

Cheltenham Borough Council

Cheltenham Community Infrastructure Levy Cabinet 11 July 2023

Recommended allocations of neighbourhood CIL funds

Accountable member:

Councillor Martin Horwood - Cabinet Member Customer & Regulatory Services

Accountable officer:

Tracey Birkinshaw, Director of Communities & Economic Development

Ward(s) affected:

Non-parished areas

Key Decision: No

Executive summary:

In December 2022, Cabinet agreed to establish Cheltenham Community Infrastructure Levy (CIL) – Neighbourhood Panel which would then provide a process for the allocation of neighbourhood CIL funds held on behalf of the non-parished areas (areas without a parish council) of Cheltenham to priority community-based projects.

In January 2023 the council went live with a bidding round, to which individuals, communities and ward councillors across non-parished areas could apply for neighbourhood CIL funding to improve their local area that has been affected by development.

The bidding round closed on 30th April 2023 and a total of 27 applications were received, requesting £450k worth of funding.

The five members of the neighbourhood panel met on two occasions to review the applications and to make preliminary recommendations which were then endorsed at a meeting of the Neighbourhood Panel on 22 June. The endorsed recommendations are brought to Cabinet for agreement and are set out in **Appendix 2** and the map in **Appendix 3**.

Recommendations: That Cabinet:

1. agree the endorsed recommendations as set out in appendix 2 as the priority list of neighbourhood projects for investment.

2. **enter into project agreements with the agreed projects.**
 3. **support the intention to launch a second funding round once the neighbourhood Community Infrastructure fund has built up to a sufficient level. The timing of this will be informed by regular monitoring of the fund.**
 4. **undertake a lessons-learnt exercise and build any best practice arising into future bidding rounds.**
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1. Implications

1.1 Financial, Property and Asset implications

Contributions from developers are and will be held in a holding account and used to fund neighbourhood infrastructure when required. As at 15 June 2023, £128,474.82 was available for unparished areas.

Gemma Bell, Director of Finance and Assets (Deputy Section 151 Officer)
Gemma.bell@cheltenham.gov.uk

1.2 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

1.3 Environmental and climate change implications

As part of the application process, applicants were encouraged to submit a climate change impact assessment. It is pleasing to see that 15 organisations submitted assessments which will provide rich information about how well the projects will support the council's climate impact ambitions

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

1.4 Corporate Plan Priorities

The recommendations regarding 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**

1.5 Equality, Diversity and Inclusion Implications

The recommendations as set out in appendix 2, if agreed by Cabinet, will see funding awarded to a number of organisations. Each of the grant recipients will manage the funding in line with their own equality and diversity policies.

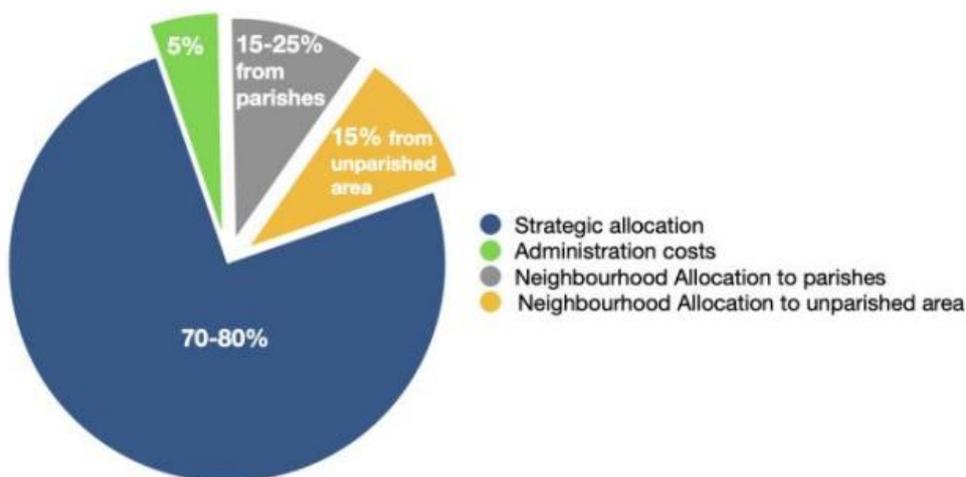
The panel have been mindful to ensure that there is a fair distribution of funding across the non-parished areas and a map of the recommendations is attached as **appendix 3**

1.6 Performance management – monitoring and review

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

2. Background

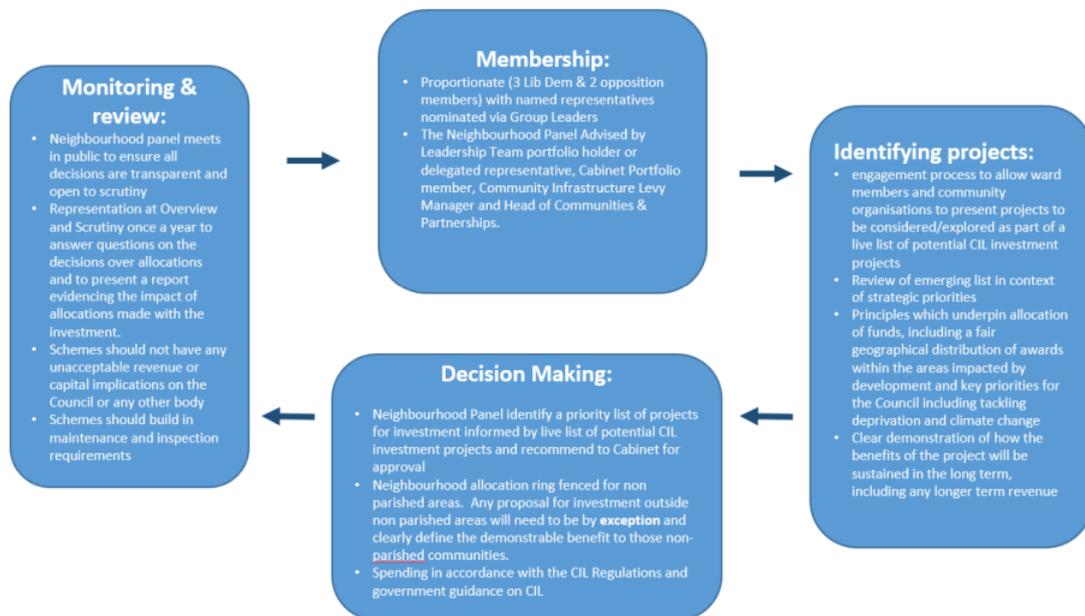
- 2.1 The Community Infrastructure Levy (CIL) is a charge which local authorities can place on developers to help fund infrastructure needed to support new development in their areas. CIL is governed by the CIL Regulations 2010 (as amended). Under these Regulations, Cheltenham Borough Council is a CIL 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.
- 2.2 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.
- 2.3 In line with CIL regulations, CIL is allocated along the following split.



- 2.4 This report relates to the Neighbourhood Allocation to **non-parished areas** 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 then the council retains this element to be spent on relevant neighbourhood projects.

3. Governance Arrangements – The Neighbourhood Allocation

- 3.1 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.
- 3.2 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.
- 3.3 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
- 3.4 In December 2022, Cabinet agreed to establish the Cheltenham CIL – Neighbourhood Panel which would then provide a process for the allocation of CIL funds to priority community-based projects in line with the attached chart.



- 3.5 In January 2023 the council went live with a bidding round, to which individuals, communities and ward councillors across non-parished areas (areas without a parish council) could apply for a share of the CIL funding to improve their local area that has been affected by development. This was conducted wholly online via the Council’s “Cheltenham: Have your say” platform.
- 3.6 The intention was to make the application process as straightforward as possible. A “frequently asked questions” document was made available and kept up to date. In addition, the council listened to feedback about the process and simplified the application form and removed some of the requirements for supporting information for lower value projects.
- 3.7 The bidding round closed on 30th April 2023 and a total of 27 applications were received, requesting £450k worth of funding.

3.8 The five members of the neighbourhood panel met on two occasions to review the applications and to make preliminary recommendations which were then endorsed at a meeting of the Neighbourhood Panel on 22 June. The endorsed recommendations are brought to Cabinet for agreement and are set out in **Appendix 2**

3.9 A lessons learnt exercise will be undertaken to inform future bidding rounds to ensure we build in feedback from participants and any best practice emerging

4. Next steps

4.1 Subject to agreement by Cabinet, a grant agreement will be entered into with each party, this will include relevant monitoring arrangements.

5. Key risks

5.1 There are three key risks identified in the risk assessment in **appendix 1**:

- Potential cost over-run by inadvertently paying out more to the providers that has been allocated in the delivery plan
- Potential misuse of the grant
- If a grant recipient becomes insolvent or winds up before the grant is used

Report author:

Richard Gibson, Head of Communities, Wellbeing & Partnerships

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Appendices:

1. Risk Assessment
2. Recommended allocations for neighbourhood CIL
3. Map of recommended allocations

Background information:

[Cabinet – 20th December 2022: Cheltenham Community Infrastructure Levy – Neighbourhood](#)

[Panel](#)

[Cheltenham Neighbourhood CIL – call for projects](#)

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
	Potential cost over-run by inadvertently paying out more to the providers that has been allocated in the delivery plan	Richard Gibson	3	2	6	Reduce	Only pass money over to third parties up to the maximum that has been pre-allocated and monitoring spend Ensure due diligence has been undertaken with each provider.	Richard Gibson	22.6.23 11.7.23 31.3.24
	Potential misuse of the grant	Richard Gibson	3	2	6	Reduce	Ensure due diligence has been undertaken with each provider.	Richard Gibson	31.3.24
	If a grant recipient becomes insolvent or winds up before the grant is used	Richard Gibson	3	2	6	Reduce	Endeavour to pay out funds in arrears to minimise financial risk to the council. Ensure due diligence has been undertaken with each provider.	Richard Gibson	31.3.24