



Chelmsford City Council Cabinet

9th July 2024

Community Infrastructure Levy – Neighbourhood Cap funding

Report by:

Cabinet Member for Active Chelmsford

Officer Contact:

Stuart Graham, Economic Development and Implementation Manager, 01245 606364,
stuart.graham@chelmsford.gov.uk

Purpose

To consider the re-allocation of previously agreed funding from the CIL Neighbourhood Cap in North-West Chelmsford to an alternative project.

Options

1. Approve the re-allocation of funds from the Neighbourhood Cap
2. Approve, with amendment, the re-allocation of funds from the Neighbourhood Cap
3. Decline to approve the re-allocation of funds from the Neighbourhood Cap

Recommendations

It is recommended that

1. Cabinet agrees to re-allocate £26,065 of the Neighbourhood Cap fund to the St Andrews Church windows and insulation project, and
 2. Cabinet authorises the Director of Sustainable Communities to prepare and issue a grant funding agreement to St Andrews Church
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1. Background

- 1.1. The Community Infrastructure Levy (CIL) was adopted by Chelmsford City Council on 1 June 2014. It is a non-negotiable charge on new buildings to help pay towards the infrastructure needed to support growth in an area.
- 1.2. As per the CIL regulations and guidance, the income from CIL is proportioned for spending, with 15% collected passed to the parish tier council. This rises to 25% where a Neighbourhood Plan is in place. In the nine non-parished wards the funding is overseen by the Community Funding Panel (previously known as the CIL Spending Panel). A general CIL Neighbourhood Fund for community uses is now set at 15% of all receipts in that area.
- 1.3. The CIL Regulations (59A) state that the total amount of CIL receipts passed to a parish tier council is capped at £100 per Council Tax dwelling per year. This cap is index linked to the year in which the transfer is made. The CIL Regulations do not state what should happen to any surplus Neighbourhood Allocation, once the £100 per Council Tax dwelling cap has been reached.
- 1.4. The Council has set out its governance arrangements for the Neighbourhood Cap in the 'Community Infrastructure Levy Governance – the Neighbourhood Cap' document, published in June 2018 following Cabinet approval. The process set out in this document is summarised below.
- 1.5. In instances where a Parish reaches its Neighbourhood Cap, the CIL Spending Panel will be informed and provided with financial information detailing the surplus CIL that remains following the Parish allocation.
- 1.6. After reviewing the financial information, the CIL Spending Panel may recommend that the Council invites 'Neighbourhood Expressions of Interest' detailing projects that the surplus CIL monies could be spent towards.
- 1.7. Neighbourhoods which are invited to express an interest for the surplus CIL monies can include both parish tier councils and the Non-Parished Neighbourhood Groups. However, bids can only be made for projects which are in the vicinity of the development in which the CIL money was originally collected.
- 1.8. Expressions of interest are to be made using a standard detailed project proposal form, and projects must meet the eligibility criteria.
- 1.9. Project proposals received will be validated by a Council officer, and a report detailing the project proposals will then be taken to the CIL Spending Panel

for consideration. The Panel will review the proposals and make recommendations which will go forward to Cabinet. If agreed by Cabinet, the relevant parties will be informed and funds will be allocated, alongside a funding agreement.

2. Chignal Parish Cap

- 2.1. In 2018, the Neighbourhood Cap was reached for Chignal Parish as a result of the Little Hollows development on Hollow Lane on the edge of the North Western edge of Chelmsford's urban area where the development adjoins the St Andrew's ward. This resulted in the region of £94,000 of non-allocated neighbourhood surplus available for projects that are either within the wards of St Andrews and Patching Hall, or the parish of Chignal.
- 2.2. Expressions of interest were received, and considered by the CIL Spending Panel on 29th August 2018. One of the projects that was granted funding was the refurbishment of the St. Andrew's Scout Building, Melbourne Avenue.
- 2.3. The 5th and 9th Scout Group at that time utilised a building on the site of St Andrew's Church, Melbourne Avenue. The Scout Group owns the building, but it is situated on land owned and controlled by the Church PCC. The building is in a poor state of repair and there is restriction through the lease on its use to the Scout Group only. This restricts the ability of the building to be used by other community groups, which can help raise funding to sustain the Scout Group.
- 2.4. Following a full building survey, a programme of works to bring the building up to standard and extend its life for a further 20 years was identified. The estimated cost of the work, including fees, was calculated at £80,000. The project was therefore granted an in-principle allocation of £80,000. This was considered and approved by Cabinet on 16th October 2018.
- 2.5. Unfortunately, it has not been possible to take the project forward and the Scout Hut is currently not in use. As things stand, it is not economically viable to invest in the building being brought into use. The 5th and 9th Chelmsford Scout Group has instead been meeting in St Andrews Church Hall. Many other community uses also take place in the Hall, such as NHS clinics, exercise groups, Foodbank, a toddler group and an Autism Youth Group.
- 2.6. Since 2018, when the Scout Group application was approved, the CIL Cap fund has grown through further development in the area. The current funding position is shown in the table below.

	Allocated	Spent	Balance remaining
Chignal Road Junction Landscaping	11,068	9,668	1,400
St. Andrews Scout Hut Refurbishment	80,000	200 (building survey)	79,800
Unallocated		-	64,744
Total			145,944

- 2.7. The Council received a Neighbourhood CIL application for funding from St Andrews Church in March 2024 for help towards the costs of replacing the windows of the church hall with new PVC double glazing and installation of lintels if needed, and the installation of a further 200mm of insulation in the loft space to bring that up to modern standards. The estimated cost of this project is £30,000, with £3,935 having already been raised by the Church or allocated from existing Church funds. There is therefore a shortfall of £26,065.
- 2.8. The application requested £10,000. However, it is considered that it would be beneficial to fully fund this project (£26,065) so that it can be delivered now through the reallocation of funds originally allocated to the St. Andrews Scout Hut Refurbishment from the CIL Cap, as this project has not been able to be taken forward. This is recommended owing to the limited amount of funding left available for the general Neighbourhood CIL budget in the unparished area (across all nine unparished wards) where only £155,000 is currently available for community organisations. It is also considered that this project would go some way to addressing the principle behind the original funding allocation.
- 2.9. This project directly benefits the 5th and 9th Chelmsford Scout Group to whom the original funding was approved, and they have been consulted on this proposal. The Scout Group have been advised that the Council could re-engage with them in the future to discuss funding if a potential project comes forward to replace the scout hut.
- 2.10 There will also be benefits for the many community groups that utilise the space in terms of keeping hiring costs low, as well as benefits to the wider community through the lowering of energy consumption and therefore contributing to the Council's Climate and Ecological Emergency priorities.

3. Conclusion

3.1. The re-allocation of the funding from the Chignal Parish CIL Cap to the St Andrew's Church improvement project is considered to be an appropriate use of available resources. It will help retain the general CIL Neighbourhood pot to fund as many projects as possible in the future in the nine unparished wards. There will remain in the region of £120,000 within the CIL Cap fund for other projects in the wards of St Andrews, Patching Hall or parish of Chignal.

List of appendices:

None

Background papers:

None

Corporate Implications

Legal/Constitutional: This decision falls to Cabinet to approve. Legal considerations and implications are set out in the report.

Financial: Re-allocation of funds from the CIL Cap is within existing held funds.

Potential impact on climate change and the environment: Fully funding this project through the CIL Cap would ensure that this project can take place. The project will have a positive impact on climate change and the environment through energy saving measures.

Contribution toward achieving a net zero carbon position by 2030: A positive impact due to the energy saving measures this project will deliver.

Personnel: None

Risk Management: Appropriate checks on organisations will be carried out before funding is distributed, including insurance, financial and charitable status. A CIL funding agreement will be required to be entered into by the organisation receiving the funding.

Equality and Diversity: None

Health and Safety: The funding agreement will include a requirement that organisations working on the project comply with health and safety regulations.

Digital: None

Other: None

Consultees:

Community Funding Panel.

Relevant Policies and Strategies:

Our Chelmsford Our Plan
