

Committee: Cabinet

Date: 7 September 2020

Wards: all

Subject: Merton's Neighbourhood Fund project selection 2020

Lead officer: Chris Lee, Director of Environment and Regeneration

Lead member: Councillor Martin Whelton, Cabinet Member for Regeneration, Housing and Transport

Contact officer: Tim Catley, S.106/External Funding Officer, Future Merton

Recommendations:

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1. To allocate CIL Neighbourhood Fund money to individual projects received through the 2020 Neighbourhood Fund consultation in line with Merton Council's approved Neighbourhood Fund criteria. The projects recommended for Neighbourhood Fund allocation are shaded green in Appendix A
 2. That delegated authority be granted to the Director of Environment and Regeneration in consultation with the Cabinet Member for Regeneration, Housing and Transport to make any amendments to funding bid amounts received through the recent Neighbourhood Fund consultation, in line with Cabinet's agreed Neighbourhood Fund criteria
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1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. This report recommends to Cabinet to allocate Merton's Neighbourhood Fund to specific projects shaded green in Appendix A.
- 1.2. Projects were received following 7 weeks of public consultation and are recommended for allocation based on Merton's Neighbourhood Fund criteria agreed by Cabinet in 2017.
- 1.3. 33 project bids were received in total, requesting a total of £1.7 million
- 1.4. This report recommends allocating funding totalling £1,413,819 covering 18 of these projects, 2 top-ups of previously successful bids and allocation for project management of Public Space CIL and S106 projects that meet the CIL regulations and other agreed criteria. The details of all the projects received are set out in Appendix A to this report.
- 1.5. Members are also asked to grant authority to the Director of Environment and Regeneration in consultation with the Cabinet Member for Regeneration, Housing and Transport to make any amendments to funding bid amounts received through the recent Neighbourhood Fund consultation, in line with Cabinet's agreed Neighbourhood Fund criteria.

2 DETAILS

- 2.1. Since 2014 the Council has been collecting Community Infrastructure Levy funding and has received £4.7 million to be spent on neighbourhood projects. £2.5 million of this funding has been approved/spent.
- 2.2. Under the CIL Regulations, the Neighbourhood CIL must be spent on local projects to support the demands development places on the area. Government guidance states that local authorities should engage local communities and agree with them how to best spend Neighbourhood CIL, and that governance should be proportionate to the level of receipts.
- 2.3. On 18 September 2017 Cabinet agreed detailed governance arrangements and criteria through which it can assess proposals for the allocation of funding under its “Neighbourhood Fund” scheme. The approved criteria for the Neighbourhood Fund are as follows:

Assessment criteria

- a. Spending Neighbourhood CIL would need to accord with the CIL Regulations and government guidance on CIL.
 - b. The proposal must comprise an appropriate use of use of the funds; consistent with government rules and Merton’s community plan and/or business plan priorities including bridging the gap.
 - c. Scheme should not have any unacceptable revenue or capital implications on the council or any other body.
 - d. Estimated cost of scheme should be over £20,000.
 - e. Scheme should be deliverable and capable of being started within the year ahead.
 - f. Proposal should have endorsement by at least one ward member.
 - g. Proposal should clearly demonstrate how it meets neighbourhood priorities. We will be looking for projects that clearly fall within one or more of the priorities favoured by the neighbourhood where the proposal would be located (or neighbourhood that would benefit most from the proposal) as demonstrated by the results of the Neighbourhood CIL public consultation (Nov 2016-Jan 2017).
- 2.4. The first round of bidding for the Neighbourhood Fund scheme was carried out in 2018, with £1.5 million of Neighbourhood Fund allocated to schemes in accordance with the decision of Cabinet on 12th January 2018. The second round of bidding was held in Spring last year with £980k awarded.
 - 2.5. Cabinet decided at its meeting on 19th January 2019 to allocate a portion of Neighbourhood CIL receipts to a separate scheme called the “Ward Allocation Scheme”, allowing each ward £15k to spend on specific small scale public space projects. The Ward Allocation Scheme is operating separately to the Neighbourhood Fund scheme with the Neighbourhood Fund scheme being the subject of this report. Officers will be carrying out a review of the operation of both schemes early in the new year 2021 and will be looking at ways in which the outcomes from the use of Neighbourhood CIL can be optimised in terms of serving Merton’s Neighbourhoods and addressing Government objectives and the CIL Regulations.

Bids

- 2.6. Bids for the Neighbourhood Fund were sought between 12th May and 3rd July 2020.
- 2.7. 33 different project bids were submitted during this period from a wide variety of residents, community groups, business representatives, internal services and others. Each submission was assessed against the assessment criteria that were agreed by Cabinet in September 2017.
- 2.8. This report recommends allocating funding totalling £1,413,819 covering 18 of these projects, 2 top-ups of previous bids and allocation for project management of Public Space CIL and S106 projects that meet the CIL regulations and other agreed criteria.
- 2.9. **Appendix A** includes the full list of all bids received, with bids recommended for funding under the assessment criteria including new bids and amendments to previous approvals shown green (first column denotes shading). Recommended refusals are shaded red. Amber shading refers to schemes that are considered premature, potentially supportable in the future or recommended for alternative funding.

Assessment of bids

Community Plan priorities

- 2.10. A key aspect of the criteria approved by Cabinet is a requirement for bids to demonstrate how they would contribute to the Community Plan priorities including bridging the gap. Bids were assessed against Merton draft Community Plan 2020-26 with a particular focus on the overarching goal of building social capital bridging the gap in wellbeing and resilience of our communities between the east and the west of the borough.
- 2.11. In accordance with the resolution of September 2017 Cabinet, Community Plan priorities are strongly represented by the projects put forward to Neighbourhood CIL funding, with over £745k of funding recommended to projects that would directly meet this priority. This includes with respect of building social capital/bridging the gap:
- Growing Together (London Rd Fields) planting £29,619
 - Figges Marsh Parkrun £4,000
 - Colliers Wood Rec improvements £10,000
 - Community Fridge Network £50,730
 - Building for later life (Age UK – Elmoor Centre refurb) £65,000
 - Sustaining Deen City Farm £36,616
 - Windmill Museum Improvements £20,000

• Green Arts (Performance space at Cricket Green School)	£49,975
• Future Polka (further contribution to Polka development due to Covid and securing outreach)	£150,000
• Uptown Youth Services	£30,000
• School Streetscapes Mitcham (building sustainable travel practices at 5 Mitcham schools)	£50,263
• Pollards Hill Estate Lighting	£100,000
• Towards Employment (Employability support for 16-25 year olds in Merton)	£53,235
• Merton Digital Local Network (free digital mentoring for youth and local businesses with outreach)	£35,000
• BAME Hub supporting BAME organisations and public health	£24,803
• Shopping parade improvements – Bramcote Parade	£40,000
TOTAL Community Plan	£749,241

Addressing the demand of the Wimbledon Stadium development

2.12. Given the strategic importance of the Wimbledon Stadium development and that over £1.5 million of Neighbourhood CIL income received to date has been generated by that development, further investment in the Wimbledon area is supported this year in addition to the £374k approved last year.

2.13. Bids that have been recommended for approval that stand out as helping to support the demands that the Wimbledon Stadium development – including both the football stadium and residential/mixed use development sites at Plough Lane in Wimbledon would place on the borough – are as follows:

• Hartfield Walk public realm Wimbledon Town Centre	£125,000
• Haydon's Road Parade Improvements (top-up funding further to £224k approved last year due to parades procurement prescriptions)	£257,578
• Polka Theatre redevelopment (Covid top-up funding further to £95k approved last year)	£150,000
• Merton Digital Local Network (Wimbledon Library)	£35,000

• Durnsford Recreation	£32,000
• Windmill Museum	£20,000
TOTAL Wimbledon Stadium	£619,578

- 2.14. Investment into the Hartfield Walk improvements will secure a dynamic public realm space in the heart of Wimbledon Town Centre. The scheme is to be delivered by Love Wimbledon and will include creative space for arts, performance and child play, greening and improved setting for market stalls to an important artery in the town centre linking a large town centre car park to the town centre attractions and routes north to the Stadium development.
- 2.15. Additional investment in the Haydon's Road Parade improvements will ensure delivery of the enhancement of facades/shopfronts along one of the key routes to the Stadium.
- 2.16. With respect of allocation of further funding to the Polka Theatre development outreach work will be secured through the grant agreement ensuring that the theatre undertakes in supporting deprived and hard to reach families, helping to bridge the gap and building social capital in terms of the Community Plan goal.
- 2.17. Merton Digital Local Network provides a digital mentoring resource based in Wimbledon which will be available to residents of the dwellings being built helping to support small business start-ups and employment pathways.
- 2.18. Enhancements to Durnsford Recreation ground will improve the open space offer of this green space within a short cycle via the Wandle Trail from the development.
- 2.19. The enhancements to the Windmill Museum will help support the cultural offer of this facility located close to the development on Wimbledon Common.

Other Selection Criteria

- 2.20. Appendix A sets out how each of the bids that have been put forward for funding are considered to meet the assessment criteria and the reasons for not supporting bids, including with respect of other assessment criteria:
- 2.21. Supporting the demands that development places on the borough (criteria "a")
 All bids have been closely assessed under this criterion and the recommended bids all meet this priority. To meet this requirement projects must be considered to address a demand of development over the 15-year local plan period from 2011.

2.22. Deliverability/financial implications (criteria “c” and “d”)

A number of proposals have not been recommended for funding at this stage because they are not sufficiently formed or supported proposals and/or due to their ongoing financial implications. Reasons include:

- those that comprise lists of project aspirations/needs or projects that may be suitable for funding in the future but are currently insufficiently formed.
- schemes that may be a service or works that the Council may deliver directly or procure third party delivery given the type of scheme that it is and the Council’s current position with respect of the service/works or lack of clarity with respect to the same.
- those that may be more appropriate for alternative funding bids, such as for section 106 or Strategic CIL funding,
- due to their impact upon future financial resources, requiring unspecified or ongoing funding support for project preparation, design, consultation, delivery and maintenance.

2.23. Neighbourhood priorities (criteria “g”)

All bids that have been put forward for funding meet the neighbourhood priorities identified for the neighbourhoods that they would benefit. A number of bids that have been recommended – Towards Employment, BAME Voice Community Hub, Youth Action Group, Merton Digital Local Network, Building for Later Life, Figges Marsh Park Run, Windmill Museum, Future Polka, Sustaining Deen City Farm and the Community Fridge – will benefit more than one of Merton’s neighbourhoods. This would enhance social capital by bringing communities together from across the Borough and supports the improvement of community facilities, town centres, streetscapes and open spaces as more people are engaged in making our neighbourhoods better for residents, workers and visitors.

Top-ups of previous bids and project coordination in Public Space

2.24. The further funding for the Haydon’s Road and Bramcote parades is required following review of actual costs for previous parade improvements in Colliers Wood and Wimbledon Town Centre which showed the cost for works coming in significantly greater than estimated at bidding stage.

2.25. £150k investment into the Public Space section is required to coordinate the delivery of successful Neighbourhood Fund, Ward Allocation and S106 projects, given the increase in demand especially with respect of recreation ground and other public space projects as previously approved or recommended in this report. The findings of the review into the operation of the Neighbourhood CIL spending regimes referred to above will help determine the priorities for roles funded by this investment.

Delegated Authority to amend bid amounts

- 2.26. Delegated authority as set out in Recommendation B is requested to address the scenario where amendments are required to authorised amounts for bids approved by Cabinet; for example where funding might need to be adjusted where costs following completion of detailed design work and consultation have increased or where match funding amounts are confirmed. Any decision will be made in line with Cabinet's agreed Neighbourhood Fund criteria.

3 ALTERNATIVE OPTIONS

- 3.1. Decision makers may choose to not allocate Neighbourhood CIL funding or allocate funding towards other bids that have not been recommended. However, the allocation of monies to the recommended bids are for deliverable projects that would meet Merton's Community Plan priorities and help support the demands development place on the borough benefiting local communities and attracting further investment into the borough. For this reason, allocation to alternative bids or not allocating any Neighbourhood funding is not recommended. Allocations towards measures that have not been recommended because they do not support the demands development places on the area would be unlawful under the CIL Regulations 2010 (as amended).

4 CONSULTATION UNDERTAKEN OR PROPOSED

- 4.1. Bids for the Neighbourhood Fund were sought between 12th May and 3rd July 2020.
- 4.2. The opening of the bidding round was advertised on the Council's website, via a press release and social media (and subsequent social media postings were published periodically during the bidding round) and via peer-to-peer publicity. We would like to thank everybody who spread the word about the consultation and who participated by submitting a bid.
- 4.3. A dedicated email address/telephone number was promoted to and well subscribed by bidders to help them through the bidding process.

5 TIMETABLE

- 5.1. Budget allocations will be carried out following confirmation of approved bids with payments made from the autumn 2020 subject to grant agreement negotiations, conditions and payment terms.

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 6.1. Community Infrastructure Levy, 15% of which is used for the Neighbourhood Fund, is payable when CIL-liable developments start to be built, not when planning permission is granted.

- 6.2. As at 30 June 2020 £2.1 million of Neighbourhood CIL was available for new bids and commitments/expenditure total £2.15 million under the Neighbourhood Fund approved since 2018 including £350k put aside for the Ward Allocation Scheme.
- 6.3. The Table below summarises the 2020 bids and proposed allocations for top-ups to existing bids and project coordination support splitting them between revenue and capital schemes. The formal approval of these schemes will be progressed as part of the “Financial Report 2020/21 – Period 4, July 2020”:

NCIL Project Selection 2020

Capital Schemes	£	Revenue Schemes	£
Deen City Farm	36,616	Colliers Wood Rec Improvements	10,000
Hartfield Walk Public Realm	125,000	Emergency Active Travel Fund	100,000
Polka Theatre	150,000	Towards Employment	53,235
Elmwood Centre Hub	65,000	NCIL Public Space Project Coordination	150,000
Windmill Museum	20,000	Growing Together - Community Planting & Events London Rd	29,619
Community Arts Venue - Cricket Green School	49,975	Figges Marsh Park Run - Set Up	4,000
Durnsford Road Rec Facilities	32,000	Community Fridge Network	50,730
Pollards Hill Lighting	100,000	Uptown Youth Services	30,000
Haydons Road - Shopping Parade Facade	257,578	School Streetscapes Mitcham - Sustainable Travel Practices	50,263
Bramcote Road - Shopping Parade Facade	40,000	Merton Digital Local Network	35,000
		BAME Community Hub	24,803
Total Capital Schemes	876,169	Total Revenue Schemes	537,650

Total All Projects

1,413,819

- 6.4. The balance of Neighbourhood CIL not applied to bids approved by Cabinet will be rolled forward to support bids approved in future bidding rounds.
- 6.5. Forecasts based on planning permissions that attract Merton’s CIL mean that the council expects to receive circa £300,000 into the Neighbourhood Fund per annum, excluding strategically significant developments.

7 LEGAL AND STATUTORY IMPLICATIONS

- 7.1. Under the CIL Regulations the Neighbourhood CIL, must be spent on development by funding the provision, improvement, replacement, operation or maintenance of infrastructure (s.216(1) *Planning Act 2008* and *Regulation 59, CIL Regulations 2010*).
- 7.2. Government guidance states that local authorities should engage local communities and agree with them how to best spend Neighbourhood CIL, and that administration should be proportionate to the level of receipts.
- 7.3. The Cabinet is empowered to arrange for the discharge of any of its functions by officers under section 9E of the Local Government Act 2000.. The delegation requested in this report is therefore permissible under that legislation.

- 7.4. Where Council expenditure is carried out under a contract that it enters into, it must comply with the Council's Contracts Standing Orders and where above the figure of £ £189,330 for goods and services, or £ £4,733,252 for works a notice in the Official Journal of the European Union would need to have been issued and procurement undertaken in accordance with the Public Contracts 2015.
- 7.5. Care should be taken to evaluate whether state aid occurs on any of the amounts allocated under the CIL allocation delegated under this report. Relevant enquiries should be made of organisations in receipt of funding above the de minimis threshold of Euro 200,000 in any three year period. There is a temporary threshold for Covid 19 related aid of 800k euros paid before December 31 2020.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 8.1. None for the purposes of this report. Projects will be selected against the criteria that Cabinet approved in September 2017 such as consideration of Merton's Community Plan, which include matters addressing equalities and community cohesion.

9 CRIME AND DISORDER IMPLICATIONS

- 9.1. None for the purposes of this report. Projects will be selected against the criteria that Cabinet approved in September 2017 such as consideration of Merton's Community Plan, which include matters relating to minimising crime and disorder.

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 10.1. None for the purposes of this report.

11 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT

- Appendix A: Neighbourhood Fund bids for 2020

12 BACKGROUND PAPERS

- Cabinet meeting 18 September 2017: Minutes and Agenda Item 4 – Neighbourhood Fund
<https://mertonintranet.moderngov.co.uk/ieListDocuments.aspx?CId=146&MId=2773&Ver=4>

Appendix A – Neighbourhood Fund bids for 2020