

Board/Committee:	Policy and Organisation Board
Date of Meeting:	28th September 2022
Title:	Community Infrastructure Levy (CIL) Neighbourhood Fund – Review of Arrangements
Author:	Manager of Planning Policy
Status:	For Decision

PURPOSE

To seek Members approval for a revised arrangement regarding the neighbourhood portion of the Community Infrastructure Levy (CIL) which the Council is currently collecting from developers.

RECOMMENDATION

That this Board:

- Agree to end the Service Level Agreement (SLA) with Gosport Voluntary Action (GVA) for the administration of the CIL Neighbourhood Fund and bring the scheme in-house and consequently:
 - Agree a handover period as set out in the SLA to end on the 28th February 2023 unless an earlier date can be negotiated between officers and GVA; and
 - Agree the payment of a reduced administration fee to GVA of approximately £850 to reflect the more limited number of tasks to be undertaken during the handover period.
- Agree that the future distribution of the neighbourhood portion of CIL will be undertaken by the Council with the arrangements to be agreed at a later Board.
- Note the level of CIL funding available and the status of current CIL projects.
- That the Council formally thank GVA for their work with the first two application rounds of the CIL Neighbourhood Fund.

1 Background

- 1.1 Members will recall that on the 3rd July 2019 the Economic Development Board resolved to approve the arrangements for spending the neighbourhood portion of the Community Infrastructure Levy with GVA managing the process on the Council's behalf.

- 1.2 Members will recall that the Council's CIL Charging Schedule¹ came into effect in February 2016, following a public examination in 2015 when the Inspector recommended that the Charging Schedule be adopted. The neighbourhood portion represents 15% of the total CIL monies in accordance with the provisions of the Community Infrastructure Levy Regulations 2010 (CIL Regulations). The remaining proportion includes 80%, known as the 'Strategic CIL', to be spent by the Council on infrastructure projects set out as part of the Capital Programme; and 5% to be used for administration including preparing CIL evidence and collecting and distributing CIL funds.
- 1.3 According to the CIL Regulations, the neighbourhood portion of CIL should be spent to 'support the development of the area' through 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.²
- 1.4 The Economic Development Board originally approved the principles of the CIL Spending Protocol in November 2018, with the detailed arrangements agreed in July 2019. Members may recall that GVA had been chosen as the recommended partner as it has excellent community links, which includes providing support to over 200 local community groups. In addition, GVA has a proven track record of administering funds to a wide cross-section of the community.
- 1.5 The recommended route for the spending of the neighbourhood portion at the time was to work with GVA to administer the fund using a similar process to the Gosport Community Lottery, which is operated by GVA and launched in June 2018.
- 1.6 The neighbourhood portion from the Community Infrastructure Levy therefore has been set up as the 'CIL Neighbourhood Fund', which provides grants of £1,500 – £50,000 for infrastructure-related projects, however due to lower sums available in 2020, maximum bids were temporarily reduced to £10,000. The monies can also be used to support revenue spending for a period of up to 1 year, to help maximise the operational benefits of the infrastructure. This can include supporting staff costs or one-off events. Applicants will need to demonstrate how the infrastructure will be supported thereafter. Copies of the application form, guidance note, grant evaluation forms, terms and conditions, and end of project report form were previously approved by this Board in July 2019.
- 1.7 In the financial year 2020-2021, due to the COVID-19 pandemic and the nutrients issue there was a general reduction in the number of submitted

¹ <https://www.gosport.gov.uk/cil>
https://www.gosport.gov.uk/media/1164/Community-Infrastructure-Levy-Charging-Schedule/pdf/Charging_Schedule_14.10.2015.pdf?m=637267899548300000

² Community Infrastructure Levy Regulations 2010 (as amended), reg. 59F

and consented planning applications in the Borough, particularly for large-scale development. This significantly impacted upon the amount of CIL which was collected, with a pot of only £9,030 being available at the end of the year for the CIL Neighbourhood Fund. Due to the small size of this pot, members will recall that it was agreed by the Council, on advice from GVA, to postpone the awarding of new grants that year, and roll over the pot until the next financial year.

- 1.8 In recognition of the reduced level of workload, GVA agreed to reduce its annual fee from £2,500, to £850, to cover the administration duties pertaining to the existing (and uncompleted) CIL Neighbourhood projects.

2 Report

Progress of awarded projects

- 2.1 When the CIL Neighbourhood Fund was set up in 2019 it was agreed that Members would be given an update of projects awarded CIL Neighbourhood funding each year. A summary of schemes granted funding in Year 1 is included in Appendix 1 and the projects for Year 2 is contained in Appendix 2.
- 2.2 Table 1 below provides a summary of the first two year application rounds.

Table 1 Summary of applications

	Year 1 (2019)	Year 2 (2020)
Amount of Neighbourhood CIL available	£130,163	£27,674
Number of applications received	17	8
Amount of money bid for	£371,046 (2.8 times over-subscribed)	£61,656 (2.2 times over-subscribed)
Amount of money granted	£130,119	£27,674
Range of grants	£2,792 - £50,000	£5,095 - £7,608

- 2.3 The table highlights that the fund has been significantly over-subscribed in both years.

Funding currently available in the CIL Neighbourhood Fund

- 2.4 Table 2 below sets out the money available for Neighbourhood CIL as at 1st September 2022.

Table 2: Available CIL Funds for distribution of the Neighbourhood CIL (1st September 2022)

	Proportion	Amount received 1/9/21 to at 31/8/2022 ³	Comment
Strategic portion	80%	£287,392	To form part of the capital budget setting process and will need to be spent on infrastructure based on the Regulation 123 List.
Neighbourhood portion	15%	£62,916 (£53,886 + £9,030 rolled over)	Allocated through the CIL Neighbourhood Fund in association with the GVA which will use similar arrangements.
Administration	5%	£17,962	To be used for the Council to administer the collection and distribution of CIL including the Neighbourhood portion. It will also be used to partly fund future reviews of CIL.
Total	100%	£368,270	-

Bringing the CIL Neighbourhood Fund in-house

- 2.5 While the process of working with GVA on the distribution of the CIL Neighbourhood Fund has been successful, Members have requested that officers consider bringing the scheme in-house in order to provide greater accountability and control over the process. This report sets out the implications for terminating the arrangement with GVA and recognises that further work is required in consultation with members to determine alternative in-house arrangements.
- 2.6 When the scheme was set up both organisations entered into a SLA which sets out the administration arrangements for the scheme. This included two particular implications which are pertinent to terminating the arrangement with GVA. These are:
- The timeline for managing the bidding process each year;
 - The arrangements for the termination of the SLA including notice period.
- 2.7 Schedule 1 of the SLA states that GVA will publicise and launch the application process in the second Monday in September and ending on the 31st October in each calendar year (unless agreed with the Council).
- 2.8 In relation to this timeline, officers have informally advised the Chair of GVA that the Council are considering alternative arrangements and that the

³ Figures rounded to nearest £

application process for community organisations would need to be either delayed or cancelled for the 2023 round depending on the decision made by this Board.

- 2.9 The relevant section of the SLA relating to the termination of the arrangement is set out in the box below:

<p>6. Termination</p> <p>6.1 If at any time either party wishes to terminate the Agreement, it may do so only by giving to the other party written notice in the following terms:</p> <p>6.1.1 If notice is given after 1st June in a calendar year the Agreement will not terminate until 28 February in the following calendar year</p> <p>6.1.2 If notice is given between 28 February and 31st May in the same calendar year the Agreement will terminate on the date 6 weeks after notice is given</p> <p>6.2 Any attempt to terminate the Agreement in any way which does not comply with Clause 6.1 shall not be valid unless both parties agree to a variation of these provisions in writing</p>
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- 2.10 Consequently if the Council were to terminate the arrangement following the resolution of this Board it will be necessary to conclude the arrangement on the 28th February 2023. This arrangement was included due to the timeline of the annual application and award process which would normally run through the autumn and winter. Clause 6.2 does allow for a mutually agreed date.
- 2.11 Given the timing of the Council's proposed termination of the agreement, it is proposed that GVA are advised that there will be no bid application process for them to manage this year and that subject to agreement that GVA be asked to administer any handover matters till the official termination date of 28th February or an earlier date to be negotiated between officers and GVA. This will also allow both organisations to address communication issues and any other matters arising.
- 2.12 Consequently it would be considered reasonable that GVA are paid an administration fee to deal with the handover matters. This figure is approximately £850 and would be paid from the CIL administration portion and would be a reduction from the normal administration fee of £2,500.

Alternative methods of distributing the neighbourhood proportion of CIL

- 2.13 If the Council agree to the above matters it is proposed that officers in consultation with Members agree an alternative method for distributing the neighbourhood proportion of CIL and that these arrangements would be presented subsequently to the Board for approval.

2.14 The CIL Regulations allow a degree of flexibility on how to distribute the neighbourhood portion of CIL provided it accords with the types of proposals sets out in Paragraph 1.3 and other parts of the CIL Regulations in terms of process.

2.15 There are several options summarised below for how this could be delivered:

1. Annual bidding

The Council could run an annual bidding process similar to the one being delivered by GVA. This would entail publicising the opening of the bidding process, judging applications, and administrating successful applications.

2. Crowdfunding

The Council could set up a crowdfunding webpage on one of the major crowdfunding website. Local individuals and organisations could then submit projects to the page. Subject to the projects meeting a criteria, they could be topped up using CIL funding. This approach has been undertaken by Plymouth City Council which has levered in significant additional funding from the community.

3. Grant Fund

Neighbourhood CIL could be set up as a Grant Fund, with members distributing the funding to projects either during an annual event or throughout the year. This could operate in a similar way as the 'You Decide' event previously run by the Council.

2.16 Further work will be undertaken to consider the merits and resource implications of alternative methods.

3 Risk Assessment

3.1 It will be necessary to undertake a risk assessment of the new replacement process once it have been devised.

Financial Services comments:	None received
Legal Services comments:	Contained within the report
Equality and Diversity:	An EIA on the original protocol has been completed and it upholds the aims of the Equality Duty. Similarly the process will be undertaken for whatever scheme will replace it.
Climate Change:	An assessment will be undertaken for whatever scheme will replace it.
Crime and Disorder	An assessment will be undertaken for whatever

	scheme will replace it.
Council Plan:	An assessment will be undertaken for whatever scheme will replace it.
Risk Assessment:	See Section 3
Background papers:	Economic Development Board Reports and accompanying appendices for the 22 nd September 2021, 23 rd September 2020, 3 rd July 2019 and 14 th November 2018
Appendices	Appendix 1: Summary of Round 1 CIL Neighbourhood Fund Appendix 2: Summary of Round 2 CIL Neighbourhood Fund
Report author/ Lead Officer:	Jayson Grygiel, Manager of Planning Policy

Appendix 1: Summary of Round 1 CIL Neighbourhood Fund (2019)

Progress of successful Round 1 CIL Neighbourhood Fund applications

The 2019 Round awarded funding to eight projects. A summary of progress to date is set out below.

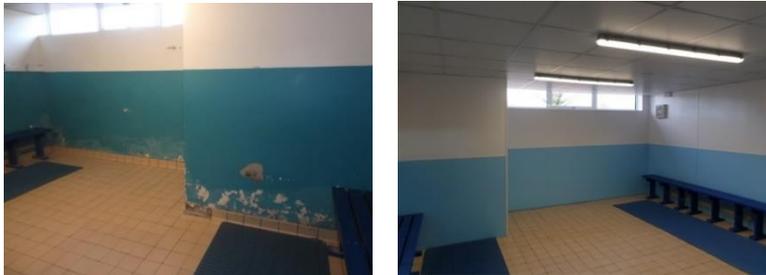
Application	Southern Domestic Abuse
Project	Partial funding to contribute to costs of major white goods / refurbishment of existing refuge in Gosport.
Funding requested	£11,000
Funding Approved (£130,163 pot)	£9,000
Completed	Yes
Photos	
Feedback (from End of Project Report)	The grant has been hugely beneficial and impactful in ensuring the refuge feels like 'home' and welcoming for the women and children that will call this home for the period of time that they will stay with us.

Application	BRWCA
Project	Funding to improve the condition of an existing community hall (including roof repairs) which is used by a wide range of community organisations.
Funding requested	£12,999
Funding Approved (£130,163 pot)	£12,999
Completed	Yes
Photos	Before and after

	
Feedback (from End of Project Report)	<p>The project gave us a new roof this has made such an impact on the users as we now have no leaks and has improved the insulation of the building. The building's insulation has greatly improved since the installation of the new roof. This should have a major impact on our heating costs. We are so appreciative to GVA for awarding us this grant it has made such a difference to the building.</p>

Application	Fleetlands Football Club
Project	Funding contribution to a new pavilion which will be used by other community groups. This funding assists in accessing significant funding from the FA.
Funding requested	£27,000
Funding Approved (£130,163 pot)	£27,000
Completed	<p>No – the project ran into difficulties during the pandemic and due to unforeseen complications with utility connections. Due to the risk of losing £100K of FA match-funding if suitable facilities weren't provided, the project was amended to construct prefabricated changing rooms instead.</p> <p>The club still intends to construct the pavilion within 2 years.</p>
Photos	Photos of the new changing rooms have been requested.
Feedback (from End of Project Report)	N/A

Application	Helping Angels
Project	To refurbish swimming pool facilities which are used by numerous schools as well as out-of-school swimming lessons.
Funding requested	£21,939

Funding Approved (£130,163 pot)	£21,939
Completed	Yes
Photos	<p>Before and after</p> 
Feedback (from End of Project Report)	The low maintenance and ease of cleaning the changing rooms and the new UPVC panels and the reduced physical strain on the staff from the old pool covers has not only been noticeable and much appreciated but has also eliminated what was becoming a health and safety issue.

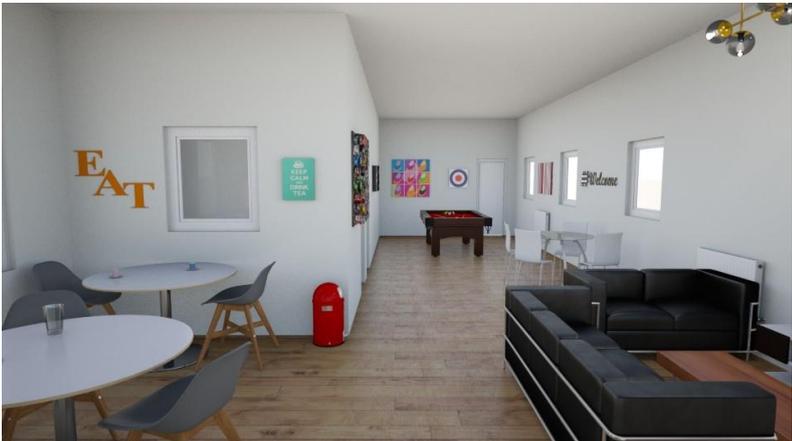
Application	Brendoncare
Project	For signage and blinds to complete a significant refurbishment programme.
Funding requested	£2,792
Funding Approved (£130,163 pot)	£2,792
Completed	Yes. Also forms part of a wider project
Photos	
Feedback (from End of Project Report)	<p>We have recently carried out a survey across our clubs. Gosport members are very happy with the service, the venue and the choice of activities.</p> <p>On returning after covid the majority of members felt safe, supported and well communicated with.</p>

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Application	Gosport Borough Cricket Club
Project	To refurbish the pavilion facilities.
Funding requested	£32,721
Funding Approved (£130,163 pot)	£10,000
Completed	Yes
Photos	<p>New LED lighting and water heaters</p> 
Feedback (from End of Project Report)	The CIL funding helped us enormously by allowing us to tackle things we wouldn't have been able to do without it. The air conditioning unit for example had been out of action for some time meaning the clubhouse was very cold in winter for committee meetings etc. It's now much more comfortable.

Application	Cook's Bethel Otherwise Seaman's Bethel
Project	Partial funding based on phase 1 quote price to provide accessible toilet and new rear entrance.
Funding requested	£50,000
Funding Approved (£130,163 pot)	£21,600
Completed	Yes. Also forms part of a wider project.
Photos	

	
Feedback (from End of Project Report)	<p>The hall is now available to a wider range of support groups who may be seeking a space to use. Previously, especially with no disability toilet, the premises were not suitable for all.</p>

Application	Freedom Church / Y Services
Project	<p>The bid is to refurbish a community facility and then to set up and staff a youth facility for the first year. The buildings element addresses a wider community benefit, the Y Services element an important youth provision.</p>
Funding requested	<p>£24,789</p>
Funding Approved (£130,163 pot)	<p>£24,789</p>
Completed	<p>Yes</p>
Photos	

Feedback (from End of Project Report)	* Awaiting report

Appendix 2: Summary of Round 2 CIL Neighbourhood Fund (2020)

Progress of successful applications to Round 2 CIL Neighbourhood Fund

A2.9 Awards were granted to four projects. The progress of each is set out below.

Application	Elson Community Library and Hub (ELCH)
Project	Start-up costs for community library, including insurances, utilities, broadband, café and cleaning equipment.
Funding requested	£7,850
Funding Approved (£27,673 pot)	£7,850
Completed	Yes
Photos	
Feedback (from End of Project Report)	<p>The Community library has turned out to be an amazing success. With nearly 1400 members the project is providing a diverse and affordable set of events to suit the community.</p> <p>The library has many visitors and numerous hobby and interest groups. With the flexibility of volunteers, the project opens up after normal office hours for groups including book clubs, art groups, Pilates and even private events (birthday parties etc). We are also bringing health into the community with Covid clinics being run and we are endeavouring to extend this to other medical checks and services by NHS.</p> <p>The number of events being run by the hub, quizzes, bingo, murder mysteries and craft fares are very well attended bringing affordable and family orientated entertainment to the community.</p> <p>Monthly free family events are run ensuring that those on low income can attend.</p>

Application	Lee Hub - Independent Community Library (Lee Hub)
Project	Funding for equipment to create the cafe area and meeting room.
Funding requested	£5,095
Funding Approved (£27,673 pot)	£5,095
Completed	Yes
Photos	
Feedback (from End of Project Report)	<p>We are able to provide a café service for our community, encouraging people to pop in for a chat with our volunteers and enjoy café coffee, tea and biscuits, helping to build a sense of community and to combat loneliness.</p> <p>We can prepare and serve food to groups, providing further opportunities for people to meet in a safe and interesting environment.</p>

Application	Cook's Bethel Otherwise Seaman's Bethel
Project	New entrance and accessible ramp.
Funding requested	£7,120
Funding Approved (£27,673 pot)	£7,120
Completed	Yes. Also forms part of a wider project.
Photos	
Feedback (from End of Project Report)	<p>Wheelchairs users and others with mobility difficulties can move around the building to access the rear entrance using the new path to avoid the shingle, making the rear entrance more easily accessible.</p> <p>This makes the building more accessible to the wider population enabling more to attend support groups run at the hall, especially the elderly who may be lonely and previously unable to use the rear entrance.</p>

Application	Marvels and Meltdowns
Project	To supply and fit new energy efficient double glazed lockable window throughout the building.
Funding requested	£10,000
Funding Approved (£27,673 pot)	£7,608
Completed	Yes

<p>Photos</p>	<p>Before</p>  <p>After</p> 
<p>Feedback (from End of Project Report)</p>	<p>By replacing and upgrading to double-glazed windows we have immediately become more energy efficient which means we will be using less heating in turn saving the charity money.</p> <p>New windows have improved the overall visual aspect of the building making it a more pleasant view for local residents as well as more welcoming for prospective new service users and raising the profile of the whole building.</p>