

Cheltenham Borough Council

Cabinet – 20th December 2022

Cheltenham Community Infrastructure Levy – Neighbourhood Panel

Accountable member:

Cabinet Member Customer and Regulatory Services, Cllr Martin Horwood

Accountable officer:

Head of Planning, Liam Jones

Accountable scrutiny committee:

Overview & Scrutiny Committee

Ward(s) affected:

All non-parished wards

Key/Significant Decision:

No

Executive summary:

Cheltenham Borough Council charges Community Infrastructure Levy (CIL) on liable development. This secures investment to help fund infrastructure needed to support new development in its area. As set out in the report to Council on 20th June 2022, the Council needs to establish a clear CIL governance structure to oversee the council's approach to the investment of both legacy and future CIL monies.

This report relates to the **Neighbourhood** element of CIL collected on behalf of non-parished areas. It presents the governance proposed for the establishment of a Cheltenham Neighbourhood Panel to oversee and make recommendations to the Cabinet on the allocation of funds to ensure CIL serves its purpose of contributing to the delivery of the infrastructure necessary to support development in Cheltenham.

Recommendations:

1. To agree the Terms of Reference of the Cheltenham CIL Neighbourhood Panel,
 2. Delegate consultation with the relevant Group leaders in respect of the named representatives to Corporate Director and Monitoring Officer, and
 3. Delegate the operational establishment of this panel to the Head of Planning, to be in place to review the first round of expressions of interest by spring 2023.
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1. Implications

Financial implications

Contributions from developers are and will be held in a holding account and used to fund neighbourhood infrastructure when required. As at 31st March 2022, £77,304.28 was available for unparished areas.

Signed off by: Capital and Treasury Management Accountant, andrew.sherbourne@cheltenham.gov.uk

Legal implications

Regulation 59F of the Community Infrastructure Levy Regulations 2010 provides that where all or part of a chargeable development is in an area which is unparished, those CIL receipts that would have been otherwise passed to a Parish Council may be used by a charging authority to support the development of that part of the charging authority's area that is not within the area of a local council.

The law does not prescribe a specific process for agreeing how the neighbourhood portion should be spent, but the national Planning Practice Guide states that in cases where the charging authority will retain the neighbourhood portion, the charging authority should engage with the communities where development has taken place using existing community consultation and engagement processes and agree with them how best to spend the neighbourhood funding.

Further that, charging authorities should set out clearly and transparently their approach to engaging with neighbourhood, with consultation at the neighbourhood level proportionate to the level of levy receipts and scale of the proposed development to which the neighbourhood funding relates.

Signed off by: One Legal, legalservices@onelegal.org.uk

HR implications

There no HR implications arising from the recommendation.

Signed off by: HR Business Partner, Publica, clare.jones@publicagroup.uk

Environmental and climate change implications

No comments relevant for this report, however the supporting Expression of Interest which tests future neighbourhood CIL projects should look to incorporate the use of the climate change impact assessment tool.

Signed off by: Climate Change Emergency Programme Officer, laura.tapping@cheltenham.gov.uk

Property/asset implications

No comments relevant for this report, any future Expressions of Interest will need to be fully assessed for property implications should they impact on CBC land ownership.

Signed off by: Head of Finance gemma.bell@cheltenham.gov.uk

Corporate policy framework implications

The recommendations regarding the establishment of the Cheltenham Neighbourhood Panel will support the council deliver its statutory function as Local Planning Authority and the distribution of funds to local organisations will support the council deliver the priorities set out in the council's corporate plan

Signed off by: Head of communities, wellbeing & partnerships, richard.gibson@cheltenham.gov.uk

2. Promoting equality and reducing discrimination

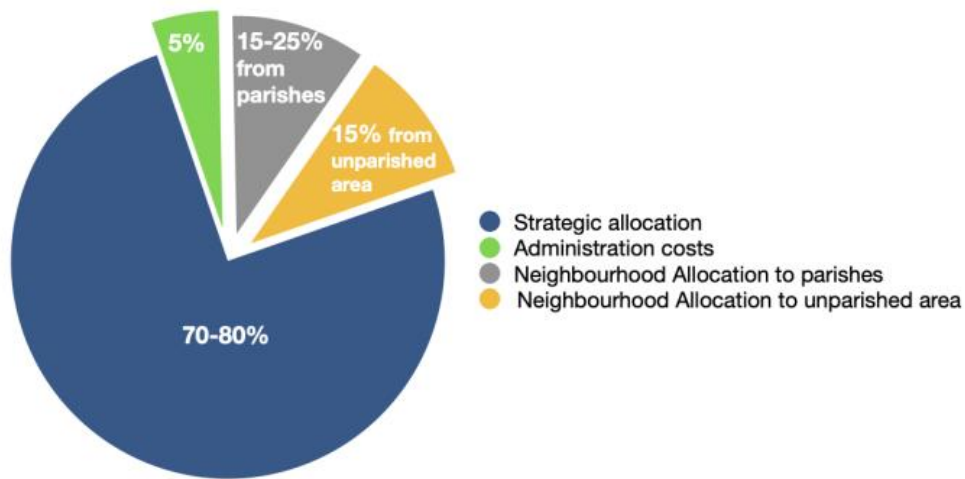
Not applicable for this report, however the Expression of Interest form that will support the recommendations of the Cheltenham CIL Neighbourhood Panel will include request for information on how the projects proposed will support equality.

3. Performance management – monitoring and review

The activities of the Cheltenham CIL Neighbourhood Panel will be reviewed by Cabinet and Overview and Scrutiny Committee.

4. Background

- 4.1. The Community Infrastructure Levy (CIL) is a charge, which local authorities can place on developers to help fund infrastructure needed to support new development in their areas. CIL is governed by the CIL Regulations 2010 (as amended). Under these Regulations, Cheltenham Borough Council is a Community Infrastructure Levy (CIL) charging authority and approved the introduction of CIL October 2018 with the commencement of charging on planning applications granted permission on or after 1st January 2019.
- 4.2. Since 2019, the CIL pot has been slowly growing and values received reported annually via the councils statutory Infrastructure Funding Statement, submitted to government at the end of each year.
- 4.3. In line with CIL regulations, CIL is allocated along the following split.



4.4. This report relates to the Neighbourhood Allocation to non-parished areas (see map at appendix 2), as highlighted in the orange segment in the diagram above. Where funding relates to parish councils, the council transfers this direct to the relevant body. However, where there is no parish council or approved neighbourhood forum then the council retains this element to be spent on relevant neighbourhood projects.

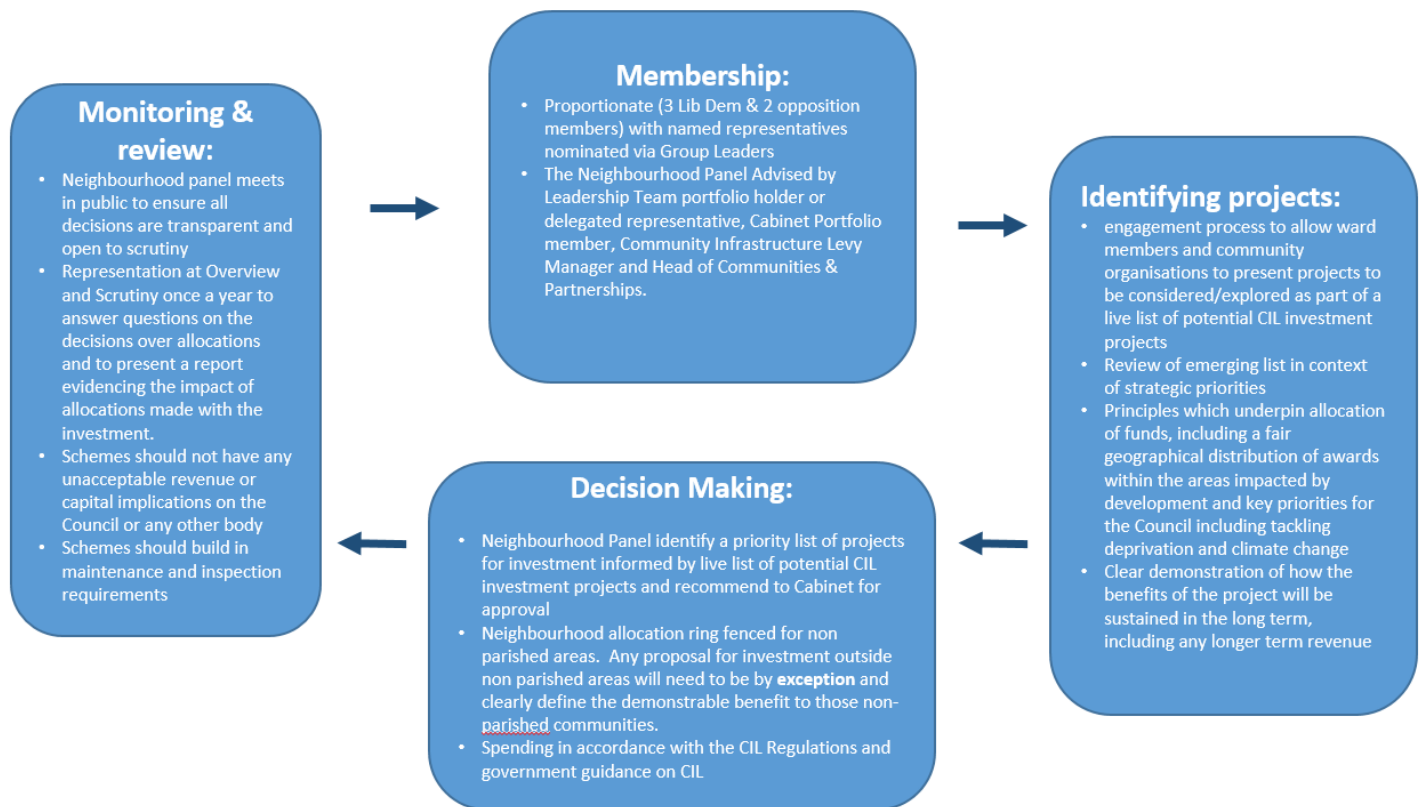
5. Governance Arrangements – The Neighbourhood Allocation

5.1. One of the purposes of CIL is to encourage communities to support development and recognise that development can bring clear and identifiable benefits to an area. The CIL Regulations provide that a proportion of CIL collected from areas may be spent to address “**the demands that development places**” on a local area. In respect of the non-parished element of the Neighbourhood Allocation, the council should seek to address the demands that development approved places on that area. This does not preclude investment from this neighbourhood allocation within a parished area, but it must be on an **exception** basis and clearly bring demonstrable benefit to the non-parished areas.

5.2. There is some flexibility on the use of the Neighbourhood Allocation, provided it supports:

- 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

5.3. Appendix 3 provides a draft Terms of Reference for the operation of the Cheltenham CIL Neighbourhood Panel, and this is summarised in the diagram below. It is noted that membership of the Neighbourhood Panel is drawn from the non-parished area. A draft Terms of reference was included in the report to Cabinet – 5th April 2022, in which we set out the commitment to establish this governance. That draft terms of reference indicated a Panel of 7. In drafting the final Terms of Reference a Panel of 5 is proposed to enable focussed assessment of proposals with the guidance of the officer team.



6. Reasons for recommendations

- 6.1. Cabinet is being asked to agree the Terms of Reference to enable the set up and operation of the Cheltenham CIL Neighbourhood Panel. This will enable engagement with relevant wards members and wider communities and support the preparation of prioritisation of projects for future consideration for funding allocation by Cabinet.

7. Alternative options considered

- 7.1. None. The CIL regulations clearly set out the mechanisms for how CIL monies can be spent. Best practice from other CIL charging authorities demonstrate the value of engaging with the local communities affected identifying projects in partnership.

8. Consultation and feedback

- 8.1. Engagement undertaken with:
- Cabinet portfolio member
 - Group leaders
 - Leadership Team
 - Specialist officers

9. Key risks

- 9.1. See Appendix 1.

Report author:

Tracey Birkinshaw, Director of Communities & Economic Development

Appendices:

1. Risk Assessment
2. Map of non-parished areas
3. Draft terms of reference of Cheltenham CIL Neighbourhood Panel

Background information:

1. Cabinet – 21st December 2021 Infrastructure Funding Statement (IFS) Requirements
https://democracy.cheltenham.gov.uk/documents/s38868/2021_12_21_Infrastructure%20Funding%20Statement%20IFS%20Requirements_report.pdf
2. Cabinet – 5th April 2022 Community Infrastructure Levy Governance & Section 106 engagement
https://democracy.cheltenham.gov.uk/documents/s39870/2022_04_05_CIL%20governance%20and%20s106%20engagement_report.pdf
3. Council 20th June 2022 Community Infrastructure Levy Governance & Section 106 engagement
https://democracy.cheltenham.gov.uk/documents/s40680/2022_06_22_CIL%20governance%20and%20s106%20engagement_COUNCIL%20report.pdf

Appendix 1: Risk Assessment

Risk ref	Risk description	Risk owner	Impact score (1-5)	Likelihood score (1-5)	Initial raw risk score (1 - 25)	Risk response	Controls / Mitigating actions	Control / Action owner	Deadline for controls/ actions
	If Neighbourhood Panel is not set up then CIL monies allocated to non-parished areas will not be spent in a timely manner	CIL Manager	2	2	4	Reduce	<ul style="list-style-type: none"> Set up project in Clearview Report to Cabinet to agree governance and CIL Neighbourhood panel in place. 	Head of Planning	5/12/22 20/12/22 01/04/23

Appendix 2 – Map of Cheltenham unparished areas

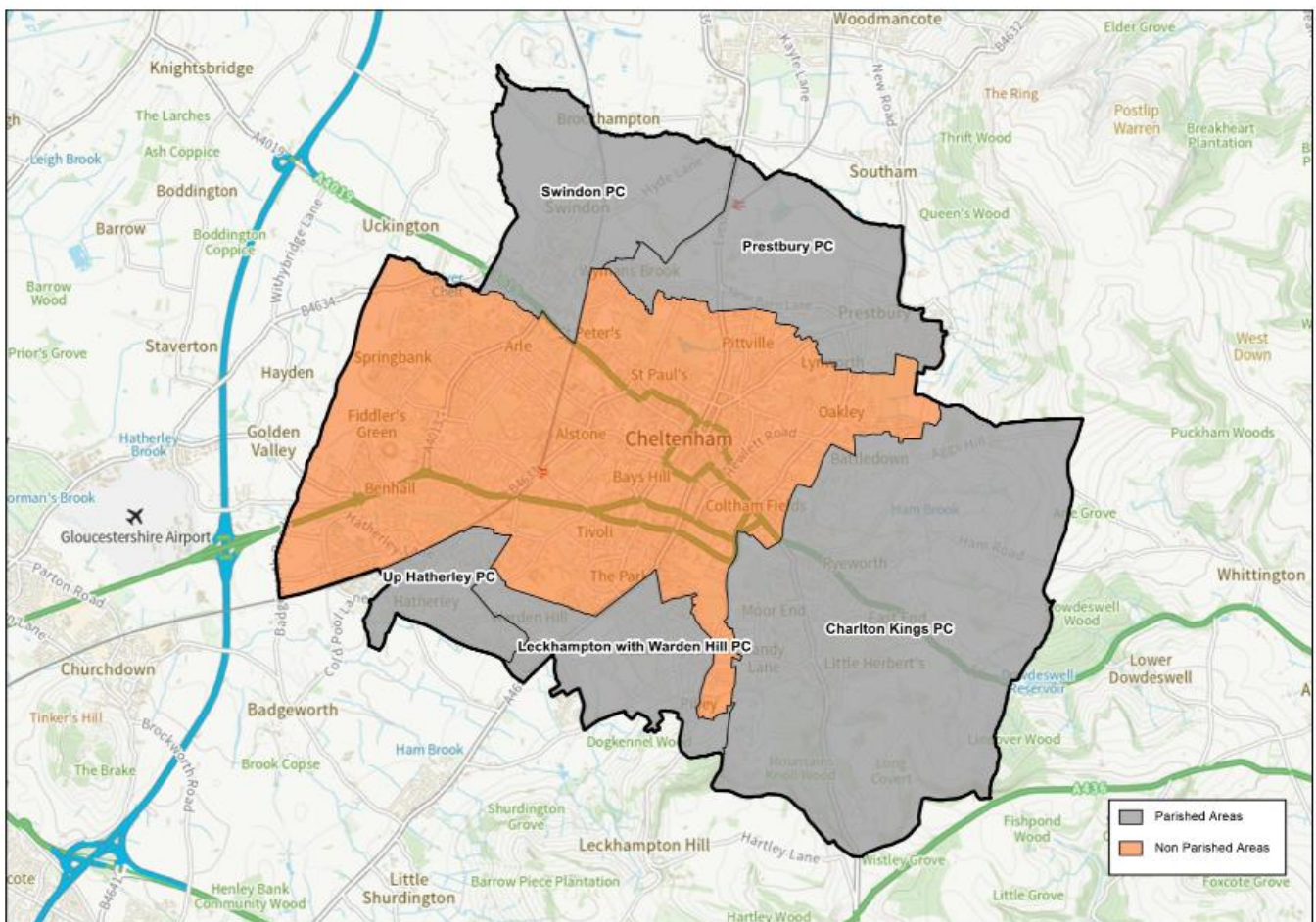
The map below shows the extent of the non-parished areas of Cheltenham

The following 9 wards are **wholly** non parished

- All Saints
- Benhall and Reddings
- College
- St Marks
- Hesters Way
- Lansdown
- Springbank
- St Pauls
- St Peters

The following 6 wards are **partly** non-parished

- Charlton Park,
- Battledown,
- Oakley, Park,
- Pittville,
- Swindon Village
- Warden Hill



Appendix 3 – Draft Terms of Reference: Cheltenham CIL Neighbourhood Panel