

TITLE OF REPORT: **Community Infrastructure Levy – Neighbourhood Fund Governance**

REPORT OF: **Peter Udall – Strategic Director Economy, Innovation and Growth**

Purpose of the Report

1. To recommend that Cabinet approves the proposed changes to the governance of the Community Infrastructure Levy (CIL) neighbourhood fund.
2. To recommend that Cabinet delegates authority to the Strategic Director, Economy, Innovation and Growth and the Strategic Director, Corporate Services and Governance to complete a revised legal agreement with the Community Foundation for Tyne and Wear and Northumberland (CFTWN) in order to deal with the administration of the fund.

Background

3. The Council's CIL Charging Schedule was adopted on the 10th November 2016 and came into force on 1st January 2017. CIL is generated when certain types of development are granted planning permission in certain areas of the Borough.
4. The Council are able to use 15% of CIL funds received to be spent locally on items for the local community. This is known as the CIL Neighbourhood Fund.
5. In June 2017, Cabinet approved the governance of the neighbourhood fund and a legal agreement was subsequently signed with CFTWN for them to administer the process. CFTWN issue a call for applications (for between £5000 and £25,000) at the beginning of each financial year. This is firstly limited to the Wards where the CIL development is taking place. If no bids are received or if there are still funds remaining, CFTWN open the call for applications to neighbouring wards.
6. Whilst CFTWN would initially determine bids, the three Members for the ward in which the bids have come from, along with the Portfolio Holder for Communities and Volunteering make the final decision. All applications are allocated and defrayed within the forthcoming financial year.
7. As part of the Cabinet approval above, the governance of CIL was to be subject to a review once it had become established. This report therefore provides a review of the governance and recommends changes.

8. The CIL neighbourhood fund has been used to fund several projects in the ward or adjacent ward where CIL development has taken place. These are set out in Appendix 3.
9. The review of the process has taken into account feedback from Ward Members and from the CFTWN. This feedback has set out the need for more flexibility, longer lead in times for bids, longer periods for spending and more notice given to Ward Members so they can make community groups more aware of funding opportunities.

Proposal

10. There are several proposals emerging from the review. These are:
 - Adopt a rolling programme of funding
 - Give a longer notice period for funds coming available (in advance of call for bids)
 - Greater flexibility in the value of funds that can be applied for.
 - Giving more publicity to the Neighbourhood Fund
 - Consideration of bids from groups outside the target ward where there is demonstrable benefit to the target ward
11. If the proposed changes are approved then a new legal agreement would need to be signed and the revised governance arrangements would come into force later in 2021.

Recommendations

12. It is recommended that Cabinet:
 - i. Approves the recommended changes to the governance of the CIL neighbourhood fund which are set out above and in appendix 2 to the report.
 - ii. Delegates authority to the Strategic Director, Economy, Innovation and Growth and the Strategic Director, Corporate Services and Governance to complete a revised legal agreement with the Community Foundation for Tyne and Wear and Northumberland (CFTWN) in order to deal with the administration of the fund.

For the following reasons:

- i To improve processes, flexibility and governance of the fund.
- ii To ensure that regulatory requirements regarding CIL continue to be met.

Policy Context

1. The proposals will align with Making Gateshead a place where everyone thrives, particularly by supporting our communities to support themselves and each other and investing in our economy to provide opportunities for employment, innovation and growth.
2. The proposals are in accordance with the CIL Regulations and guidance on the implementation of these regulations in the Planning Practice Guidance.
3. The proposals will help to support local communities and infrastructure with the growth proposals in the Council's Local Plan (Core Strategy and Urban Core Plan and Making Spaces for Growing Places).

Consultation

4. In preparing this report, consultations have taken place with the Leader and Deputy Leader, Environment & Transport and Communities & Volunteering Portfolios.

Alternative Options

5. An alternative option is to retain the current governance arrangements with the CIL neighbourhood fund. However, this would not address the review of the process and improvements suggested by Ward Members and the CFTWN.

Implications of Recommendation

6. Resources:

- a **Financial Implications** – The Strategic Director, Resources and Digital confirms there are likely to be some minor implications in terms of providing greater publicity to the fund.
- b **Human Resources Implications** – There are likely to be some minor implications in terms of providing greater publicity to the fund.
- c **Property Implications** – There are no property implications arising from this report.

7. **Risk Management Implication** – There are no risk management implications arising from this report.
8. **Equality and Diversity Implications** – There are no equality and diversity implications arising from this report.
9. **Crime and Disorder Implications** – There are no crime and disorder implications arising from this report.

10. **Health Implications** – It is considered that there will be positive health implications as the recommended changes to the fund will encourage more people to become more active in the community and funding could potentially be used to improve recreation and the local environment.
11. **Climate Emergency and Sustainability Implications** – It is considered that there will be positive implications by encouraging greater community participation and funding could potentially be used to improve the local environment to meet the challenges of climate change.
12. **Human Rights Implications** - There are no human rights implications arising from this report.
13. **Ward Implications** - All

Detailed recommendations

Adopt a rolling programme of funding

1. The CFTWN has previously operated a rolling programme for both Gateshead Volunteers' month and the Gateshead Thrive Small Grants Programme, which worked efficiently during the CFTWN's contract to deliver the Gateshead Thrive Fund.
2. Consequently, it is considered that the CIL Neighbourhood Fund moves to become a rolling programme, with an email decision-making process involving the Chair and relevant Ward Members. Applications would be considered as they are received, on a fast-track basis, and the fund can close once funds are expended, or a fixed timescale is reached, whichever happens soonest. For example, Round 1 Funding could remain open for six months and then, if necessary, Round 2 Funding could open for adjacent wards for four months, ensuring funds are expended within the financial year.
3. Given the above, it is recommended that the fund should move in line with the above.

Longer notice period for funds coming available (in advance of call for bids)

4. Given the concerns raised by Members, it is recommended that by the end of each calendar year (and coinciding with the publication of the Infrastructure Funding Statement) notification is given to the relevant Ward Members whose Wards will be potentially eligible for Round 1 and Round 2 funding. This would either be through the CFTWN or the Council's CIL officer and it is considered that this would give sufficient notice before the CFTWN opens the rolling programme in the following March/April.

Greater flexibility in the value of funds that can be applied for

5. The current levels of funding that can be applied for are between £5000 and £25,000.
6. Given the variation of available funding between different wards, it is recommended that there should be an advisory minimum and maximum grant size. The former is driven by how many meaningful grants can be provided with the funds and the latter by funds available. Therefore, it is proposed that grants will generally be in the range of £5000 to £25,000 with flexibility to reduce the limit where there are limited funds available and flexibility to increase the limit where there are sufficient funds available.

Giving more publicity to the Neighbourhood Fund

7. There is scope for increasing the amount of publicity for the fund and promoting successful bids. Current publicity is limited due to lack of resources to the

Council's Infrastructure Funding Statement which is published annually. The lack of publicity has led to confusion as to what CIL can fund.

8. Increased publicity, assuming greater resources can be found, could include advertising through Council News, social media, a dedicated page on the Council's website, a logo and display boards. This could be done alongside publicity from the CFTWN. In addition, developers who have funded CIL could be given the opportunity to promote the projects that have been funded.
9. It is therefore recommended that greater Council resources should be given to publicising the Neighbourhood Fund.

Bids from groups outside the target ward

10. Consideration has been given to whether applications could be accepted where the organisation bidding is not physically based in the target ward but can demonstrate that it will benefit the ward. A potential example could be improvements to a community centre or school that is just outside the ward boundary but serves a community within the ward.
11. Given the above, it is recommended that the organisation location criteria should include organisations that are physically based outside the target ward but of demonstrable benefit to the community within the target ward. However, these applications should be considered a lower priority for funding than bids from within the target ward to ensure that the benefit to the target ward is not watered down.

APPENDIX 3

Projects funded by neighbourhood fund up to end of 2020

Grant reference	Organisation	Ward	Project	Amount awarded
FR-10170 Funded from Marley Hill School (application DC/16/01079/FUL) and Sunnyside SE (application DC/18/00704/FUL) developments within ward.	South West Tyneside Methodist Circuit	Whickham South and Sunnyside	Undertaking phase 1 of the building redevelopment	£4,500
FR-10211 Funded from Marley Hill School (application DC/16/01079/FUL) and Sunnyside SE (application DC/18/00704/FUL) developments within ward.	Tyneside Vineyard	Whickham South and Sunnyside	New flooring, lighting, furniture and kitchen equipment	£5,000
FR-10111 Funded from Marley Hill School (application DC/16/01079/FUL) and Sunnyside SE (application DC/18/00704/FUL) developments within ward.	Marley Hill Community Bowling Club	Whickham South and Sunnyside	Pavilion repairs	£5,000

FR-10627 Funded from Marley Hill School (application DC/16/01079/FUL) and Sunnyside SE (application DC/18/00704/FUL) developments as a neighbouring ward	Chopwell Regeneration CIO	Chopwell and Rowlands Gill	Stage 1 of the building work for the renovation of the former Lloyds Bank in Chopwell	£5,000
FR-10961 Funded from Marley Hill School (application DC/16/01079/FUL) and Sunnyside SE (application DC/18/00704/FUL) developments as a neighbouring ward	Gateshead District Scout Council	Dunston Hill and Whickham East	Purchasing a grass cutter for Whickham Thorns outdoor activity centre	£5,000

FR-10969 Funded from Marley Hill School (application DC/16/01079/FUL) and Sunnyside SE (application DC/18/00704/FUL) developments as a neighbouring ward	The Soundroom Community Music Project	Lobley Hill and Bensham	Refurbish the basement of the building into accessible space for community use	£4,404
FR-10908 Funded from Marley Hill School (application DC/16/01079/FUL) and Sunnyside SE (application DC/18/00704/FUL) developments as a neighbouring ward	Durham Wildlife Trust	Blaydon	Employing a contractor to build a boardwalk to access the wetland's site	£3,400
FR-10798 Funded from Marley Hill School (application DC/16/01079/FUL) and Sunnyside SE (application DC/18/00704/FUL) developments as a neighbouring ward	Bensham Grove Community Centre	Lobley Hill and Bensham	Develop a Community Garden on the site adjacent to the Community Hall	£3,400