

**Report to** Cabinet  
08 February 2017  
**Report of** Head of City Development services  
**Subject** Neighbourhood community infrastructure levy

**Item**  
  
**8**

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## **Purpose**

To consider proposals for the neighbourhood element of Community Infrastructure Levy (CIL) for Norwich in 2017-18

## **Recommendations**

To:

1) approve proposals for CIL neighbourhood funding for 2017-18 as follows:

Contribution to Crowdfunding pool:	50,000
Match for Norfolk Parish Partnership fund:	20,000
Mile Cross cycle/pedestrian links:	25,000
Car Club:	5,000

2) agree the proposed changes to the process for allocating funding for the neighbourhood element of CIL. These include:

- a) Allocation of 50,000 as match for a *Crowdfunding* pot into which community groups may bid; and
- b) Allocation of 20,000 as match for Norfolk County Council's *Parish Partnership* transport fund

## **Corporate and service priorities**

The report helps to meet the corporate priority a prosperous and vibrant city

## **Financial implications**

£100,000 allocated from Neighbourhood CIL receipts to the projects outlined in paragraph 8 (to be included in 2017-18 programme)

**Ward/s:** All Wards

**Cabinet member:** Councillor Waters - Leader

**Contact officers**

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**Background documents**

None

# Report

## Background

1. 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.
2. 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.
3. The regulations require that CIL income is spent on infrastructure as defined by the Town and country planning act 2008 (as amended). 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 the provision, improvement, replacement, operation or maintenance of infrastructure; or anything else that is concerned with addressing the demands that development places on an area.
4. In February 2014, Cabinet approved a process for engaging with local communities about how the neighbourhood element of CIL is spent. Cabinet also agreed that the process would be subject to review in the light of experience in operating it. 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.

## 2017/18 programme

5. During 2016, a corporate team of officers have worked to identify how the process of allocating neighbourhood CIL funding can be made more transparent and give better value. In order to amplify the effect of CIL neighbourhood funding – spent on projects that are generally small scale in nature – it is proposed that the bulk of the 2017-18 allocation is matched with funding from elsewhere. Candidate projects will continue to be expected to demonstrate community support and compliance with criteria for CIL. This will create two pools of funding into which projects can bid, thereby making the process more open and accountable to the community.

## Crowdfunding

6. Allocation of substantial funding to the crowdfunding pool is intended to address a known weakness of the CIL neighbourhood regime, namely that worthwhile projects enjoying community support frequently require funding well beyond the availability of

the funds available. The new approach provides a means to demonstrate support for these activities and – hopefully - make it easier for them to secure the balance of their budget from other sources.

7. Crowdfunding is the fundraising practice of asking multiple backers to invest small sums of money to fund larger projects using a specific internet based platform. Funders allocate pots of money and specify the type of activity that pot will fund, then they allow projects to bid into that pot of money, with the understanding that they have to raise a proportion of the money themselves. By doing this, they can make extra funds from residents and local corporate sponsors available for projects and there is also an endorsement from the wider community that the project is supported in the local area as they have co-funded it. Full details on the process are provided at appendix 1 to this report.
8. A good example of a city council matched funded crowdfunding site is [Plymouth City Council](#) who uses *Crowdfunder* as their partner platform. Plymouth City Council has raised £418k through their platform against an initial match pot of £60k (from their neighbourhood CIL fund), attracting an addition £30k from local business and £40k from a local power company.

### **Parish partnership funding**

9. For a number of years Norfolk County Council has run a parish partnership scheme to help fund local minor highway schemes. The county council will provide up to 50% of the funding with for small scale highway schemes such as pedestrian refuges, new footpaths and speed awareness signs. The maximum contribution they will make to any one project is £25k and the current annual pot is £300k.
10. Recently the County council have extended the scheme to urban areas where there are no parish councils and from 17/18 community groups within the city will be able to make bids for this funding. Since there has been community interest in schemes of this type but they are frequently costly, matching CIL with Parish Partnerships funding is considered a good means of increasing these schemes' deliverability.

### **Other projects**

11. A stand-alone but high impact proposal to provide better pedestrian and cycle links between Mile Cross School (and the Norman Centre) and the Drayton Road shops (and bus stops), has been under consideration for some while. It has high levels of community support.
12. Originally the project was put forward for pooled CIL funding. However it was deemed to have a neighbourhood focus rather than a strategic focus. It is therefore recommended to take the project forward as part of the 2017/18 neighbourhood CIL funding allocation and without matching funding from either crowdfunding or the county's parish partnership scheme.
13. An allocation of £5,000 is also proposed to provide additional car club spaces in response to community demand. This again a project that would have hitherto been funded from Section 106 funds but is not considered to be a strategic CIL project.

## Anticipated funding allocation in 2017/18

14. The council's finance department has forecast a CIL allocation for neighbourhood projects in 2017-18 of circa £100,000. This is based on conservative forecasting of the funds likely to be available, though it is reasonable to anticipate a further £147,000 may be forthcoming. Given the timescales required for project development, consultation and so on, it should be noted that an allocation of funding in a given year does not imply that the project will be fully delivered within the same year. In many cases activity will necessarily extend into the following year.
15. The proposed allocation for 2017-18 is as follows:

<b>Neighbourhood CIL – proposed activity</b>	<b>2017-18</b>
Contribution to Crowdfunding pool	£50,000
Match for Norfolk Parish Partnership fund	£20,000
Mile Cross cycle / pedestrian links	£25,000
Car Club	£5,000
Total	£100,000

## Options appraisal

16. Do nothing: The neighbourhood element of CIL funding will continue to operate in the way it does currently, attracting no additional matched funding.
17. Preferred option: Allocate the proposed sums to the crowdfunding and parish partnership fund pots during 2017-18. If successful, this will attract matched funding and permit delivery of more activity than would be possible using CIL receipts alone. The success of this approach will be reviewed in October 2017.

## Conclusion

18. The experience of councils elsewhere – Manchester and Plymouth for example – indicates that a crowdfunding approach to matching CIL offers excellent prospects for increasing the level of funding available to local projects. This suggests that this approach will increase community engagement in a more open, accountable process.

## 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

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	08-01-2017
<b>Director / Head of service</b>	Dave Moorcroft
<b>Report subject:</b>	Neighbourhood CIL allocation 2017-18
<b>Date assessed:</b>	08-02-2017
<b>Description:</b>	To seek approval for allocation of CIL (neighbourhood) funding for 2017-18

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



**Recommendations from impact assessment**

**Positive**

**Negative**

**Neutral**

**Issues**



# GET INVOLVED!

## Community Enabling Programme

### Appendix One: Crowdfunding

#### What is Crowdfunding?

Crowdfunding is the fundraising practice of asking multiple backers to donate small sums of money to fund a larger projects using a specific internet based platform. Often there is a reward element – a name on a funders wall, an invite to an opening event, a t-shirt.

#### How do councils and funders use Crowdfunding?

Many councils and funding bodies such as the Arts Council have moved to utilising national crowdfunding platforms, predominantly Crowdfunder and Spacehive to make better use of their available funding and attract extra funding in matched programme pots.

Funders allocate funds and specify the type of activity that pot will fund, then they allow projects to bid into that pot of money, with the understanding that they have to raise a proportion of the money themselves. By doing this, they can make extra funds from corporate sponsors and the public available for the projects they want to fund and there is also an endorsement from the wider community that the project is supported in the local area.

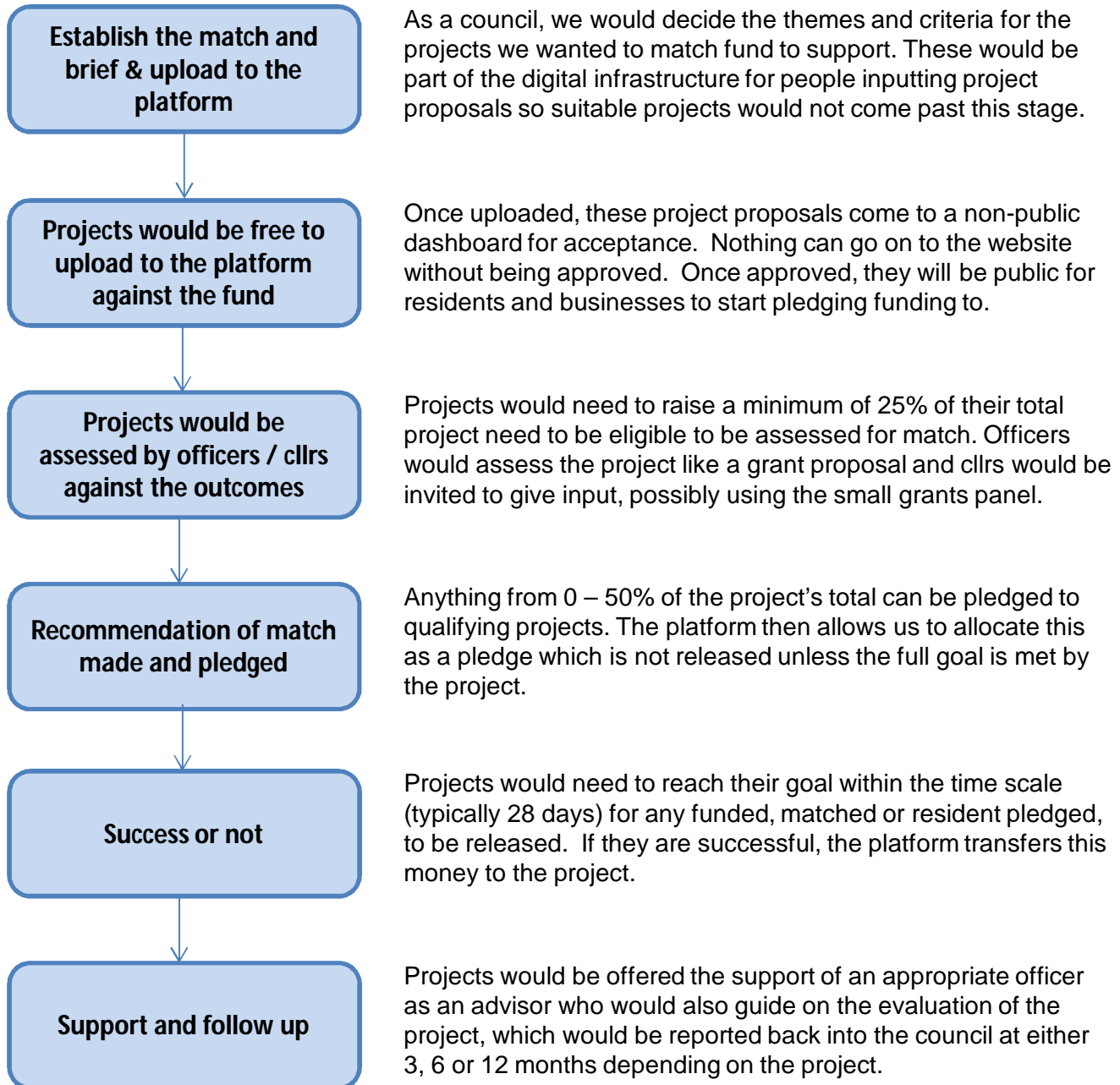
#### Why use it?

- **Value for money** – on average £1 in a matched pot attracts £1.63 in additional funds. It also allows us to offer other funders a place to channel their funds effectively into the city
- **Community buy in** – it is a tangible way to evidence community support for a project as should the community not want the project, they won't use their own money to support it
- **Hotspot targeting** – with the data available from a crowdfunding digital platform, we are able to identify where projects are coming from organically, and therefore target resource into upskilling people in areas who are not using it effectively
- **Options in funding levels** – we can pledge up to 50% of a project but we are able to choose to fund less if we believe the project can raise the full amount without our intervention. We can also choose to fund to a lower level in more affluent areas and to a greater level in more deprived wards.
- **Supports the Digital Inclusion project** – the training and workshops to upskill VCSEs to use the platform will build on the work of the DI project and help develop further digital skills

# GET INVOLVED!

## Community Enabling Programme

### How crowdfunding works for the council:



- There can be multiple funds on the platform each with their own criteria and signoff allowing us to engage other funders to use the platform
- There will be the opportunity to regularly review where projects are coming from and then target areas not participating with workshops and training
- There is no requirement to pledge funds to projects which are eligible if we feel that they are able to raise the funds themselves
- Projects will also be able to tap into match funded pots which are nation through our site such as Arts Council funds or Virgin Voom for social enterprise.