

Report to Sustainable Development Panel
23 September 2015

Item

Report of Executive head of regeneration and development
Subject Community Infrastructure Levy (CIL) – Revised process for
engaging with local communities on the expenditure of the
community element of CIL

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Purpose

To inform members about the revised process (approved by cabinet in July 2015) for engaging with the local community on how the community element of CIL is spent.

Recommendation:

To note the revised process (Appendix 1 of the report) for engaging with the local community on how the community element of CIL is spent.

Corporate and service priorities:

The report helps to meet the corporate priority “A prosperous city”

Financial Implications:

Forecast CIL neighbourhood funding for Norwich

(As at July 2015)

Financial Period	Total £'000's
2013-4 + 2014-5 Actual to date	26
Forecast income 2015-6	190
Forecast income 2016-7	301
TOTAL	517
Committed 2015-6 spending	148
Forecast funds available for 2016-7	369

Under the CIL regime the council is permitted to retain up to 5% of CIL receipts to cover its administration. Consequently, there should be no additional, financial burden on the council.

Ward/s: All

Cabinet member: Councillor Waters- Leader.

Contact officers

Gwyn Jones, city growth and development manager	01603 212364
Bob Cronk, head of neighbourhood and communities	01603 212373

Background documents

None

Report

Background

1. The council agreed in July 2013 to adopt the Community Infrastructure Levy (CIL) for the city. CIL is a means of securing developer contributions to fund essential infrastructure to serve new development and replaces the majority of s.106 contributions.
2. The CIL 2013 amendment regulations require that 15% of CIL revenue received by the charging authority (or 25% where there is a neighbourhood plan) be passed to parish and town councils where development has taken place (up to a limit of £100 per council tax dwelling in any year). This is to help communities to accommodate the impact of new development and encourage local people to support development by providing direct financial incentives to be spent on local priorities.
3. In areas without parish councils, communities will still benefit from this incentive. In these cases the charging authority will retain the CIL receipts but should engage with the communities where development has taken place and agree with them how best to spend the neighbourhood funding. The regulations require charging authorities to clearly and transparently set out their approach to engaging with neighbourhoods and suggest that councils should use their regular communication tools e.g. website, newsletters, etc. The regulations do not therefore prescribe the process but they set out that charging authorities are expected to use existing community consultation and engagement processes in deciding how the neighbourhood funding element will be spent.
4. In March 2014 the council agreed to pool CIL income across greater Norwich (not including the neighbourhood funding and administrative funding elements (i.e. excluding 20% or 30% depending on whether there is a neighbourhood plan). The allocation of the pooled or strategic infrastructure is dealt with via the Growth programme process which requires approval of council (see para 8).
5. The regulations require that CIL income is spent on infrastructure as defined by the Town and Country Planning Act 2008 (as amended). 'Infrastructure' includes:
 - (a) Roads and other transport facilities,
 - (b) Flood defences,
 - (c) Schools and other educational facilities,
 - (d) Medical facilities,
 - (e) Sporting and recreational facilities,
 - (f) Open spaces.

6. The neighbourhood funding element however can be spent on wider range of things. It can be spent on supporting the development of the 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 does not have to relate to any specific development).
7. The regulations require that consultation should be at the neighbourhood level and be proportionate to the level of levy receipts and the scale of the proposed development to which the neighbourhood funding relates. Account needs to be taken of neighbourhood plans that exist in the area, theme specific neighbourhood groups, local businesses (particularly those working on business led neighbourhood plans), and using networks that ward councillors use. In considering how the neighbourhood element is spent, the charging authority and communities should consider such issues as the phasing of development, the costs of different projects (e.g. a new road, a new school), prioritisation, delivery and phasing of projects, the amount of the levy that is expected to be retained in this way and the importance of certain projects for delivering development that the area needs. It should also have regard to the infrastructure needs of the wider area.

CIL business planning

8. As part of the city deal for Greater Norwich, the local authorities and LEP prepare an annual business plan and this determines, amongst other things, the strategic infrastructure capital investment plan for the area (using pooled CIL funding). The Greater Norwich Growth Board is tasked with the delivery of the business plan and has primary responsibility for coordinating the delivery of strategic infrastructure. The neighbourhood funding element is managed separately as in Broadland and South Norfolk this is transferred directly to the parish and town councils. The council's process for engaging with communities about the neighbourhood element links in with the annual business planning process for pooled CIL funding to allow the neighbourhoods to have regard to the strategic infrastructure priorities.

Coordination with other funding and spending plans

9. A fundamental principle of CIL spending should be to link and coordinate spending decisions so best use is made of all available resources. CIL should not be used where other sources of funding are available and maximum impact will be achieved if CIL income is linked with other funds e.g. the council's capital programme (housing and non housing) residual s.106 funds, external funding. CIL may also be used as match funding for other bids.

Building on existing engagement processes in the city.

10. Under the council's neighbourhood model, Norwich has been divided into four areas: north, east, south and west. For the purposes of considering neighbourhood funding for CIL engagement with communities about priorities for funding is based on these areas. There is a need for flexibility about how

funds are allocated for projects in different areas and there is a need for collaboration across areas, as development in one part of the city may have a much wider impact. There also needs to be cross boundary coordination with neighbouring districts especially to be aware of the spending decisions of neighbouring parish councils. On the basis of the neighbourhood model, the process for engagement can be led by the communities and neighbourhood manager for each area.

11. Engagement needs to make use of existing mechanisms and should be via existing groups and networks e.g.: ward councillors, community organisations, business groups e.g. the Business Improvement District and other networks.

Process for engaging with neighbourhoods

12. The process for engaging with neighbourhoods was approved by Cabinet in February 2014 and has so far operated for one year.

13. In February 2015 cabinet approved the following projects for delivery using CIL neighbourhood funding in 2015-16. These were incorporated in the Council's Capital programme:

Community Noticeboards £10K
Britannia Road traffic issues £20K
Bignold Road/ Drayton Road junction £3K
Natural area/ boundaries improvements George Fox Way and Augustus Hare Drive £10K
Lakenham Way stage 1 £7K

SUB TOTAL- £50K

14. Subject to further funding being received during the course of the year, the following projects are also recommended to be taken forward in 2015-16:

City trees £50K
Netherwood Green £48K

TOTAL- £148K

15. The process was reviewed following the first year of operation and in July 2015, Cabinet agreed some amendments. These were:

(a) Ensure that best use of existing engagement methods is made based on the council's neighbourhood model including walkabouts and roadshows. In particular full use should be made of engagement with ward councillors as part of this process. These engagement methods will not need to explicitly refer to CIL funding but will rather consider local priorities and the range of funding (including CIL) which might be available to address them;

(a) Maintain an evidence base of suggested priorities and link this to the scoring process for prioritisation of projects;

(b) As part of the prioritisation process and within the scope of the CIL

regulations, priority should be given to projects which can contribute to increased community reliance or capacity.

- (c) Ensure timing of delivery of projects is taken into consideration before the allocation of funds are endorsed by cabinet;
- (d) Maintain a cautious approach to committing funds before they are received;
- (e) Consider how CIL funds can be combined with other investment funds in localities to achieve a bigger impact.
- (f) Report the proposed changes to sustainable development panel to promote a better understanding of the process;
- (g) Following approval by cabinet, include details of the amended process in e- councillor.

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16. The revised process is now included as Appendix 1.

Appendix 1

CIL Neighbourhood Funding- Proposed approved by Cabinet for engaging with neighbourhoods (updated July 2015)

1. The process proposed is based on an annual rolling programme linked with the development of the business plan for Greater Norwich for the delivery of strategic infrastructure and the council's annual budget setting cycle.
2. The council has set up an officer CIL working group which in addition to coordinating the council's input to the Greater Norwich infrastructure business plan, developing and delivering projects arising from this, coordinates the process of community engagement over the neighbourhood element of CIL. Terms of reference for the CIL working group are shown in annex A.
3. The working group will meet in the summer to consider:
 - a) The Greater Norwich business plan for strategic infrastructure
 - b) Details of CIL neighbourhood income already received (i.e. 15% (or 25% where there is a neighbourhood plan) or forecast to be received over the next 2-3 years for each neighbourhood.
 - c) Other funding which may be available which could be used alongside CIL
 - d) Details of emerging ideas for neighbourhood projects arising from strategic or local needs
4. All this information will be made available to the communities and neighbourhood managers so that they can commence the engagement process with the neighbourhoods.
5. Engagement will take place in the early autumn. Given the make up of the city it is proposed that the council makes use of existing community engagement mechanisms to inform the spending of the neighbourhood element of CIL. The neighbourhood manager will decide which engagement mechanisms are appropriate depending on the level of funding and their knowledge of the issues affecting their neighbourhoods. Through the council's neighbourhood teams, a number of different engagement mechanisms have been developed. It is proposed that best use is made of existing mechanisms that allow residents to inform and shape council services. These can be adapted where necessary to inform this expenditure. In particular full use should be made of engagement with ward councillors as part of this process. These engagement methods will not need to explicitly refer to CIL funding but will rather consider local priorities and the range of funding (including CIL) which might be available to address them;
6. These include:
 - a) Walkabouts – these are carried out on a monthly basis in each neighbourhood and might include; a physical walkabout; a roadshow or door knocking exercise

- b) Neighbourhood events – this might include attendance at a local event e.g. the Mile Cross Festival
 - c) Network lunches & meetings – where partners share best practice, information and intelligence
 - d) Ward councillor meetings – which provides an opportunity to capture information that ward councillors have gathered or received in their post bags from residents about local issues
 - e) One off surveys e.g. on- line surveys
 - f) Neighbourhood profiles
 - g) Engagement with local resident groups
 - h) Capturing of comments and observations from residents
7. Given that the mechanism will need to be proportionate to the level of CIL funding available, as the funding comes on stream, the mechanism and complexity of engagement can be planned. The engagement will be appropriately publicised.
 8. An evidence base of suggested priorities will be maintained and this will be link this to the scoring process for prioritisation of projects (see 10.);
 9. It will be for local communities to suggest:
 - a) Whether they wish the neighbourhood funding element to be used to contribute to any of the planned strategic infrastructure priorities in the Greater Norwich infrastructure plan;
 - b) The relative priority given to ideas emerging from the CIL working group;
 - c) Other new project ideas;
 - d) Whether they prefer to see funds from one year retained for use in future years, when larger amounts of money may accrue; and
 - e) Any other available funding that may be used alongside CIL
 10. Following the engagement the CIL working group will meet again to discuss the outcome of the engagement process and agree the recommendations to cabinet/ council to be agreed as part of the council's capital programme. A clear set of criteria will be set out on which decisions will be based and these will be publicised. These will consider:

- Impact (the outcomes that will be achieved from the proposed project); this should also consider (within the scope of the CIL regulations) the degree to which projects contribute to increased community reliance or capacity
 - Deliverability (are there any constraints to implementing the project in the proposed timescale); and
 - Funding (availability of other funds, appropriateness of use of CIL).
11. This group may also be able to consider if there are opportunities to pool the funds with other council funding streams or other investment funds in localities to achieve a bigger impact e.g. open space, play, highways and environmental improvements.
 12. The timing of project delivery must be taken into consideration before the allocation of funds is made. It will be important to maintain a cautious approach to committing funds before they are received as the level of CIL income cannot be predicted with certainty.
 13. Communities will be informed of the recommendations to cabinet / council and will be provided with full feedback about the basis on which decisions have been made.
 14. Local ward members will be involved in the engagement process but will also be kept fully briefed so that they can help to communicate with local people.

Note:

15. This process will be reported to sustainable development panel to promote a better understanding of the process;
16. Details of the of the process will also be publicised via e- councillor.

Annex A: CIL working Group – Terms of reference.

Membership:

- City growth and development manager
- City growth and development coordinator
- 4 x communities and neighbourhood managers
- Reps from teams who may contribute other finance and potential spending services, including:
 - Transportation
 - Green spaces
 - Landscape and conservation
 - Sport and leisure
 - NPS Norwich- Housing property
 - Housing
 - S.106 officer
 - Rep from Communications team
 - Finance (re capital programme)

Objectives:

- To provide a City corporate officer input into Greater Norwich infrastructure business plan
- To develop and deliver specific projects arising from the Greater Norwich infrastructure business plan
- To develop project ideas for consideration by neighbourhoods for use of CIL neighbourhood funding
- To deliver specific projects using the neighbourhood funding element
- To coordinate effective use of CIL funding alongside other funding sources on an area basis
- To coordinate consultation with any other planned council consultation

Integrated impact assessment



NORWICH
City Council

The IIA should assess **the impact of the recommendation** being made by the report

Detailed guidance to help with completing the assessment can be found [here](#). Delete this row after completion

Report author to complete

Committee:	Sustainable Development Panel
Committee date:	23 September 2015
Head of service:	Andy Watt
Report subject:	CIL- Process for engaging with local communities on the expenditure of the community element of CIL
Date assessed:	14 September 2015
Description:	Report for information

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	CIL will provide income for new infrastructure projects
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	.
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	CIL income may benefit transportation provision
Natural and built environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	CIL income may provide improvements to the natural and built environment
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

Recommendations from impact assessment
Positive
CIL income will provide benefits to local communities and help to mitigate the impact of development.
Negative
Neutral
Issues

