

Part A

Report to: Cabinet

Date of meeting: 4th March 2024

Report author: Community Commissioning Lead

Title: Neighbourhood CIL spending report

1.0 Summary

1.1 This report recommends a total of £249,711.00 from Neighbourhood CIL is allocated and distributed between the 17 local infrastructure projects identified in this report.

2.0 Risks

2.1

Nature of risk	Consequence	Suggested Control Measures	Response (treat, tolerate, terminate or transfer)	Risk Rating (combination of severity and likelihood)
Failure to deliver any schemes from NCIL income	Reputational harm particularly in areas where new development is taking place	NCIL funds will be allocated to projects using the agreed spending programme which will be reviewed annually	Treat	4
Negative reaction from unsuccessful bidders for NCIL	Reputational harm	Hold workshops and webinars to provide guidance to bidders	Treat	4
NCIL projects will not be delivered within a reasonable timescale	Reputational harm	Approved projects will be reviewed and updated quarterly	Tolerate	9
Insufficient funds or resources to deliver the project	Project delays	Signed monitoring agreement ensures that the Council can recover any funds	Tolerate	9
The proposal of CIL to be reformed into a new consolidated infrastructure levy	Change to all existing governance arrangements	Any changes would require a lengthy transition period. This should not affect the Council's approach to spending NCIL or SCIL in the immediate term	Tolerate	4

3.0 Recommendations

3.1 Cabinet is asked to:

- a) Agree the Neighbourhood CIL Spend for 2023/24 as set out in paragraph 5.15 of this report.

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4.0 Background

4.1 In accordance with the CIL Regulations, the CIL monies collected from new development is divided into three pots – Strategic CIL Pot (80%) Neighbourhood CIL Pot (15%) and the remaining 5% is set aside for the administration of CIL.

4.2 The Neighbourhood CIL constitutes 15% of CIL receipts, except where there is an adopted neighbourhood plan where the allocation rises to 25%.

NCIL is defined through R59F of the CIL regulations (2010) which enables the Council to allocate a portion of CIL to be spent on local priorities, with spending of this portion subject to a wider definition:

“The charging authority may use the CIL to which this regulation applies, or cause it to be used, to support the development of the relevant area by funding-
(a) the provision, improvement, replacement, operation, or maintenance of infrastructure;
or
(b) anything that is concerned with addressing the demand that development places on an area.”

4.3 In December 2019, the Cabinet agreed that the entire borough be defined as the ‘Neighbourhood’ for the purposes of allocating the neighbourhood grant. It argued that the process should strike a balance between ensuring a significant proportion of the neighbourhood grant is spent in those areas where the impact of growth is greatest but also that other parts of the Borough are not left behind and benefit from the proceeds of growth.

4.4 It can be difficult to define growth as a term but projects should meet at least one of these statements:

- Increase or improve access to a space where there are more people in the local area (due to new housing or retail)
- Improve the community ahead of new developments happening locally
- Develop new activities and projects to serve a wider number of residents
- Mitigate an issue caused by local development (new houses or retail)
- Ensure that a particular community is not left out of benefits of local growth and expansion (skills or overcoming barriers)
- Improve access to areas where growth and opportunity have increased from other parts of the borough (e.g. transport to jobs or facilities)
- Improve accessibility where existing local space or assets will be made usable by more people locally
- Improving the opportunities of individuals to access the benefits presented by local growth

4.5 CIL funding is entirely dependent on development in the borough. The housing trajectory in Watford has programmed development up to 2038, it is a complex task to estimate how much NCIL would be collected over the trajectory period, given that there are different rates for different areas, and exemptions that apply to social housing. Similarly, the long-term future of CIL is not clear.

4.6 Government guidance states that local authorities should engage local communities and agree with them how best to spend Neighbourhood CIL, and that governance should be proportionate to the level of receipts.

4.7 We have a current balance of £1.8m of NCIL available for new projects. A pilot approach for allocating neighbourhood CIL (NCIL) was launched in June 2022. The Council have decided to call this funding stream the neighbourhood grant.

For 2023/24 a budget of £300,000 has been allocated for the neighbourhood grant.

5.0 Neighbourhood CIL

5.1 This is the second year of allocations of Neighbourhood CIL to projects in Watford. Applications for the Neighbourhood Grant were sought between 25 September and 8 December 2023.

The Neighbourhood Grant was promoted:

- Via the About Watford magazine (autumn publication) that is delivered to all Watford households
- By contacting a wide range of community groups, previous applicants and all ward councillors
- In person drop in events to provide support to those interested in applying

- Social media, article in local press and other outreach channels
- The council's website and Commonplace engagement platform

5.2 39 applications were submitted during this period from a wide variety of organisations. With at least one from each ward.

The initial due diligence stage of the assessment process required that all applications were checked against the following:

- The application meets one or more of the Neighbourhood or Council plan priorities
- The application meets the definition of infrastructure set out in the CIL regulations as outlined in section 4.2 and at least one of the growth statements as outlined in section 4.4
- The organisation is eligible to apply for funding
- The organisation has not exceeded the funding limits for the size of the organisation or type of project

5.3 21 applications did not pass the due diligence checks, a number of these projects exceeded the funding limits for the size of the organisation or project type and a small number of applications were received after the deadline.

5.4 The remaining 18 applications passed the due diligence checks and were put forward for public consultation. One application was withdrawn due to the organisation moving premises.

Demonstrating community support is a requirement of the national planning guidance. Our emerging Community and Engagement and Participant Strategy sets our ambition to focus on engaging and listening to our community. A public poll was held via the commonplace platform enabling the community to show support for the projects they would like to see delivered, this reflects the commitments made in the strategy to increasing civic participation and empower residents to be part of the decision making process.

Over 2400 people participated in the poll which was held during the first two weeks of January 2024.

5.5 Appendix B sets out the scoring matrix and criteria previously agreed by the Elected Mayor and Portfolio Holders used to fully assess all applications.

5.6 **Does the project meet CIL regulations and support the demand that development/growth places on the borough.**

All applications have been closely assessed under this legislative requirement. To meet this requirement projects must offer the provision, improvement, replacement, operation or maintenance of infrastructure or anything else that addresses the demands that development places on an area.

5.7 Does the project address one or more of the identified neighbourhood or Council plan priorities.

A key aspect of the criteria is the requirement to demonstrate how the project would contribute to the Council’s priorities. This will ensure that the Council, ward members and the community are working together to achieve these goals to best serve the borough. All projects that have been recommended for approval meet one or more of the neighbourhood or council priorities listed below:

Council Plan	Neighbourhood priorities
A council that serves our residents	Town and Local Centres
A diverse happy and healthy town	Transport and Roads
A greener brighter future	Community Spaces and Cultural Facilities
An inspiring, thriving and creative town	Parks and Green Spaces
	Sustainability and Climate Change Initiatives

5.8 Does the project benefit the local and/or the wider community in the borough

The project must have a clear broad public value, projects that demonstrate higher levels of community benefit including the wider community will be scored higher than a project that has limited or moderate local benefits.

5.9 Is the project a one-off scheme that does not require additional revenue funding in its delivery or its operation (or identifies how additional revenue funding may be met)

Applications should be self-sufficient in the maintenance of infrastructure and/or services. There should be no ongoing revenue cost to Watford Council which have not been met through the project funding or addressed within the application. Unacceptable maintenance/revenue implications that haven’t been addressed within the application form have not been recommended for approval.

5.10 Is deliverable and capable of being started within the year ahead

All applications have been scored against the level of detail provided in their project plan. The more developed project plans have received higher scores. The timely delivery of projects will benefit communities and mitigate the potential impacts of development.

5.11 Provides evidence of community support

All applications that have been recommended for approval have demonstrated some level of public support. Demonstration of public support are not limited to the public poll and

can be in the form of public petitions, outcomes of community consultations days and letters of support.

5.12 **Is value for money**

Applications that have secured alternative sources of funding (match/crowd funding) have been prioritised as this approach enables the Council to fund more projects via NCIL. Financial information has been supplied for all applications recommended for approval outlining how the funding will be used. Quotes have been supplied where applicable.

5.13 **Projects in areas that have experienced significant development and those that support the delivery of Watford's Environmental Strategy 2023-2030 will be prioritised.**

The following wards have experienced significant development/growth since 2015, Central, Holywell, Nascot, Callowland and Vicarage, therefore applications that have the potential to mitigate the impact of growth in these wards have been prioritised.

All projects that meet the criteria listed above and support the delivery of Watford's Environmental Strategy 2023-2030 will be prioritised.

5.14 The following 17 applications totalling £249,711.00 have passed all due diligence checks and all projects meet the agreed NCIL criteria as outlined in Appendix 2.

See **Appendix 2** for a full summary of each project

	Ward	Organisation	Project
1	Central	One YMCA	It is recommended to approve £30,000 sought by One YMCA to support the creation of an ITC suite at Charter House
2	Vicarage	Watford Borough Council	It is recommended to approve £76,018 sought by Watford Borough Council to support extensive public realm improvements to Victoria Passage
3	Callowland	Watford Community Housing	It is recommended to approve £ 12,500 sought by WCH to improve social and play space in Foxhill for children, young people and their parents and carers
4	Central	Watford & Three Rivers Trust	It is recommended to approve £17,676 sought by W3RT to improve facilities at the Barn which will enhance the organisation's ability to support the local community during the cost of living crisis and beyond
5	Park	Watford Area Arts Forum	It is recommended to approve £3,000 sought by Watford Area Arts Forum to provide intergenerational arts and writing workshops with a focus on sustainability and the benefits of recycling

6	Vicarage	The Watford Gurdwara	It is recommended to approve £12,000 sought by The Watford Gurdwara to provide a community library
7	Multiple wards	Goods for Good (Global)	It is recommended to approve £4,842 sought by Goods for Good to pilot a 16 week project supporting residents with training and employability skills
8	Meriden	Random café	It is recommended to approve £9,840 sought by Random café to carry out works to improve accessibility
9	Park	Friends of Lanchester	It is recommended to approve £10,000 sought by Friends of Lanchester School to install a new adventure playground
10	Central	Home Start Watford & Three Rivers	It is recommended to approve £4,695 sought by Home Start Watford & Three Rivers to provide an additional family group to support socially isolated parents
11	Nascot	Nascot Residents Association	It is recommended to approve £3,000 sought by Nascot Residents association to create community sculpture
12	Nascot	Watford & District Mencap Society	It is recommended to approve £20,000 sought by Watford & District Mencap Society to build an accessible soft play building to support children and young people with learning disabilities
13	Central	Pump House Theatre and Arts Centre	It is recommended to approve £ 14,255 sought by Pump House Theatre and Arts Centre to improve accessibility
14	Vicarage	West Watford Community Association	It is recommended to approve £4,222 sought by West Watford Community Association to create a new public art installation comprising of a mural
15	Central	Watford Sheltered Workshop Ltd	It is recommended to approve £20,000 sought by Watford Sheltered Workshop Ltd to create a new mezzanine floor to accommodate additional space and increase the number of training and employment opportunities provided to local residents with disabilities
16	Callowland	West Herts ABC & Educational Support CIC	It is recommended to approve £5,000 sought by West Herts ABC & Educational Support CIC to support disadvantaged children and young people by providing two new sessions focusing on social isolation
17	Oxhey	Friends of Oxhey Park	It is recommended to approve £2,663 sought by Tasty Bean Café to purchase a defibrillator

5.15 Organisations that are awarded funding will be required to sign a funding agreement and provide quarterly monitoring reports throughout the duration of the project and submit a final impact report on completion including copies of invoices to evidence that the funds are spent appropriately.

6.0 Implications

6.1 Financial

6.1.1 The Chief Finance Officer comments that the financial implications are set out within the body of the report.

6.2 Legal Issues (Monitoring Officer)

6.2.1 The Group Head of Democracy and Governance comments that the legal implications are contained within the body of the report.

6.3 Equalities, Human Rights and Data Protection

6.3.1 The NCIL process complied with the council's Statement of Community Involvement, 2020. The Statement of Community Involvement (SCI) sets out Watford Borough Council's commitments to involving communities, local businesses and other organisations and stakeholders in the planning process. The statement will guide how we consult in the future and provide a benchmark against which community engagement will be measured.

6.3.2 Having had regard to the council's obligations under the General Data Protection Regulation (GDPR) 2018, it is considered that officers are not required to undertake a Data Processing Impact Assessment (DPIA) for this report.

6.4 Staffing

6.4.1 Current staff have undertaken the community engagement and support to encourage applications and review applications. The Community Commissioning Lead and her team will continue to deliver the NCIL work.

Appendices

Appendix 1 Funding Scoring Matrix

Appendix 2 Summary of all shortlisted projects

Background papers

The following background papers were used in the preparation of this report. If you wish to inspect or take copies of the background papers, please contact the officer named on the front page of the report.

CIL Governance Cabinet Report 18.01.2016

CIL Governance Cabinet Report

DLUHC Community Infrastructure Levy [guidance](#)

Community Infrastructure Levy [Regulations](#) 2010 (as amended)

Watford Borough Council [Local Plan](#)

Watford Borough Council [Infrastructure Delivery Plan](#)