

Infrastructure Safety and Growth Committee
Thursday, 14 June 2022
Report of the Portfolio Holder for Skills, Planning and Waste

Exempt Information

None

Purpose

To agree a process for neighbourhood CIL spending.

Recommendations

- To agree the approach to the distribution of neighbourhood CIL money.

Executive Summary

A Community Infrastructure Levy (CIL) has been in place in Tamworth since August 2018. Upto the 31 March 2022 the Borough Council have collected £396,859.19. A further £280,891.81 CIL income is expected from the Coton House Farm development with a number of other sites potentially contributing CIL income including the former Coop supermarket site in Wilnecote.

The relevant regulations for the collection and spend of CIL are the Community Infrastructure Levy Regulations 2010 (as amended) and they state that CIL income should be apportioned in the following way: **5%** towards the administration of CIL, **80%** towards strategic infrastructure which is currently prioritised as 'regeneration projects' and **15%** towards neighbourhoods projects.

The Council adopted the Community Infrastructure Levy at the Council meeting held on 17 July 2018 and resolved that a report covering the governance arrangements for CIL spending would be submitted to Cabinet. In part this was achieved with the Cabinet report dated 08 April 2021 which approved how the 5% would be spent in dealing with CIL administration. It also dealt with the 80% strategic component of the income by setting out that regeneration was the priority for the council.

The neighbourhood component of the CIL income had been addressed at a previous Cabinet in a report dated 18 February 2021 via recommendation 28 of the MTFS budget item: that the current funding of £35,000 held in the CIL neighbourhood reserve be released to create a budget in 2021/22 for Cabinet to allocate on a neighbourhood project basis.

There has been no allocation of CIL money in relation to the 2021/22 neighbourhood CIL budget by Cabinet.

On an annual basis there is a Government requirement to publish an Infrastructure Funding Statement (IFS) which the Borough Council approves through Cabinet. The statement and Cabinet report seeks to reaffirm strategic spend priorities, the neighbourhood spend budget and to approve the publication of the IFS. The statement provides an annual account of any Section 106 or CIL money collected, any spending, and an indication of which projects have money assigned to them; the purpose of which is to improve CIL reporting to ensure that spend is accountable and transparent.

At the 02 December 2021 Cabinet it was agreed that a further £6,208.10 be added to the neighbourhood projects budget for 2022/23. Cabinet also agreed that the process for member involvement and the spend of CIL is clarified by the relevant Portfolio Holder and a process is created where members under the right criteria, can apply for funding. This recommendation was the direct result of the Infrastructure, Safety and Growth Committee scrutinising the IFS prior to the Cabinet meeting.

Neighbourhood Spending Regulations

The CIL regulations impose a duty on the collecting authority to pass a proportion of CIL receipts to local councils. Where an area is parished, subject to certain restrictions, this means that 15% of CIL receipts must be allocated to the parish where the chargeable development occurred, or 25% if there is a neighbourhood plan in place. Unlike most authorities Tamworth Borough Council is not parished and additionally the Borough Council does not have any neighbourhood planning groups. Where this is the case regulation 59F states:

The charging authority may use the CIL to which this regulation applies, 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.*

For the purposes of this regulation, “relevant area” is defined as *that part of the charging authority’s area that is not with the area of a local council* which, in the case of Tamworth, is the whole of the borough.

Planning Practice Guidance provides some clarification that where there is no parish or town council in an area the charging authority should retain levy receipts but should engage with communities where the development has occurred and agree with them how best to spend the neighbourhood funding. Charging authorities should use existing community consultation and engagement processes (e.g. using networks that ward councillors use). Crucially this consultation should be at the

neighbourhood level. It should be proportionate to the level of levy receipts and the scale of the proposed development to which the neighbourhood funding relates.

As a result of there being no local councils in Tamworth, the options for spending the community proportion are more complex than for the other elements of CIL. The Council must determine where and what the money is spent.

This report seeks to establish an approach that is both compliant with guidance and is also proportionate. The way in which CIL money is allocated can then be published in the Borough Council's Infrastructure Funding Statement.

A charging authority must apply CIL to funding the provision, improvement, replacement, operation or maintenance of infrastructure to support development in their area. According to the guidance the levy can be used to fund a wide range of infrastructure, including transport, flood defences, play areas, open spaces, parks and green spaces, cultural and sports facilities, healthcare facilities, academies and free schools, district heating schemes, police stations and other community safety facilities.

In line with CIL guidance it is proposed that the approach is not too elaborate or overly complicated.

Proposed approach to Neighbourhood CIL Spending.

Following further discussion with Cabinet Members it has been determined that Cabinet would like to assign the neighbourhood CIL funding and be the determining vehicle for that process.

Ward Members will be invited to submit one proposal from each Ward, ten in total, to Cabinet for discussion and allocation on an annual basis. Appendix A provides a proforma to capture information required so that Cabinet Members have enough understanding to be able to discuss the submitted projects, including an assessment against the corporate vision and objectives, the type of infrastructure to be funded, the amount required to deliver the project, the reason for putting the project forwards, any evidence of engagement or community support and how the project will be delivered.

Members will be required to submit their expressions of interest by the end of July each year to officers in the planning policy team, who will ensure that projects are compliant with CIL legislation. Forms will be circulated to Cabinet Members who will undertake discussions based upon the quality of submissions, the spread of projects across the Borough and the budget available. The outcome of discussions will be reported at Cabinet as soon as possible, the results of which can be reported in the December IFS.

The IFS will need to record the allocation of neighbourhood CIL funding and ultimately also report on the project when the funding has been spent.

Timetable

- Submission of expressions of interest to Planning Policy Team to check that projects are CIL compliant. **End of July.**
- Cabinet Members consider projects submitted including their own priorities.
- Report to Cabinet in October.
- Incorporation of detail into Infrastructure Funding Statement and delivery of report to Scrutiny and then Cabinet by the end of the calendar year.
- Publication of the IFS by 31 December.

In the financial year 22/23 due to the need to agree these new governance arrangements around neighbourhood CIL spending, the timetable will be compressed so that expressions of interest are made by Ward Members by Friday 9 September to allow the above process to conclude by the end of the year.

Options Considered

The CIL guidance is clear that spending neighbourhood CIL money should be supported by community engagement and existing consultation which naturally lends itself to Ward member networks with their communities.

However, in terms of distribution, the neighbourhood CIL pot does not have a high value attached to it. Options that split the money evenly between Ward members or indeed evenly amongst Wards will lead to the funding of a lot of very small projects. The consequence of these options is that the money will have a low impact and also generate a lot of administrative work managing the funding and tracking progress.

Whilst Wards will be offered the opportunity to apply for funding it could be the case that a single project is put forwards that Cabinet determine to be high impact, high value and exactly what is required for a particular neighbourhood. It is therefore possible that with the scheme as described, that Cabinet determine that only one project receives money in a single year, or as many as ten, to reflect one project from each Ward. The option proposed delivers maximum flexibility.

Resource Implications

The Planning Policy team will need to distribute the CIL proforma, check that projects proposed are eligible and continue to track projects that are allocated funding through to completion for the purposes of the IFS.

Financials

The total pot currently available is £59,529.50 for spend in the financial year 2022/23. Any additional income received will be reported in the IFS which will be signed off in December and form part of the budget for 2023/24.

If there isn't much money in the neighbourhood CIL pot in any future year, then Cabinet may make the decision not to run the funding for a year or two until the money has built up again to a level that makes applying for it, viable. The money that is available is completely reliant on development that comes forwards.

Legal/Risk Implications Background

The relevant regulations are the Community Infrastructure Levy Regulations 2010 (as amended). The implications of the Regulations and associated guidance are set out in the relevant parts of this report.

Equalities Implications

A question will be added to the application form asking members to set out how equalities will be addressed by the proposal.

Environment and Sustainability Implications (including climate change)

The proposals set out relate to the delivery of infrastructure to support the sustainable development of Tamworth in line with the objectives of the Local Plan. There are no additional sustainability implications as a result of the proposals set out in this report.

Background Information

- 17 July 2018 - Full Council - Report of the Portfolio Holder for Heritage & Growth – Community Infrastructure Levy
- 18 February 2021 – Cabinet – and 23 February 2021 – Full Council - Report of the Leader of the Council - Corporate Vision, Priorities Plan, Budget & Medium Term Financial Strategy 2021/22
- 08 April 2021 – Cabinet – Report of the Portfolio Holder for Regulatory & Community Safety – CIL Spending
- 02 December 2021 Cabinet Report of the Portfolio Holder for Regulatory & Community Safety - Infrastructure Funding Statement 2020/21

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