected Members upon request)