

The Community Infrastructure Levy (CIL) is generated when certain types of development are granted planning permission in certain areas of the Borough. CIL is split between the Strategic Fund (80%), the Neighbourhood Portion (15%) and Administration (5%). Where all or part of a chargeable development is within an area of a Parish Council 15% of the CIL receipts must be passed to the Parish Council and the Parish Council must use the CIL receipts to support the development of the parish area by funding the provision, improvement, replacement, operation or maintenance of infrastructure; or anything else that is concerned with addressing the demands that development places on the area. In areas with no Parish Council the Council can use 15% of CIL funds received to be spent locally on items for the local community, this is known as the CIL Neighbourhood Portion. The law does not prescribe a specific process for agreeing how the Neighbourhood Portion should be spent although Government Guidance advises that that the Neighbourhood Portion can be spent on things other than infrastructure provided it is concerned with addressing the demands that development places on the area. The Council agreed the priorities for spending the Neighbourhood Portion in Cabinets of 8th November 2016 and 20th June 2017.

In Gateshead The charging schedule for CIL was approved by Cabinet on the 8th November 2016 and brought into force on 1st January 2017. A further report was also considered by Cabinet on the 8th November 2016 on the collection, monitoring, governance and spending of CIL. Cabinet resolved that a further report be submitted on the implementation of the 15% communities' element with proposals for governance and distribution of this element of CIL. This Cabinet report went to Cabinet for approval on 20th June 2017.

This Cabinet report proposed that the neighbourhood portion would be operated as a supplementary component of the Gateshead Fund (GF) to be administered by the Community Foundation for Tyne and Wear and Northumberland. The Gateshead Fund was already being administered on behalf of the Council by the Community Foundation and Members were involved with decision making via a dedicated Advisory Group which forwards recommendations to Cabinet for approval. This model of governance was applied to the Neighbourhood portion and has meant less of an administrative burden on Council Officers and Members whilst Members and Officers are still involved in decision making. The advantage of using the Community Foundation is that they could leverage additional funding to go with the neighbourhood portion such as match funding, endowments and being eligible for funding through charitable status. Essentially whilst the Community Foundation 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 and the Councils CIL Officer will make the final decision. It should be noted that the Community Foundation charge 5% of the value of each grant for administering the fund.

The funds are made available through the Community Foundation for constituted community groups and organisations to apply for with priority given to those within the ward in which the chargeable development takes place and secondly to those in the nearest neighbouring ward to the chargeable development. If funding is not taken up within the ward in which the development takes place or the nearest neighbouring ward, then the neighbourhood portion would become eligible to those in remaining wards in the Borough.

Assessment of applications is based on the extent to which they would align with addressing the significant impact of a particular development through either the provision, improvement, replacement, operation or maintenance of infrastructure or anything else that is concerned with addressing the demands that development places on the area.

Decisions on applications would be made annually by a CIL panel chaired by the Communities and Volunteering Portfolio Holder and made up of Ward Members and representatives from

the Community Foundation and the CIL Officer. The panel would be charged with making recommendations on applications subject to due diligence on the applications by the foundation.

The sequential criteria on which applications are considered is:

Priority

- a. Applications submitted by constituted community groups and organisations within the ward in which the chargeable development will take place and then;
- b. Applications submitted by constituted community groups and organisations in the nearest neighbouring ward to the chargeable development

Threshold

- c. Applications for capital investment of between £5,000 and £25,000 submitted by constituted community groups and organisations.
- d. There are no on-going revenue costs to the Council.

The neighbourhood portion will be allocated and defrayed within the financial year. Any unspent funds from the neighbourhood portion to roll over to the next financial year, to form a Borough wide neighbourhood fund available to all wards, assessed against the above criteria and allocated and defrayed within the financial year.

If there are any unspent funds after the above, then these will be transferred to the CIL Strategic pot which is used to fund strategic infrastructure.

On the 19th October 2021 Cabinet approved a report which proposed some changes to the Neighbourhood Portion. These changes proposed;

Adopt a rolling programme of funding – The Community Foundation operated a rolling programme for other Gateshead Programmes which worked efficiently during the Community Foundations contract to deliver the Gateshead Thrive Fund, it was thought that if the Neighbourhood Portion moved to become a rolling programme, with an email decision making process involving the Chair and relevant Ward Members applications could then be considered as they are received, on a fast-trac basis and the fund can close once funds are expended, or a fixed timescale is reached.

Give a longer notice period for funds coming available (in advance of call for bids) – Members raised concerns that not enough notice was being given. The change included notification being given to relevant Ward Members whose Wards will be potentially eligible for Round 1 and Round 2 funding prior to the grant being open for bids. This notification would be through either the CIL Officer or the Community Foundation

Greater flexibility in the value of funds that can be applied for – When the Neighbourhood Portion began funding between £5,000 and £25,000 could be applied for. The change proposed that grants will generally be in the range of £5,000 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 – Publicity is limited to the Infrastructure Funding Statement published annually and the Community Foundation website. The Cabinet report recommended that greater Council resources should be given to publicising the Neighbourhood Fund.

Consideration of bids from groups outside the target ward where there is demonstrable benefit to the target ward – It was felt that applications could be accepted where the organisation is not physically based in the target ward but can demonstrate that it will benefit the ward. However, these applications should be considered as a lower priority for funding than bids from within the target ward.

The proposed changes were approved by Cabinet and a new legal agreement was signed with the revised governance arrangement coming into force after Cabinet.

Key Questions

Who is eligible to apply for funding from the neighbourhood portion of CIL?

Any group or organisation operating within the Borough of Gateshead, validly constituted as a registered charity, Community Interest Company, Charitable Incorporated Organisation, Limited Company, or unincorporated association whose application to the Fund concerns a charitable purpose delivering public benefit as defined in the Charities Act 2011. Applicants must be able to demonstrate relevance/meet the criteria for the specific ward /s eligible for CIL.

How much funding can be applied for?

Normally between £5,000 and £25,000. However, there is flexibility to reduce or increase those amounts where there are limited funds available or where there are sufficient funds available to justify an increase.

Who makes the final decision on what the neighbourhood portion of CIL can be spent on?

The three Councillors for the Ward for which the applications are made, along with the Portfolio holder for Communities and Volunteering.

What happens if there is neighbourhood portion of CIL that is unspent?

If funding is unspent then applications will be invited from directly adjoining Ward(s).
If funding remains unspent then this will be carried over to the next financial year and will be made available to be spent in any Ward in the Borough.
If funding remains unspent then it will be transferred to the main portion of CIL to be used for strategic infrastructure.

Current Spending Totals

The amount of Neighbourhood Portion (15%) collected since 2017 is shown below.

Year	Neighbourhood Portion (15%)
2017/2018	£5,101.38
2018/2019	£25,639.42
2019/2020	£10,357.35
2020/2021	£48,435.81
2021/2022	£135,870.82
2022/2023	£71,149.99
2023/2024	£358,706.97
Total	£655,261.73

The amount of Neighbourhood Portion (15%) received since 2017 broken down into amounts received in each ward.

Ward	Total Received	Neighbourhood Portion amount
Dunston Hill and Whickham	£40,306.88	£6,046.03
Whickham South and Sunnyside	£550,046.38	£82,506.95
Winlaton and High Spen	£928,198.82	£139,229.82
Ryton, Crookhill and Stella	£2,481,115.21	£372,167.28
Saltwell	£70,980.00	£10,647.00
Lamesley	£24,742.30	£3,711.35
Wardley and Leam Lane	£273,022.13	£40,953.32
Totals	£4,368,411.72	£655,261.75

A total of 29 grants have been agreed since 2017. The amount going to each ward is detailed in the table below.

Ward	Amount of grants received
Blaydon	£3,400.00
Chopwell and Rowlands Gill	£19,280.00
Crawcrook and Greenside	£21,113.00
Deckham	£6,500.00
Dunston Hill and Whickham East	£10,000.00
Lamesley	£25,000.00
Lobley Hill and Bensham	£13,931.00
Ryton, Crookhill and Stella	£187,893.00
Whickham South and Sunnyside	£28,619.00
Winlaton and High Spen	£12,513.00
Total	£328,249.00

The Community Foundation are paid a total of 5% from each of the grants made. We have therefore paid the Community Foundation £32,763.08 since 2017 to deliver Grants worth £328,249.00.