



WORTHING BOROUGH
COUNCIL

Worthing Joint Strategic Sub-Committee
6 March 2023

Key Decision [~~Yes~~/No]

Ward(s) Affected: All
Cabinet Portfolio: Regeneration

Review of Governance and Procedures for Administering the CIL Neighbourhood Fund

Report by the Director for the Economy

Officer Contact Details

David Attmore, Community Infrastructure Officer,
(01903) 221493 / david.attmore@adur-worthing.gov.uk

Executive Summary

1. Purpose

- 1.1. The purpose of this report is to present a change to the process for distribution of CIL funds that better reflects the Council's ambition to become a Council for the community. The intention is to drive meaningful change in our approach to decision making that empowers local communities to have more influence on how CIL monies are spent at a neighbourhood level.

2. Recommendations

- 2.1. The Committee is recommended to:
 - a. approve the proposed changes to the CIL Neighbourhood Fund process
 - b. note the suggested timeline for the next round of applications to the Fund

3. Context

Becoming a Council for the Community - the role of CIL

- 3.1 The recent report 'becoming a council for our community,' adopted at the February JSC Sub-Committee, recognised the significance of a new approach to CIL as one of the first steps toward driving meaningful change by empowering local groups to make decisions on how and where funds are spent in their neighbourhoods.
- 3.2 The redesign of the CIL process will help to:
- Widen the reach and inclusivity of the CIL fund across our communities;
 - Strengthen inclusivity;
 - Provide greater transparency and openness;
 - And mindful of a genuine ambition to become a council for the community, it will allow the Council not just to collaborate, but, when necessary, 'step back' and enable communities to be better able to act for themselves.
- 3.3 Ultimately, CIL will need to respond to our work toward identifying 'map of place' referred to in 'building a council for our community,' and founded on insight and data on how people understand and recognise their neighbourhoods, rather than working within the traditional administrative boundaries such as local wards. In the meantime, the grouping of wards as part of a revised approach is intended as a confident 'first step' toward a neighbourhood based approach. Ward councillors will continue to play an important role in engaging with local communities and as part of the decision making process.

The current position

- 3.4 15% of all Community Infrastructure Levy (CIL) receipts are for 'neighbourhood funding', as detailed in the CIL Regulations (as amended). The intention of this proportion of CIL receipts is to provide infrastructure improvements in close proximity to where development takes place. It is up to the local community to decide how these funds should be spent.
- 3.5 In the absence of parishes and neighbourhood plans, which is the case in Worthing, the CIL Regulations allow the Council to design its own bespoke definition of what constitutes a local neighbourhood area for the purpose of

allocating the CIL neighbourhood fund. To date, wards have been the starting point for allocating neighbourhood funds.

3.6 A total of 12 applications were received in 2021 for the first round of funding. Of these, ten community groups have been awarded CIL Neighbourhood Funds totalling nearly £72,000. The applications were from 5 different wards and included a range of projects. As of January 2023, a total of over £40,000 has been distributed to the groups and spent on much needed infrastructure projects.

3.7 As CIL funds are collected at the commencement of a development, the amount of funds received has continued to increase. As at 7th February 2023, there was a total of over £650,000 available in the CIL Neighbourhood Pot. This included the following Wards with over £50k of receipts:

- Northbrook - £341,587.67
- Central - £166,989.21
- Marine - £55,546.47

3.8 Overall, for a new funding scheme and set of procedures, it was considered that the first round of CIL Neighbourhood bidding worked well. However, as with any new process, it was acknowledged that there were elements that could be improved. The redesign of the fund would help the Borough Council to:

- widen the reach of the fund
- make the process more transparent
- start to 'shift the dial' to enable more community input in determining how funds are allocated

Review Process

3.9 Officers established a Multidisciplinary Team (MDT) in April 2022, which consisted of Officers from a range of Council departments: Community Infrastructure Officer; Participation Lead; Service Designer; and, Communications Officer. The aim was to gather different perspectives on the aims of CIL Neighbourhood Fund, as part of the review of how the fund could work more effectively. The MDT has also consulted with Community Works, a trusted partner with lots of knowledge of grant funding applications.

3.10 A shared understanding was developed into an applicant journey map which was then used to build a collective understanding of what could work differently

to enable the fund to better meet its aims. A number of internal workshops were held between officers and members between July 2022 and November 2022 to discuss how the CIL Neighbourhood Fund process could be improved.

- 3.11 A workshop was also held with a number of community groups in September 2022 and resulted in a map of the ideal pathway from their perspective, having previously applied for grant funding. A meeting with London Borough of Newham also helped gain an understanding of their community assemblies process which allocates funding to community groups and residents on an annual basis. They have a large team who organise the process and have built an in-house platform/tool (<https://newhamco-create.co.uk/en/>) that enables them to engage a much wider audience.
- 3.12 In November 2022, a meeting was held with the Worthing Community Chest (WCC) to gain an understanding of their panel assessment process for providing grant funding to community groups. WCC indicated that it gets positive feedback from community groups in particular that they feel part of the overall process. In this respect WCC felt that community groups who often have the best understanding of what the community 'needs' are and how best to run and support infrastructure projects in Worthing. Community groups represented were also keen to suggest that funding should be Borough wide as a number of the charities represented provided support and infrastructure to individuals and groups from across the whole of Worthing.
- 3.13 Meeting with Bournemouth, Christchurch and Poole Council in December 2022 to discuss how they run the CIL Neighbourhood Fund. They use wards for the allocation of CIL funding and run 2-3 funding rounds per year, however they receive a much larger amount of CIL funds than WBC. Their assessment panel is made up of 2 Planning Policy officers and 3 Councillors (from a mix of political parties). They will fund up to £50k for each community group.

4. Issues for consideration

- 4.1 After the workshops described above and reviewing best practice from other local authorities, the table below describes the proposed CIL Neighbourhood Funding process for 2023. The main changes from the previous process are:
 - Introduce a new 'Expression of Interest' stage. This would also allow for formally constituted community groups/community 'umbrella' groups to support/sponsor locally based un-constituted groups to collaborate with the Council to direct CIL funds to specific neighbourhood projects. As part

of this commitment the sponsor body will need to commit to signing the CIL funding agreement with the Council and overseeing the use of funds.

- Allocate the funding based on 'CIL areas' (groupings of wards) where the development takes place, with the CIL receipts pooled and to be opened up to applications if an area has over £10k available - this meets the aim of the CIL Neighbourhood Fund to mitigate the local impacts of development, whilst allowing neighbouring areas to also receive funding. It also forms that first step towards a more place based model.
- Increased maximum allocation of CIL funds from £10k to £15k (only where this amount of money is available in a CIL area)
- A panel assessment of applications involving community groups and stakeholders and Ward Councillors
- Consider the scope for revenue funding rather than just capital projects. A number of community groups struggle with rising energy costs etc. and whilst it would be important that this is not seen as ongoing revenue support, providing one-off emergency funding could help keep organisations and facilities alive whilst longer term funding solutions are secured
- Ensure that any revenue funding to create a new role or rent premises is time limited and the community group seeks alternative funding once the neighbourhood funding runs out
- Allow for the Council to specify particular infrastructure types which would be supported through CIL Neighbourhood funds, i.e. to support addressing the climate change challenge

4.2 The suggested aggregated groups of Wards which will form the Worthing 'CIL areas' as set out below, together with the amount of Neighbourhood funding currently collected in each aggregated area (as at 07/02/2023):

Coastal East: Heene, Central and Selden:

Pot: H £5K; C £167K; S £3K - Total £175K

Coastal West: Marine and Goring:

Pot: M £55K; G £29K - Total £84K

North West: Northbrook, Castle and Durrington:

Pot: N £342K; C £0K; D £23K - Total £365K

North: Tarring, Gaisford and Salvington:

Pot: T £9K; G £0K; S £17K - Total: £26K

North East: Broadwater and Offington:

Pot: B £1K, O £7K - Total: £8K

- 4.3 This approach to aggregating Wards is a step towards a more place based way of working which can be shaped more directly by local communities based on the concept of 15 minute neighbourhoods rather than artificially defined administrative boundaries. As the CIL work develops this is one of the design questions which we will continue to explore in order to develop a 'map of place' which reflects how our communities live their lives.
- 4.4 The previously approved maximum bid was set at £10k, however, with aggregated Wards and having regard to the amount of CIL collected it would be appropriate to increase this figure. A total bid of up to £15k may be considered appropriate by Members (where funds allow in any given aggregated group of Wards). Applications for larger sums, of up to £30K, could be considered in CIL areas where the pot is greater than £50K, providing the applicants can demonstrate that they have actively sought matching funds from alternative funding providers. The minimum CIL bids would remain at £1k.
- 4.5 The proposed step-by-step application process is as follows:

Step	Stage	Why?
1	Wards are grouped as per above, with an area only being opened up to applications, if there is £10k collected in the CIL pot.	Allows for funds to be redistributed to neighbouring areas. Also, some projects do not necessarily fit into 'wards'.
2	Open up 'Expressions of Interest' stage for community groups. Quick turnaround to let groups know the outcome. This stage includes the opportunity for sponsoring bodies to confirm their likely involvement.	Allows initial sifting of proposals. WBC can also refer groups to Community Works, should they need help, for example, getting constituted or a bank account etc.
3	Connect community groups with each other and to relevant ward members	Encourage 'joint bids' and consultation with Councillors.
4	'Simple' application form to be completed by applicant	Understand how much CIL is being requested and what the project is.
5	WBC officers check through	Checks should be only to

	applications	consider whether the application is duplicating something already planned and make sure there are no practical or technical questions with the application – it should not be to pass judgement on whether the application is appropriate.
6	Councillors have a say on projects in their ward	All ward members can comment on applications in their CIL area
7	Panel members are finalised, training is provided and members declare any conflicts of interest with applications which are to be assessed	Training to ensure all panel members are up to speed on process etc. Ensure a fair and transparent process
8	Projects are sent through to a (semi-formal) panel stage. The panel is to consist of councillors, including at least one Cabinet member, a local councillor and representatives of community and voluntary sector organisations active in the neighbourhood area (or the combined wards prior to the neighbourhoods being defined).	Panels discuss the plans with the applicants - to be held in public.
9	An assessment is made by the panel (in private) and published.	Scores undertaken by the panel using reasoned and pre-published criteria.
10	The panel shares their feedback with the group	Important to give feedback to applicants
11	Recommendations from the panel are included in a report to the Cabinet member for Communities and Young People who has the final say on which bids are approved	The member would have the opportunity to refer individual applications back to the panel concerned for further information. Only in exceptional circumstances would the Cabinet member be able to veto a recommendation.
12	Formal process starts for allowing transfer of funds, starting with signing CIL fund agreement	

4.6 A number of details need to be confirmed prior to the commencement of the application process and this can be agreed with the relevant Cabinet Members, however, this report sets out the principal changes. The proposed timeline for the next round of the CIL Neighbourhood Fund process is to open up the opportunity for submissions in April 2023 and look to make the next round of awards in July 2023.

5. Engagement and Communication

5.1 As discussed above, a number of internal and external workshops have been held to review the CIL Neighbourhood Fund process.

5.2 The internal workshops have involved the CIL Multidisciplinary Team (MDT), Head of Planning & Development, Planning Policy Manager (Worthing), Democratic Services Lead, Cllr Carl Walker, Cllr Jim Deen and Cllr John Turley.

5.3 The external workshop involved 11 members of the public, from a range of community groups. These included: Residents' Associations; Not-for-profit organisations; Scout Groups; and Charities.

6. Financial Implications

6.1 The CIL funding (15% of all receipts) gives the Council the opportunity to provide funding to community groups to provide much needed infrastructure which may not otherwise be delivered. This is in line with the CIL Regulations (as amended).

6.2 The Council employs an Officer to administer the scheme. This post is funded from the 5% administration share of the CIL generated.

6.3 There would be the requirement for some Council teams to provide assistance with regards to the assessment of the 'bids' for funding which are received. This would be delivered within existing resources.

7. Legal Implications

7.1 Legislation governing the development, administration and governance of CIL is contained within the Planning Act 2008 and the Community Infrastructure Levy Regulations 2010 (as amended). The Department for Levelling Up,

Housing and Communities (DLUHC) has also provided CIL guidance that needs to be followed.

- 7.2 Governance arrangements that are consistent with the CIL Regulations must be agreed. If they are not then the Council runs the risk of complaints and/or challenges from developers and these could then be upheld by the Local Government Ombudsman.
- 7.3 Under the Equalities Act 2010 the Council has a “public sector equality duty”. This means that in taking decisions and carrying out its functions it must have due regard to the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the 2010 Act; to advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it; and to foster good relations between persons who share a relevant protected characteristic and those who do not share it. All decisions on spending CIL will themselves be subject to assessment to ensure the 2010 Act duties are complied with.

Background Papers

- Joint Strategic Committee 2 April 2019, agenda item 7 - Worthing Community Infrastructure Levy - Governance and Procedural Matters
- Joint Strategic Committee 1 February 2018, agenda item 7 - Community Infrastructure Levy - Governance Arrangements
- CIL Regulations (as amended)

Sustainability & Risk Assessment

1. Economic

- The efficient collection and distribution of money collected in the CIL Neighbourhood Pot (15%) will help to ensure that infrastructure is delivered alongside development to meet the identified needs of new and existing residents, communities and businesses.
- This money will be used by community groups to provide much needed infrastructure in the areas where development has taken place.

2. Social

2.1 Social Value

- The efficient and transparent governance of the CIL Neighbourhood Fund will ensure that money collected is spent on projects that provide the greatest benefit to the community.

2.2 Equality Issues

- Issues relating to race, disability, gender and equality have been considered and it is not felt that CIL will have an adverse impact on any social group. Our Comms will try to ensure that all the relevant groups are made aware of the fund. In reality, by making communities more sustainable, CIL will facilitate economic growth and help to deliver improved services. The infrastructure and services that CIL can provide (such as community facilities and transport networks) could enhance liveability for all sectors of society, and could help to deliver new infrastructure that serves different needs within the community.

2.3 Community Safety Issues (Section 17)

- Matter considered and no issues identified.

2.4 Human Rights Issues

- Matter considered and no issues identified.

3. Environmental

- Matter considered and no issues identified.

4. Governance

- The Council has overarching responsibility for the allocation of CIL monies and reporting of monies collected and spent. The protocols proposed and being taken forward, will enhance the Council's reputation as they will

ensure that CIL is managed in a transparent way and in accordance with the CIL Regulations.

- Without clear and robust governance arrangements being in place, the Council could be open to challenge on the basis of maladministration of CIL funds.
- The efficient distribution of money collected through CIL will help to ensure that infrastructure is delivered alongside development to meet the identified needs. This will help to contribute towards meeting many Council priorities.