

COMMUNITY INFRASTRUCTURE LEVY (CIL) Neighbourhood Fund: Notification of Requirements

1.0 Neighbourhood Fund Agreement

1.1 This Neighbourhood Fund agreement is between:

(1) Shropshire Council of Guildhall, Frankwell Quay, Shrewsbury SY3 8HQ (The Council); and

(2) of (Town or Parish Council)

1.2 On behalf of the Town or Parish Council, please signify that you have read and acknowledge the terms and conditions within this Neighbourhood Fund Agreement, by ticking the box and signing below.

1.3 Please return this signed and completed Neighbourhood Fund Agreement to the Council at your earliest convenience – email CIL@shropshire.gov.uk.

☐ We acknowledge that we have read and understood the content of this Neighbourhood Fund Agreement

Name:	Date:
Signed:	Position:

(Clerk signing on behalf of the Town or Parish Council)

Name:	Date:
Signed:	Position:

(Chair signing on behalf of the Town or Parish Council)

2.0 Introduction

2.1 To help communities accommodate the impact of new development, the Community Infrastructure Levy Regulations 2010 (as amended) requires a proportion of total Community Infrastructure Levy (CIL) monies should be provided directly to Town and Parish Councils as a Neighbourhood Fund.

2.2 This is consistent with the Shropshire Council approach of ensuring that the majority of the CIL is used to deliver local infrastructure priorities where development takes place.

2.3 The Neighbourhood Fund applies to development where a CIL Liability Notice has been issued from 25 April 2013 and is collected on the Parishes behalf. It is equal to either:



- 25% of the total CIL received in relation to development that has commenced within Parishes that have a Neighbourhood Plan or within a Neighbourhood Development Order, or
- 15% of the total CIL received in relation to development that has commenced within Parishes without a Neighbourhood Plan (capped at a maximum of £100 per dwelling).

2.4 Where possible, payment of the Neighbourhood Fund will be made annually in April unless requested otherwise.

2.5 Projects funded through use of the Neighbourhood Fund must be retained for community benefit for the infrastructure's useful economic life.

3.0 Regulatory requirements for the use of the Neighbourhood Fund

3.1 Neighbourhood Fund monies received must be used to support development by funding:

- (a) The provision, improvement, replacement, operation or maintenance of infrastructure; or
- (b) Anything else concerned with addressing the demands that development place on an area.

3.2 If the Neighbourhood Fund is not spent within 5 years of receipt, or it is not spent on initiatives that support the development of the area, Shropshire Council may require it to repay some or all of those funds, however Shropshire Council has no intention of doing so if it is not spent within five years.

3.3 If the community's infrastructure priorities are consistent with Shropshire Council infrastructure priorities for the area, to maximise efficiency and minimise project management complexity, it can be agreed that Shropshire Council retains the Neighbourhood Fund to spend on these infrastructure priorities.

3.4 To ensure transparency, following receipt of Neighbourhood Fund payments, Town and Parish Councils must for each following financial year (irrespective of whether any CIL is received or spent in that year), publish a list of their:

- (a) Total Neighbourhood Fund receipts;
- (b) Total Neighbourhood Fund expenditure;
- (c) A summary of Neighbourhood Fund expenditure to include things to which the Neighbourhood Fund has been applied and the total Neighbourhood Fund expended on each; and
- (d) The total amount of Neighbourhood Fund receipts retained at the end of the reported year

3.5 To ensure consistency an Annual Report template has been provided by Shropshire Council. A copy of this report should be provided to Shropshire Council by 30th September of each year and made available on the Town or Parish Council website and/or Shropshire Council website by no later than the 31st December of the following financial year.

3.6 The Annual Report is only required if Neighbourhood Funds have been received within the reporting year. However, in the interests of transparency, Town and Parish Councils' may wish to publish some information on their website about Neighbourhood Fund, for example, no Neighbourhood Funds received in this reporting year.



4.0 Shropshire Council recommendations for the use of the Neighbourhood Fund

4.1 Use of the Neighbourhood Fund should be informed by discussions about infrastructure priorities with the local community, Shropshire Council and any neighbouring Town or Parish Councils. The Place Plan documents are the ideal mechanism for this process as they:

- (a) List and prioritise community infrastructure needs;
- (b) Identify infrastructures links to development;
- (c) Identify infrastructure (local and strategic) that could be delivered cumulatively; and
- (d) Specify forms of infrastructure most suited for delivery through the Neighbourhood Fund.

4.2 Information about Neighbourhood Fund receipts and spend should be provided as and when requested by Shropshire Council.

5.0 Project Implementation

5.1 Where projects are to be fully or partially funded by the Neighbourhood Fund it is the Town or Parish Council and not Shropshire Council that is responsible for all project management.

5.2 Project management responsibilities can be transferred to another delivery party/project manager but the Town or Parish Council is responsible for establishing this transfer of responsibilities. The Town or Parish Council remains responsible for ensuring the appropriate use of the Neighbourhood Fund in accordance with the CIL Regulations.

6.0 Communication and Publicity

6.1 The Town or Parish Council should produce annual updates on their neighbourhood project identification and implementation. These updates should be provided to:

- (a) The local community via Town and Parish Council meetings or Annual meeting;
- (b) The Shropshire Council Members for the area; and
- (c) Shropshire Council Place Plan Officers for the area;

6.2 The process for updating Shropshire Council is through submission of the Neighbourhood Fund Annual Report.

7.0 Subsidy Control and Procurement

7.1 Where a public body provides financial support to an undertaking it is necessary to consider whether such support constitutes a subsidy. It is the responsibility of the Town or Parish Council to ensure that their use of the Neighbourhood Fund is not a form of subsidy.

7.2 Further Guidance on Subsidy Control is available from the Department for Business and Trade at [Gov.UK/Subsidy Control](https://www.gov.uk/guidance/subsidy-control) .

7.3 Procurement of any project to be fully or partially funded through use of the Neighbourhood Fund must occur in accordance with the Town or Parish Councils Contract Rules as specified within its Constitution.



Where the Town or Parish Council does not have contract rules these should be developed. Development of a procurement policy could be informed by the Shropshire Council Contract Rules, available to view at Shropshire Council webpage [Doing Business with Shropshire Council](#).

8.0 Financial Administration

- 8.1 Section 151 of the Local Government Act 1972 requires Parish and Community Councils to make arrangements for the proper administration of their financial affairs and the Accounts and Audit (England) Regulations 2011 require systems for effective financial control. These requirements also apply when dealing with Neighbourhood Fund payments.

9.0 Maintenance and disposal of any assets

- 9.1 It is the responsibility of the Town/Parish Council to ensure the continued maintenance and operation of projects funded by the Neighbourhood Fund. Future Neighbourhood Fund receipts can be used for this purpose, however, it is strongly recommended that these costs are considered during project development.
- 9.2 Any projects funded through use of the Neighbourhood Fund should be retained for community benefit during its useful economic life. The useful economic life of a project is taken to be 20 years, unless otherwise agreed in writing by Shropshire Council.
- 9.3 Where a project results in the formation of an asset, if this asset is subsequently sold, any monies raised should be considered Neighbourhood Fund and used in accordance with these requirements.

10.0 Project sign off

- 10.1 The Town or Parish Council is responsible for project sign off. It is recommended that project sign off occurs within 30 days of completion.