

Crawley Borough Council

Report to Cabinet

2 November 2022

Allocating Monies Collected Through CIL, Neighbourhood Improvement Strand

Report of the Head of Economy and Environment – PES/420

1. Purpose

- 1.1. To provide Cabinet with a review of the collection and administration of Community Infrastructure Levy (CIL) funds and how they are allocated under the Neighbourhood Improvement Strand.
- 1.2. To seek Cabinet approval for proposed amendments to the allocation and governance of the CIL Neighbourhood Improvement Strand, subject to the outcome of a public engagement exercise.

2. Recommendations

- 2.1. The Cabinet is recommended to:
 - a. Approve the proposed amendments to the allocation and governance of the CIL Neighbourhood Improvement Strand monies set out in sections 6 and 7 of this report, subject to the outcome of a public engagement exercise.
 - b. Delegate authority to Head of Economy and Planning, in consultation with the Cabinet Member for Planning and Economic Development to undertake a public engagement exercise on the proposed amendments to the allocation and governance of CIL Neighbourhood Improvement Strand monies, as set out in sections 6 and 7 of this report.
 - c. Delegate authority to the Head of Economy and Planning, in consultation with the Cabinet Member for Planning and Economic Development, to implement any procedural modifications to the CIL Neighbourhood Improvement Strand, including any minor amendments in response to the public engagement exercise. (Generic Delegation 7 will be used to enact this recommendation).

3. Reasons for the Recommendations.

- 3.1. To unlock more CIL funds to invest in infrastructure which brings clear community benefits at neighbourhood level and to ensure best practice for the ongoing distribution of the Neighbourhood Improvement Strand CIL monies, in line with government regulations.

4. Background

- 4.1. The Community Infrastructure Levy (CIL) is a charge which can be levied by local authorities on new development in their area through the local planning system. It is an important tool for local authorities to use to help them deliver the infrastructure needed to support development in their area. The CIL charge is based on a calculation related to £'s per m² of net additional floorspace. CIL was introduced by the Planning Act 2008 and is governed by the Community Infrastructure Levy Regulations 2010 (as amended). It took effect in Crawley on 17th August 2016.
- 4.2. Forecast CIL income in Crawley is based upon residential growth trajectories included within the submission draft of the Crawley Borough Council Local Plan 2022-2037 – the income being received by the Council once residential developments have commenced.
- 4.3. The CIL Regulations 2010 as amended, part 7 state that 15% of the total CIL contributions collected are to be allocated for spending in agreement with local communities – the Neighbourhood Improvement Strand. The remaining 85% of CIL contributions is for the Strategic Infrastructure Strand¹.
- 4.4. In October 2017, Cabinet approved a crowdfunding model as the preferred option for the governance of the CIL Neighbourhood Improvement Strand, and also the implementation of a one year Crowdfunding pilot - report [PES/257](#) refers.
- 4.5. In March 2022, Cabinet approved the proposed CIL strategic infrastructure spend priorities presented in the Infrastructure Business Plan as a priority for delivery and the funding programme for the period 2020/21 to 2024/25 – report [PES/388](#) refers. Cabinet also approved the extension of the Crowdfunding pilot for a further year with the administration costs associated with the site being paid for from CIL contributions.

5. CIL – Neighbourhood Improvement Strand (NIS).

- 5.1. The CIL guidance states that if there is no parish or town council, *the charging authority will retain the levy receipts but should engage with the communities where development has taken place and agree with them how best to spend the neighbourhood funding, crucially this consultation should be at the neighbourhood level. Charging authorities should set out clearly and transparently their approach to engaging with neighbourhoods. The law does not prescribe a specific process for agreeing how the neighbourhood portion should be spent.*
- 5.2. In 2018, utilising the NIS contributions, the council, created a new borough wide community fund called the Neighbourhood Improvement Fund and used a crowdfunding website, [Crowdfund Crawley](#), to distribute the fund. The use of the website enabled the council to comply with the CIL guidance referenced in 5.1. To date £124,501 has been raised - [Impact report](#).

¹ The 'neighbourhood portion' increases to 25% of CIL receipts in areas where a Neighbourhood Plan is in place, but there are no Neighbourhood Plans currently existing or under preparation within Crawley

- 5.3. As of September 2022, the total CIL NIS received from new development is £466,322 with £326,425 of those contributions received during the financial year 2021/22. To date Crawley Borough Council has distributed £25,395 of NIS funds received. Currently, the council is holding £440,927 in NIS contributions.
- 5.4. With a significant additional influx of CIL receipts over the past year, the need to unlock funds to invest in neighbourhood improvements, and a continued need for the Council to be confident of what funding streams are available to deliver its future capital programme, it is considered that a change in approach to the distribution of CIL NIS is appropriate.

6. CIL Neighbourhood Improvement Strand - Proposed Governance and Procedural amendments.

- 6.1. It is proposed to implement a new “hybrid” model. The Neighbourhood Improvement Fund (see 5.2 above) would be retained to fund projects delivered by community organisations through the Crowdfunding web site. The remaining NIS contributions not committed to the Neighbourhood Improvement Fund would be used as a contribution to the delivery of a programme of neighbourhood improvement works identified as a priority by Crawley Borough Council, subject to public engagement.
- 6.2. It is therefore proposed to retain £75,000 from the CIL NIS, to maintain the Neighbourhood Improvement Fund with an annual contribution of £25,000, from the CIL NIS, until March 2025.
- 6.3. The continued year on year allocation of £25,000 to the Neighbourhood Improvement Fund will be subject to an annual review by the Cabinet to monitor the extent to which the CIL monies are being used and their delivery of neighbourhood improvements which bring community benefits. This review will take place in November 2023. .
- 6.4. The distribution method for the Neighbourhood Improvement Fund from April 2023 will be considered at the next annual review of CIL in March 2023.

7. Proposed Method to Prioritise Projects for the Council’s Programme of works funded by the CIL Neighbourhood Improvement Strand.

- 7.1. The government’s CIL guidance states: *Where the charging authority retains the neighbourhood funding, they can use those funds on the wider range of spending that are open to local councils [regulation 59C](#).*
- 7.2. CIL guidance further states that: *In deciding what to spend the neighbourhood portion on, the charging authority and communities should consider such issues as the phasing of development, the costs of different projects, the prioritisation, delivery and phasing of projects, the amount of the levy that is expected to be retained in this way. They should also have regard to the infrastructure needs of the wider area. The charging authority and communities may also wish to consider appropriate linkages to the growth plans for the area and how neighbourhood levy spending might support these objectives.*

7.3. In view of the above CIL guidance in 7.1 and 7.2, officers propose that the method for spend allocation should follow the same principles as those previously adopted when allocating spend within the CIL Strategic Infrastructure Strand. These principles are set out below:

- I) That project selection be based upon [Crawley's Infrastructure Delivery Schedule \(IDS\)](#), which identifies infrastructure required as a result of the growth forecasts indicated in the Local Plan.
- II) That as CIL's primary role is to fund infrastructure that addresses the cumulative impact of growth, resources be concentrated as a priority on the schemes identified in the IDS as being Critical to enabling growth; and those essential schemes, which score the highest against the agreed assessment criteria. [PES/257](#)

7.4. It is further proposed that the CIL Neighbourhood Improvement Strand collected be used to fund those infrastructure projects to be delivered at a neighbourhood level, i.e., projects where the impact is most likely to be felt within one neighbourhood.

7.5. The following two programmes within the Infrastructure Delivery Schedule have been identified amongst the highest scoring essential schemes in the IDS and to be delivered at a neighbourhood level.

- I) Unsupervised Play Investment Programme (UPIP) 2023/24 to 2030/31, for the provision and improvements to Play Areas (Type A, B & C) at multiple locations across the Borough.

The specific neighbourhood projects for the UPIP for 2023-24 and beyond to be part funded by the CIL Neighbourhood Improvement Strand, will be the subject of a future Cabinet report. Therefore, this report seeks Cabinet approval for the allocation of CIL Neighbourhood Improvement Strand monies to the Unsupervised Play Investment Programme as a whole.

- II) Programme to improve drainage on playing fields and football pitches at multiple locations across the Borough. The precise locations are to be determined and would be subject to a further report to Cabinet. .

The above programmes are set out in Appendix A alongside other projects classed as essential which are more strategic in nature.

7.6. When allocating a contribution from the Neighbourhood Improvement Strand, consideration is also given to the level of urgency, repercussions, and associated risks (safety, partial/full closure) if additional funding is not secured to allow the project to proceed in a timely manner.

7.7. As identified in Appendix A, the Unsupervised Play Investment Programme achieved the highest score against the criteria, it is therefore proposed to allocate any NIS funds not allocated to the Neighbourhood Improvement Fund, in the first instance, to the Unsupervised Play Investment Programme.

7.8. Should the contribution amount required from the CIL Neighbourhood Improvement Strand for the above two schemes be reduced e.g., alternative

funding streams identified – the selection will be amended, and the next highest scoring programme/ project in the IDS will be brought forward for consideration.

8. Community Engagement, subsequent delegation.

- 8.1. In accordance with CIL guidance referred to in 5.1, officers propose to undertake a 4-week public engagement exercise to obtain feedback and to ensure there is sufficient support for the proposed allocation of the Neighbourhood Improvement Strand to the two schemes set out in Section 7 above. This exercise will involve Crawley Ward Councillors, the local community, and stakeholders.
- 8.2. Subject to the outcome of the public engagement exercise, it is proposed that Cabinet delegate authority to the Head of Economy and Planning, in consultation with the Cabinet Member for Planning and Economic Development, to implement the procedural amendments outlined in sections 6 and 7 of this report.
- 8.3. The precise locations for individual play infrastructure improvement projects from within the wider Unsupervised Play Infrastructure Programme will be brought forward seeking approval as part of a future report to the Cabinet. This report will be produced in due course and the intention is for there to be a further period of community engagement to seek feedback from residents, ward councillors and stakeholders on the individual play infrastructure schemes. The public consultation on the individual projects will be live for a minimum 3 weeks and a report produced at the end. The consultation process will include online/ paper surveys and drop-in sessions. Following the outcome of the public consultation, any necessary amendments, where applicable, will be made to the projects based in accordance with feedback received.

9. Financial Implications

- 9.1. Total CIL Neighbourhood Improvement Strand (NIS) received by the Council as of August 2022: £440,927.
- 9.2. It is proposed that £75,000 be allocated to the Neighbourhood Improvement Fund, until 31st March 2025, subject to annual review by the Cabinet with the first review scheduled for November 2023. This will fund projects delivered by community organisations. Any NIS contributions not committed to the Neighbourhood Improvement Fund are proposed to be used as a contribution to a programme of works identified as a priority by Crawley Borough Council, as described in section 7, subject to community engagement.
- 9.3. After the retention (subject to annual review) of £75,000 to be allocated to The Neighbourhood Improvement Fund, there would remain up to £365,927 from contributions received to date to be allocated to the Unsupervised Play Investment Programme.

10. Legal Implications

- 10.1. The legislation governing the development, adoption, and administration of a Community Infrastructure Levy (CIL) is contained within the Planning Act (2008) and the Community Infrastructure Levy Regulations 2010 (as amended). CIL charging took effect in Crawley following due process on 17th August 2016.

- 10.2. 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.

11. Equalities Implications

- 11.1. The Council must have due regard to its obligations under the Equality Act 2010 and for the public sector equality duty ("PSED") under section 149 of the Equality Act 2010 in making its decisions and carrying out its functions. The equalities impact and/or the PSED will be addressed as and when CIL funded proposals are developed.
- 11.2. Specific to Crowdfund Crawley and the Neighbourhood Improvement Fund- Officers carried out an Equality Impact Assessment (EIA) and considered its duties under the PSED, for which the main finding was that the site is fully inclusive as it is open to everyone. The information collected by the Council from organisations applying for funding from Crowdfund Crawley includes their Governance, Constitution and Equal Opportunities policy. A copy of the EIA for Crowdfund Crawley can be found in Appendix D of report [PES/302](#)

12. Background Papers

Report to Cabinet 16 March 2022 PES/388 [Allocating Monies Collected Through CIL](#)

Report to Cabinet 24 November 2021 HCS/33 [Unsupervised Play Investment Programme](#)

Report to Cabinet 10 March 2021 PES/370 - [Annual Community Infrastructure Levy \(CIL\) Statement](#)

Report to Cabinet 11 March 2020 PES/335 - [Allocating Monies Collected the Through Community Infrastructure Levy – Infrastructure Business Plan 2020/21](#)

Report to Cabinet 6 February 2019 PES/302 - [Allocating Monies Collected Through Community Infrastructure Levy 2019/20](#)

Report to Cabinet 7 February 2018 PES/264 - [Allocating Monies Collected Through Community Infrastructure Levy - Infrastructure Business Plan and Governance.](#)

Report to Cabinet 4 October 2017 PES/257 – [Community Infrastructure Levy - Governance, Prioritisation and Spend Proposals.](#)

Report to Cabinet 29 June 2016 SHAP/54 - [Adoption of Crawley Community Infrastructure Levy \(CIL\)](#)