
Meeting of the Cabinet – 17th December 2020

Report of the Director of Regeneration and Enterprise

Community Infrastructure Levy (CIL) Neighbourhood Funding

Purpose

1. To seek Cabinet approval for:
 - Amendments to the procedure and allocation of monies for the Neighbourhood Funding account element of the Community Infrastructure Levy.

Recommendations

2. It is recommended that –
 - Cabinet approves the equal split of the CIL Neighbourhood Funding account between each Community Forum at the end of each financial year (based on the number of Wards in each Community Forum) and the amended procedure for how CIL Neighbourhood Funding will be applied for and allocated.
 - Cabinet approves delegated authority to the Director of Regeneration and Enterprise (subject to no Ward member objections) or Cabinet Member for Regeneration and Enterprise (with Ward member objections) for CIL Neighbourhood Funding spend.

Background

3. CIL is a mechanism to secure financial contributions from developers on certain viable developments to fund or part fund infrastructure required to support growth and regeneration within the Borough. CIL monies can be used to fund the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of the area.



4. Spend of CIL Receipts

Cabinet approved the process for the allocation and spend of CIL monies at its meeting on the 26th October 2016. In relation to the spend of CIL receipts, the CIL Regulations require that they are split into 3 categories, as follows –

Capital and Revenue Infrastructure Funding	80%
Neighbourhood Funding	15% (capped at £100 per dwelling place)
Administrative Expenses	Up to 5%

5. Capital and Revenue Infrastructure Funding CIL Receipts has been successful in allocating £580,681 to a total of 8 projects to date including:

- Works to Blackbrook Junction Bridge (Canal & River Trust) (£30,000.00);
- Flood alleviation scheme at The Delph (Dudley MBC Project Engineer) (£200,000.00);
- Round Oak Memorial public art project (Dudley MBC Borough Artist) (£44,500.00);
- Castle Hill woodland project (Dudley MBC Design & Delivery) (£165,000.00);
- Play area improvements at Mary Stevens Park (Friends of Mary Stevens Park) (£72,318.00);
- Public Realm Improvements to Shell Corner (submitted by Shell Corner Partnership and Councillor Sahota) (£60,000);
- Studio equipment for Black Country Radio (Black Country Radio) (£8,367.91).

6. Neighbourhood Funding

The Neighbourhood Funding portion of CIL (NCIL) is required to be spent in consultation with the community using existing community consultation and engagement processes. This pot can be spent on a wider range of projects than the Capital and Revenue element of CIL funding if it meets the requirement to ‘support the development of the area’:

- a) The provision, improvement, replacement, operation or maintenance of infrastructure; or
- b) Anything else that is concerned with addressing the demands that development places on an area.

A NCIL Funding Criteria and application guidance note has been attached to Appendix One. The criteria note sets out examples of the type of projects that NCIL could be used to fund in line with CIL regulations. It also aims to align this (where applicable) with the recommendations arising from the People’s Panels and the Community Health Action Meetings that were held in 2019.



7. To date, no monies have been allocated as part of the NCIL Funding process. This is partly because there has been a limited amount of publicity or profile around the availability of NCIL funding, and a lack of understanding on the type of projects that NCIL monies can fund.
8. A small number of bids have been received, however despite meeting the criteria for Community Forum funds they were deemed not eligible for CIL funding due to a different eligibility criteria. In addition, projects that would have been deemed eligible for NCIL funding have been received by a Community Forum where no NCIL monies were available.
9. Currently, the pot for each Community Forum consists of the monies generated by a development within the wards in that Community Forum. As much of the Borough is a zero-charge zone, generating no CIL receipts for residential developments, it has resulted in several Community Forums having development (and therefore infrastructure needs) in their area but having little to no NCIL Funding pot available. Conversely there are others with a large amount of available funds. The following table sets out the amount of monies allocated to each Community Forum/Ward area as of October 2020.

COMMUNITY FORUM	MONEY AVAILABLE
Amblecote	NIL
Cradley & Wollescote	NIL
Lye & Stourbridge North	£22,531.78
TOTAL	£22,531.78
Belle Vale	NIL
Hayley Green & Cradley	NIL
TOTAL	NIL
Brierley Hill	
Brockmoor & Pensnett	£3,378.45
TOTAL	£3,378.45
Castle & Priory	NIL
St.James'	NIL
St.Thomas'	£2,201.70
TOTAL	£2,201.70
Coseley East	NIL
Sedgley	£474.30
TOTAL	£474.30
Gornal	£518.68
Upper Gornal & Woodsetton	£831.74
TOTAL	£1,350.42
Halesowen North	£13,886.48



Halesowen South	£243.75
TOTAL	£14,130.23
Kingswinford North & Wall Heath	£17,316.85
Kingswinford South	£12,929.15
Wordsley	NIL
TOTAL	£30,246.00
Netherton, Woodside & St.Andrew's	£5,721.84
Quarry Bank & Dudley Wood	NIL
TOTAL	£5,721.84
Norton	£34,066.67
Pedmore & Stourbridge East	£12,063.88
Wollaston & Stourbridge Town	£7,176.38
TOTAL	£53,306.93
OVERALL TOTAL	£133,341.65

Proposed Neighbourhood Funding Process

10. The CIL zoning and projected CIL receipts are unlikely to alter and therefore those Wards/Community Forums in Zone 1 (zero charge) will likely not receive any NCIL.

11. It is considered that the existing process should be updated to make it more equitable across the Borough and that the Neighbourhood element of CIL monies are equally spread across each ward and the relevant Community Forum area. As such, it is recommended that the NCIL Funding pot is split **equally*** between each Community Forum to allow community spending throughout the Borough.

*this will mirror the current Community Forum funding which depends upon the number of wards in each Forum area. Therefore, the equal split would be between Community Forums based on whether they contain 2 or 3 wards.

12. At the start of each financial year (April), the NCIL Funding pot will be calculated by the Directorate of Regeneration and Enterprise and split between the ten Community Forums – this figure will be communicated to the Chair/Vice Chair/Liaison Officer for each Community Forum via email. A new application form will be created so as to sufficiently differentiate the CIL funding from that available generally via the Community Forums. A separate form is required due to the different criteria and restrictions which apply for CIL funding applications (see Appendix Two).



- 13.** The Directorate of Regeneration and Enterprise will publicise the available amount for each Community Forum, with the NCIL application form, a NCIL funding criteria providing examples of the types of schemes which comply with CIL Regulations (Appendix One). Officers within the Directorate of Regeneration and Enterprise will engage with Community Development Workers, Community Forum contacts, Ward Members, Regeneration officers and Dudley Community Voluntary Service (CVS) to raise awareness of the NCIL funding and will run a series of workshops and presentations to explain the funding criteria and process and points of contact. Officers will work with Communications and Public Affairs (CAPA) to provide publicity for the CIL funds and types of projects that could be eligible for funding and to target information across the relevant channels.
- 14.** Applications for NCIL funding will need to be returned to the Directorate of Regeneration and Enterprise by early August each year, to allow time for applications to be vetted by Planning Officers to ensure they are eligible for CIL Neighbourhood Funding.
- 15.** Approximately 4 weeks prior to the Community Forum occurring in September of each year, all NCIL eligible applications will be sent to the relevant Community Forum Officer for consideration at the Community Forum meeting.
- 16.** The Community Forum will be supplied with details of the NCIL applications, the funding criteria and matrix to assess the schemes submitted. This scoring matrix will consider the benefits of the proposed scheme to the wider community. The Community Forum will determine which applications, if any, will receive monies during the September meeting.
- 17.** Planning officers will be available to attend the Community Forum meeting, if required, to aid with process and procedure questions and report all details back to Planning Services. Those decisions will include reasons for or against allocating to each of the bids.
- 18.** A short report will be sent to the Director of Regeneration and Enterprise outlining the proposed allocations for final approval under delegated authority and subject to no ward member objections. Should any ward member objection be received then the Cabinet Member for Regeneration and Enterprise will be informed of the objection and will determine the decision/sign off any CIL Neighbourhood Funding spend.
- 19.** A contract will be drafted by Legal to ensure that the monies are spent in the way in which it was allocated by the Community Forum and for auditing purposes, these will be signed and retained in the same way as the contracts signed CIL grant projects.



- 20.** Any remaining NCIL funds which are not allocated during the September Community Forum will be carried over to the following financial year, and this will be monitored by Regeneration and Enterprise and Financial Services. A report will be sent to Cabinet at the end of each financial year to detail allocations, spend and carry over.

Summary

- 21.** It is recommended that Cabinet approves the split of NCIL monies by Ward/Community Forum area and the amended process by which this CIL money will be allocated and spent.
- 22.** It is recommended that Cabinet approves delegated authority to the Director of Regeneration and Enterprise (no ward member objections) or the Cabinet Member for Regeneration and Enterprise (with ward member objections) for NCIL Funding spend.

Finance

- 23.** Since the introduction of CIL, a total income of £888,944.37 has been received by October 2020. A total of £133,341.65 (15% of overall total amount of CIL) has been allocated towards the Neighbourhood Funding element of which no monies have been allocated to projects.
- 24.** It is considered that should the proposed changes not be implemented, the Neighbourhood Funding section of CIL will be ineffective and no funds may be allocated for infrastructure works in the local community. Monies to cover the cost of publicity in association with the launch of NCIL funding requests will be allocated from the 5% administration expenses.

Law

- 25.** CIL, including the spend of CIL receipts came into force on the 6th April 2010 through the Community Infrastructure Levy Regulations (as amended). The Planning Act 2008 provides a wide definition of the infrastructure that can be funded by the Levy, including flood defences, health, transport and social care facilities (this list is not exhaustive). CIL charging took effect in Dudley following due process on 1st October 2015.
- 26.** CIL regulations state that 15% of the total CIL contributions collected are to be allocated for spending in agreement with local neighbourhoods where development is taking place. The government does not prescribe a specific process for how the neighbourhood improvement strand should be spent.



27. A charging authority may apply CIL to administrative expenses incurred by it in connection with CIL. This is providing that it does not exceed 5% of CIL collected. Where an authority spends less than its permitted allowance on administrative expenses, it must transfer the remaining allowance for use on capital infrastructure projects. If Dudley MBC does not apply the discretionary administrative expenses, then a maximum of 85% of CIL collected in Dudley will be spent on strategic infrastructure.
28. The levy should not be used to remedy pre-existing deficiencies in infrastructure provision unless the deficiencies are exacerbated by new development.

Equality Impact

29. The proposals consider the Council's Policy on Equality and Diversity. An up to date spend procedure for the Neighbourhood Funding element of CIL will assist in ensuring that the mitigation and benefits of development are addressed across the Borough. This will include meeting the needs of children and young people by seeking to provide sufficient facilities for them as well as having a positive impact on future generations.

Human Resources and Organisational Development

30. It is considered that by amending and simplifying the spend process through CIL Neighbourhood Funding, a more successful allocation and spend of monies will be available to local communities. The proposals provide flexibility for our existing resources to achieve effectively delivery of the Council's services. There are no additional human resources or organisational development implications resulting from the proposals.

Commercial / Procurement

31. There are not considered to be any commercial or procurement implications as a result of this report.



Health, Wellbeing and Safety

32. Schemes that may be brought forward as a result of the proposed changes are likely to have a positive impact on the health, wellbeing and safety of the local communities, by providing improvements to community infrastructure across the Borough. This change is considered to contribute successfully to the aims and objectives of the Council Plan and Dudley Vision.



Helen Martin
Director of Regeneration and Enterprise

Contact Officer: Carl Mellor
Telephone: 01384 814157
Email: carl.mellor@dudley.gov.uk

List of Background Papers – none



Appendix One

Dudley MBC **CIL Neighbourhood Funding Portion –** **Funding Criteria Guide for Applicants and Community Forums**

Introduction

This guidance note provides further information to assist communities seeking to make a bid to access the Dudley Council Community Infrastructure Levy (CIL) Neighbourhood fund.

What is CIL?

The Community Infrastructure Levy (CIL) is a planning charge that local authorities in England and Wales can require of most types of new development in their area (based on £s per square metre) in order to pay for the infrastructure needed to support development. CIL charges are based on the size, type and location of the proposed new development. Dudley introduced CIL in February 2015.

CIL can be spent on both capital projects and revenue projects, such as the maintenance of infrastructure. CIL cannot be spent on addressing current deficits in infrastructure provision unless those deficits are made worse by new development in the area.

What is the Neighbourhood CIL?

The CIL Regulations places a duty on charging authorities (Dudley Council) to allocate at least 15% of CIL receipts to spend on priorities that should be agreed with the local community in areas where development is taking place. This is known as the Neighbourhood CIL (NCIL).

What can the Neighbourhood CIL be spent on?

The CIL Regulations states that the charging authority may use the neighbourhood portion of CIL, or cause it to be used, to support the development of the relevant area by funding: -

- a) The provision, improvement, replacement, operation or maintenance of infrastructure; or
- b) Anything else that is concerned with addressing the demands that development places on an area.



This means that all the projects to be funded through NCIL must be linked to development that has taken place in an area.

Examples of demands that development may place on an area include:

- The need to counter the loss of biodiversity and other effects on the environment caused by development, including pollution;
- Issues related to increased population density such as heightened crime, including antisocial behaviour and littering;
- The need for community cohesion to support different and emerging communities to share spaces and resources peacefully;
- The need for community venues for events, activities and other opportunities;
- The need for activities that support education, culture, and physical and mental wellbeing in the area;
- The need for high-quality outdoor space, especially where outdoor space may have been lost during development or where growth in population has placed demand on facilities e.g. playground spaces; and
- The need to facilitate safe and easy movement through the area, such as good walking routes, cycle paths and community bus services.

National CIL guidance makes it clear that the charging authority should engage with the local communities where the development has taken place and agree with them how best to spend the neighbourhood funding.

Neighbourhood CIL funding can be spent on a wider range of facilities.

Examples of eligible projects

- Environmental improvements such as, landscaping, open space improvements, tree planting;
- New benches or signage;
- Public art;
- Street furniture (e.g. street lighting, bollards, planters, external furniture, public furniture, seating, benches, litter bins, canopies, cycle stands);
- Equipment for a community group;
- Improvements to a community building;
- Projects affecting more than one ward/community e.g. a cycle path or footpath linking two communities, junction/highways improvements, sports facilities drawing more than local use;
- Additional community events / a programme of cultural activities in town centres experiencing growth, in order to promote social cohesion between 'new' and existing residents;
- Additional initiatives to improve town centre amenity for example, improved lighting, signage or public realm;



- Initiatives to create and promote healthy environments in areas of high density or cycling and walking trails in existing parklands; and
- Opportunities for public access and use of water spaces for cultural, recreational and leisure activities and other water related uses.

Neighbourhood CIL will not be able to fund:

- Projects that will only benefit individuals (5 or less) or a single household;
- Projects that directly benefit, or can be perceived to benefit individual councillors;
- Projects which relate solely to religious purposes;
- Political activities; and
- Retrospective projects i.e. where the spend has already occurred.

NCIL cannot be used to fund solutions to pre-existing deficiencies in infrastructure provision, unless those deficiencies can be proven to be made worse by new development. NCIL cannot fund events (such as fetes or firework displays).

Who can apply?

Applications are invited from a range of organisations. It would normally be expected that these organisations would operate on a not-for-profit basis. They could include statutory infrastructure providers, community groups, residents' associations, registered charities, state schools and a variety of community groups. Applications by membership organisations must be able to demonstrate a wider community benefit.

Any funding applications for new or improved facilities should be accessible to a variety of people within the community. Applications must be received from the delivery organisation rather than an individual.

Procurement

Procurement Applications for projects costing between £1,000 and £5,000 should include at least one quotation for the work. Projects over £5,000 should seek at least two quotations.

Payment of Grant

Funding for successful grant applications can be paid in advance of the project being started. There will normally be a monitoring condition to enable Dudley Council to check progress of the project and a signoff when the Council has been notified that the project has been completed. It will be expected that projects will be completed within 12 months of the grant being paid, unless prior agreement is reached with the applicant. If a project has not been completed within the



agreed period or has not be implemented as set out in the grant application, the Council will require repayment of all or part of the grant.

The Bidding Process for the CIL Neighbourhood Portion

A NCIL bidding round and information on available funds will be announced by Dudley Council and local Community Forums in Spring 2021 and will be open to bids until **x August 2021**. All eligible submissions will be considered by the relevant Community Forum in the area where the project is proposed at its meeting in September 2021. Details of Community Forum meeting dates can be found on the Dudley Council website <https://www.dudley.gov.uk/council-community/community-forums/community-development-workers/>.

Applicants are advised to liaise with their local Ward Councillors, Community Development Officer and local community in respect of their projects before submitting bids to ensure that there is likely to be support for the project.

You can find details of the Community Forum and Community Development Workers on the Dudley Council website <https://www.dudley.gov.uk/council-community/community-forums/community-development-workers/>

Details of your local Ward Councillor can be found here <https://www.dudley.gov.uk/council-community/councillors/find-my-councillor/>

Criteria for Community Bids

The following criteria will be used to assess your application. Applicants are encouraged to try and demonstrate how they meet the various criteria in the application form. Evidence to support what is written in the application is preferred and will help us determine the most appropriate bid(s).

An application to allocate NCIL will be unable to be taken forward for consideration if it does not try to meet all the criteria below:

1. Project Details

All applications **must** provide a description of the nature of the project, including how much money is likely to be needed and for what purpose. It must identify every party with a legal interest in or responsibility for the land/buildings where the project will be undertaken. The key stakeholders included in the project must agree as to the nature of the project (including, spending cost, timescales, etc.).

2. Benefits of the project:

The project should demonstrate some level of community benefit from the project for example:



- **Limited- Local benefit** – *this could include the immediate local area/community*
- **Moderate** - More than local benefit OR disadvantaged group to benefit – *this could include a wider level of the local community, or a group that has seen a lack in provision in the service that the project is aiming to create/provide. Similarly, this could be an identified disadvantaged group that will benefit greatly from the project.*
- **High** - Most of the community to benefit – *the wider community area, potentially including some disadvantaged groups (if identified in the area). The community benefit of the project here is seen to be necessary and would be well received by all.* Projects that demonstrate higher levels of community benefit will be scored higher than those projects with less community benefit demonstrated.

Projects that demonstrate higher levels of community benefit will be scored higher than those projects with less community benefit demonstrated.

3. Public Support

The project should demonstrate some level of public support for the project. This may include:

- a. Councillors
- b. A community group
- c. Another demonstration of the wider community

Projects with more demonstrations of support (listed above) may be favoured in decision making or in the allocation of funds. Demonstration of public support can be in the form of public petitions, outcomes of community consultations or appraisals, outcomes from open days, letters of support, or fundraising initiatives in support of the potential project. More demonstrations of support will add weight to your application.

4. Council Plan

The project should attempt to support a priority identified in the Council Plan. Projects will be favoured if they identify more priorities in the Council Plan. This will ensure that the Council, councillors and the community are working together to achieve these goals to best serve the borough.

A copy of the Council Plan can be viewed here <https://www.dudley.gov.uk/council-community/plan-policies-and-strategies/council-plan/>

For those projects which fall in and around Dudley and Brierley Hill Town Centres areas, you may wish to identify how your proposed project meets



with the recommendations arising from the People's Panel <https://www.dudley.gov.uk/peoples-panel>

You may also wish to identify how your proposed project meets with the recommendations arising from the Community Health Action: Four Citizens Inquiries in Dudley Borough 2019 – (link to be inserted)

5. **Project Costs and Plan**

Applicants should also have a clear timetable for the delivery of the projects, including a deadline for the funds to be spent. Detailed designs and costing of the project are heavily desired and will aid in the assessment of bids (if relevant to your bid).

The projects will be scored against how developed your project is, with the most developed projects potentially favoured in the application process. This will ensure the delivery of projects, which in turn will benefit communities and mitigate the potential impacts of development.

6. **Funding**

A project will not be taken forward unless there is a clear description of the project outlining how much money is likely to be needed and for what purpose. Furthermore, for projects to be approved for funding, enough CIL funds must have been collected in the Community Forum area. If applicable, quotes that have been sought should be included to demonstrate that options for costing have been considered.

These should be attached to the application form. The project may benefit in the selection process through securing match/gap/crowd funding. Officers will prioritise projects that have attempted to look for/have secured alternative sources of funding. This is more beneficial to the project, and the NCIL process as this opens up the potential for more projects to be funded the NCIL pot.

7. **Delivery of the Project**

NCIL aims to mitigate the impacts of development, therefore, those who benefit from funding are likely to be impacted by development in their area. Where projects lie outside of the ward that they are bidding from, applicants will have to demonstrate the reasons why they believe funding should be used elsewhere. This may include projects that are 'mobile' in nature and work across more than one ward.

Applicants should attempt to demonstrate how funding will be used across communities and ward boundaries.



8. Risk

If significant risk is identified in the project, the application will be declined on this basis. Potential risks may include:

- Risk to public safety/health
- Risk to the safety of individuals involved
- Risk that there is a significant chance of the project being left incomplete or not achieving outcomes identified.



Appendix Two

Dudley Council Neighbourhood CIL Bid Form

1. Applicant Details:	
Title	
Contact name	
Community group / organisation	
Legal status	
Address	
Contact phone number	
Contact email address	
2. Project partner organisations or groups involved in the project delivery (please provide details):	
3. Project Details:	
Site address / location (please provide a location plan):	
Description of scheme (no more than 150 words – please attach any supplementary information such as supporting drawings if relevant):	
Briefly describe how the scheme will support and benefit the development of your local area by funding either a) the provision, improvement, replacement, operation or maintenance of infrastructure; or b) anything else that is concerned with addressing the demands that development places on an area:	
Will the project provide community benefits (limited/local benefit, moderate benefits or high benefits)? Please explain:	
Please confirm, how the project will support / not conflict with the priorities(s) identified in the Council Plan:	
4. Community Support:	
Is this proposal supported by local Ward Councillors representing the area where the project will be located? If yes, please provide confirmation below:	



In addition to any Ward Councillor support, please provide confirmation of other local community support for the project:

5. Project Cost (including VAT):

Total cost of project and budget lines. Please provide details of the following:

- The total (gross) cost of the project
- A cost breakdown i.e. to show expected budget lines on salaries (plus employer national insurance and pension contributions), overheads, marketing, building works, maintenance, equipment hire, feasibility etc.
- Details of any additional funding secured from other sources to help deliver the project
- Please let us know if you are VAT registered

Total Neighbourhood CIL funds sought:	£
---------------------------------------	---

6. Delivery Details:

Please provide the anticipated project start and end dates:

Will the scheme be on public or private land and has the landowner given permission for the project to proceed? Please provide details of support:

Will the project be delivered in the Community Forum area or across Community Forums/Dudley Borough?

Who will deliver the project? (e.g. the Council, applicant or a 3rd party):

Has this project been discussed with the relevant Council department that would be responsible for delivery and / or future maintenance? Please provide details:

What consents are needed (if required) to deliver the project i.e. planning permission and how will these be secured?

Describe how the revenue / maintenance costs, if not covered by the sought CIL funds, will be funded for the lifetime of the project:

Where known, please provide how any risks to the project will be mitigated:



Appendix Three

Proposed NCIL Funding Application Process

