

Committee: Cabinet

Date: 19th February 2024

Subject: Civic Pride Investing in Neighbourhoods Fund” and “Community Climate Action Fund” bid approvals, and allocation of funding to deliver the “Councillors’ Ward Allocation Scheme”

Lead officer: Lucy Owen, Executive Director, Housing and Sustainable Development

Lead members: Councillor Eleanor Stringer, Deputy Leader and Cabinet Member for Civic Pride (Civic Pride Investing in Neighbourhoods Fund and the Ward Allocation Scheme) and Natasha Irons, for Local Environment, Green Spaces and Climate Change (Community Climate Action Fund)

Contact officer: Tim Catley, Planning Contributions Manager, Future Merton (Civic Pride Investing in Neighbourhoods Fund); Amy Mallett, Climate Engagement Officer, Future Merton (Community Climate Action Fund)

Recommendations:

1. To allocate £882,210 Neighbourhood Community Infrastructure Levy and £166,000 *Community Climate Action Funding*, in line with Merton Council’s approved criteria, to recommended bids summarised in Appendix A covering:
 - a) 25 bids received through the *2023 Civic Pride - Investing in Neighbourhoods and Community Climate Action Funds* bidding round; and
 - b) two top-up allocations of Neighbourhood Community Infrastructure Levy Funding to successful bids from the 2021 and 2022 bidding rounds.
 2. To approve the award of funding being subject to:
 - a) any conditions shown against each bid recommended for approval in Appendix B; and
 - b) due diligence being carried out to ascertain the appropriateness of grants under the Subsidy Control Act 2022 and other relevant powers and policies applicable to the award of funding by the council to external organisations.
 3. To delegate authority to the Executive Director, Housing and Sustainable Development in consultation with the Cabinet Member for Civic Pride to make any amendments to *Civic Pride Investing in Neighbourhoods* funding bid amounts recommended for approval, in line with Merton Council’s approved criteria;
 4. To allocate £370,000 Neighbourhood Community Infrastructure Levy Funding to support the implementation the *Councillors’ Ward Allocation Scheme* from April 2024 to March 2026.
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- 1.1 This report concerns the use of the 15% Community Infrastructure Levy (CIL) funding for neighbourhood projects (Neighbourhood CIL) and *Community Climate Action Fund* monies. CIL is paid to the council by developers of new housing in the borough whereas *Community Climate Action Fund* money has been allocated from council reserves to support the development and delivery of community-led climate projects.
- 1.2 During the five-week bidding round in autumn 2023, the council received 39 project bids to both funds from community groups, residents, businesses, charities and council services. We would like to thank everybody who spread the word about the consultation and who participated by submitting a bid.
- 1.3 This report recommends Neighbourhood CIL and *Community Climate Action Fund* funding is allocated to successful bids that accord with the council's published criteria under the *Civic Pride - Investing in Neighbourhoods* and *Community Climate Action Funds*. It also recommends to allocate Neighbourhood CIL funding to support the delivery of the *Councillors' Ward Allocation Scheme* from April 2024 to March 2026.
- 1.4 This is the sixth year of allocations of Neighbourhood CIL to projects in Merton. On 17 July 2023 Merton's Cabinet approved the approach to launching and administering Merton's new *Community Climate Action Fund* alongside Merton's *Civic Pride Fund – Investing in Neighbourhoods* and updated requirements and criteria to assess alignment with the council's Climate goals and to refer to the new Council Plan – “Building a Better Merton Together” which confirms the context for the council's strategic objectives, namely:
- Nurturing civic pride
 - Building a sustainable future
 - Creating a borough of sport
- 1.5 This report recommends allocating funding totalling £1,061,950 covering 25 of these bids. Allocations are based on Merton's *Civic Pride Fund Investing in Neighbourhoods* and *Community Climate Action Fund* criteria agreed by Cabinet in July 2023. In addition, there were two projects that were subject to successful bids in the 2022 and 2021 bidding rounds for which we are recommending top-up allocations of Neighbourhood CIL funds to cover cost increases amounting to £2,713.
- 1.6 Appendix A summarises the list of bids and top-ups recommended for approval. Appendix B sets out the full details of all the bids/top-ups received and any conditions to be met by bidders prior to the award of grants for bids recommended for approval..
- 1.7 Any grants awarded to an external organisation will need to be considered in light of the Subsidy Control Regime that came into force on 4th January 2023 pursuant to the Subsidy Control Act 2022 and other relevant powers and policies applicable to the award of funding by the council to external organisations.

- 1.8 Members are recommended to delegate authority to the Executive Director of Housing and Sustainable Development in consultation with the Cabinet Member for Civic Pride to make any amendments to funding bid amounts received through the recent *Civic Pride Fund - Investing in Neighbourhoods* consultation, in line with Cabinet's agreed criteria.
- 1.9 Members are also recommended to approve the allocation of £370,000 of Neighbourhood CIL Funding to support the implementation the *Councillors' Ward Allocation Scheme* from April 2024 to March 2026.

2 DETAILS

- 2.1 Since 2014 the Council has been collecting Community Infrastructure Levy for Merton and on behalf of the Mayor of London. Government legislation requires 15% of the CIL collected for each council to be spent on neighbourhood projects. As at 31st December 2023 Merton has received £8.0 million to be spent on neighbourhood projects. To date £6.7 million of this funding has been approved/spent under the *Civic Pride/Neighbourhood Fund* and the *Ward Allocation Scheme*.
- 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 Under the CIL Regulations 80% of the CIL collected by the council (excluding the Mayor of London CIL) must be spent on infrastructure that the council considers strategically important to support the development of the borough generally and is allocated to the provision of new or improved infrastructure like school expansions, station access improvements, or improvements to highway and park drainage networks. This larger pot of funding for strategic infrastructure is referred to as "Strategic CIL".

Merton's Civic Pride Fund - Investing in Neighbourhoods

- 2.4 On [17 July 2023 Cabinet agreed](#) updated criteria through which it can assess bids for the allocation of Neighbourhood CIL funding under a new scheme named the "*Civic Pride Fund – Investing in Neighbourhoods*". This scheme replaced the Neighbourhood Fund with its criteria originally approved in September 2017., . The updated criteria are:

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 the funds; be consistent with government rules and [London Borough of Merton Council Plan 2023-26 – "Building a](#)

[Better Merton Together](#)” delivering the council’s main ambition of rebuilding pride in Merton, supported by three strategic objectives namely:

- i. Nurturing civic pride
 - ii. Building a sustainable future
 - iii. Creating a borough of sport.
- 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).

2.5 The updated criteria and scheme name with Nurturing Civic Pride being one of the new administration’s strategic objectives for Merton, reflects our commitment to putting civic pride at the heart of our borough. Investing in our neighbourhoods using funding from developments being built across Merton, we want people to feel proud to live, work in and visit Merton. Investing in our spaces – improving our facilities, enhancing the look and feel of our neighbourhoods, together with community organisations and activities that support and bring communities together – all help to achieve that commitment.

2.6 At the [17 July 2023 Cabinet meeting](#) Members also noted that officers will only consider funding existing projects which have already received council funding where the bidder can:

1. demonstrate the value of the project;
2. demonstrate that other funding streams have been pursued;
3. secure funding from non-council sources in addition to the contribution requested from the council – the amount of council funding required for relevant existing projects will need to decrease over time; and
4. demonstrate a long-term funding plan for the project without council funding.

Merton’s Community Climate Action Fund

2.7 The new *Community Climate Action Fund* ringfences funding to support the roll-out of more community-led climate action projects. As approved by [Cabinet in July 2023](#) a joint bidding process was established with the *Civic Pride Investing in Neighbourhoods Fund*, due to the overlapping objectives

of both schemes and convenience for residents, community groups and other bidders.

- 2.8 To qualify for the *Community Climate Action Fund*, bidders had to fulfil extra criteria, in addition to fulfilling the criteria under the *Civic Pride Investing in Neighbourhoods Fund*. These are as follows:

Community Climate Action Fund Criteria

- H. The proposal is grassroots-generated and community-led; the project will need to be delivered by residents, community groups, and/ or their delivery partners, and cannot be delivered by the council.
- I. It helps reduce carbon emissions or adapt and build resilience to the impacts of climate change as set out in the [United Nations' definition of Climate Adaptation](#).
- J. It aligns with one or more of the four themes of Merton's Climate Strategy and Action Plan (Buildings and Energy, Green Economy, Transport, or Greening Merton).

- 2.9 To streamline the process for bidders, applications for both funds were received through a single application form on our website. This approach also maximised the opportunities for residents and community organisations to access funding – if one fund is exhausted there may be opportunities to fund projects across both funds (if they qualify) or using the fund with resources.

Overview of Bids

- 2.10 Bids for both funds were sought across five weeks between 27 September and 1 November 2023. The council's website and the application form was revamped to provide more support to residents and local groups interested in applying. The council promoted the scheme:

- by contacting a wide range of community groups, infrastructure providers and previous bidders, all councillors and service providers.
- by attending the autumn Community Forums across the borough, to speak directly to residents.
- via the My Merton magazine (autumn publication) that is delivered to all Merton households and social media releases,
- to the Community Response Steering Group in September
- officers spoke at the Joint Consultative Committee for Ethnic Minorities meeting in October giving key information for bidders.
- through Merton's Green Schools Network in October
- By sharing posts, case studies and videos of previously funded projects through the council's Climate Action Newsletter, Merton E-News and our social media channels (twitter, Facebook, Nextdoor) to promote the bids and increase web-traffic to the application page.

2.11 39 different 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 July 2023. Two top-ups to previously successful bids have also been requested to cover increases in project costs arisen during implementation of those projects.

2.12 This report recommends allocating funding totalling £1,061,950 covering 25 of these bids and the two top-ups.

Appendix A summarises the bids and top-ups recommended for funding under the assessment criteria.

Appendix B details all the bids received in 2023 and top-ups from 2021 and 2022 including those 2023 bids recommended for approval and those rejected. A short description of the proposal is set out for each bid and amounts applied for are included in addition to the amount recommended for allocation. Reasons for the recommendations are set and any conditions that will need to be met by the bidder before the award of any grant are included for the bids where they would be applied.

Assessment of bids

The council's priorities

2.13 A key aspect of the criteria approved by Cabinet is a requirement for bids to demonstrate how they would contribute to the council's strategic objectives, set out in the Council Plan – "Building a Better Merton Together" as supporting the delivery of the council's main ambition of rebuilding pride in Merton, namely:

- Nurturing civic pride
- Building a sustainable future
- Creating a borough of sport

2.14 Each bid recommended for approval are considered to contribute towards one or more of the priorities.

2.15 The following proposals are considered to have particularly strong outcomes with respect to **nurturing civic pride**:

- | | |
|---|----------|
| • Towards Employment Project (TET Creative) | £112,860 |
| • Morden Rec – Access, Leisure and Health | £80,000 |
| • Improved community facilities at Commonsie | £70,620 |
| • Whorley Hall, North East Mitcham Community Centre | £55,000 |

• Figge’s Marsh park improvements	£42,132
• Merton Garden Streets 2024	£34,613
• May Project Gardens Ecosystem	£30,360
• Shine Saturday School	£30,000
• Make Merton Merry	£25,000
• Abbotsbury Child friendly Zone	£30,000
• Library in the Park	£5,000
• Friends of Raynes Park Station	£4,500
TOTAL nurturing civic pride	£520,085

2.16 The proposals behind these bids would help nurture civic pride by supporting Merton’s neighbourhood’s resilience to life challenges such as building pathways to employment, supporting school children to get the best start to secondary school and safe access to recreation grounds and for inclusive recreation provision when they get there and supporting two vital community hubs ensuring Merton is a thriving place for voluntary and community organisations. Recommended bids would foster a deeper connection to Merton for residents and businesses and making it a better place to invest supporting our local economy by improving the look and feel of our residential areas, high streets and town centres and by celebrating its heritage and culture.

2.17 The following proposals are considered to have particularly strong outcomes with respect to **building a sustainable future**:

• Morden Rec – Access, Leisure and Health	£80,000
• Basketball Court Resurfacing, outdoor gym (Joseph Hood Rec)	£69,850
• New Horizon Courtyard Raingarden	£50,000
• Living green walls in 3 local schools	£43,118
• Figge’s Marsh park improvements	£42,132
• BAME Community Climate Action	£41,308
• Polish Family Climate Action	£41,000

• Preloved Studio	£36,554
• Merton Garden Streets 2024	£34,613
• The Wheel	£30,884
• May Project Gardens Eco System	£30,360
• Hadley Road Community Allotment Hub	£30,151
• Cannizaro Park flood management project	£30,000
• Polka Theatre - safety and energy improvements	£29,347
• Retrofit the 23rd Mitcham Scout Hall with external insulation	£13,740
TOTAL building a sustainable future	£603,057

2.18 With proposals that address the demands of the changing climate on our neighbourhoods the above bids represent the council's support for endeavours to protect local residents, businesses and visitors against some of the worse impacts of climate change, whether it be through supporting the green economy, making community buildings more energy efficient, improving our green infrastructure including local green spaces, providing sustainable drainage solutions and weatherproof pathways, supporting planting on residential streets or reaching out to new communities inspiring behavioural change through activities and initiatives with respect to the circular economy, travel, food production and diets.

2.19 The following proposals are considered to have strong outcomes with respect to **creating a borough of sport**:

• Morden Rec – Access, Leisure and Health	£80,000
• Basketball Court Resurfacing, outdoor gym (Joseph Hood Rec)	£69,850
• Actively Merton" exercise opportunities for those aged 50+, Age UK	£63,200
• Youth Sports Arena St Thomas of Canterbury RC Primary School, Mitcham	£60,000
• Figge's Marsh park improvements	£42,132
• Cannizaro Park flood management project	£30,000
• TOTAL creating a borough of sport	£345,182

- 2.20 Merton as a borough of sport is tapping into what inspires communities to live more active and healthy lifestyles and the above bids are considered to do this by improving the active recreation offer at local parks investing in improved sports provision for the young and old with improved facilities in schools that are accessible to the wider community and expanding the sport and exercise activities for over 50s.

Community Climate Action Fund assessments

- 2.21 Providing greater opportunities for communities to mitigate and adapt to the effects of climate change is key to ensuring more residents in Merton feel they have the agency to take action to protect their local environment and lessen their overall environmental impact. Addressing climate vulnerability and engaging hardly reached audiences is essential for building a sustainable future, just as much as it is about physical interventions e.g. sustainable urban drainage, energy savings measures, or creating a circular economy.
- 2.22 The following proposals are considered to have sufficiently met the criteria to be awarded funding through the *Community Climate Action Fund*.
- 2.23 Some proposals are eligible for funding from both the *Community Climate Action Fund* and the *Civic Pride Investing in Neighbourhoods Fund* 'Building a Sustainable Future' priority, so are noted twice.

Living green walls in 3 local schools	£8,521
Polish Family Climate Action	£41,000
New Horizon Courtyard Rain garden	£9881
The Wheel	£30,884
Preloved Studio	£10,836
BAME Community Climate Action	£41,308
Hadley Road Community Allotment	£5,959
Merton Garden Streets 2024	£10,260
May Project Gardens Eco System	£7,351
TOTAL Community Climate Action Fund	£166,000

Other assessment criteria & bid requirements

- 2.24 Appendix B 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 to other assessment criteria:

Supporting the demands that development places on the borough (criteria “a”)

- 2.25 All bids have been closely assessed under this legislative requirement criterion and the recommended bids (for *Civic Pride Investing in Neighbourhoods Funding*) 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. One of the eligibility requirements that fall under this criterion is that the project must have a clear broad public value and projects where the public benefit in terms of demonstrable outcomes would be negligible or overly restricted aren't supported.

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

- 2.26 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 financial implications. Reasons include:
- those that comprise lists of project aspirations or projects that may be suitable for funding in the future but are currently insufficiently formed.
 - those that may be more appropriate for alternative funding or could be covered by existing funding allocations.
 - due to their impact upon future financial resources, requiring unspecified or ongoing funding support for project preparation, design, consultation, delivery and maintenance.
 - bids that do not demonstrate that the funding sought would represent best value for the investment of council funds, including where best endeavours to maximise the amount of alternative “match funding” that will be secured for the project haven't been demonstrated by the bidder.
 - Projects that are not authorised by relevant statutory approval bodies, landowner, delivery organisation or council service area.
 - Projects where funding is requested for surveys or research and would not necessarily result in a project delivered on the ground and outcomes necessary for funding to be recommended.
 - Projects that are proposed for delivery outside of the funding timeframes.

Neighbourhood priorities (criteria “g”)

- 2.27 All bids that have been put forward for funding meet the neighbourhood priorities identified for the neighbourhoods that they would benefit. Appendix A lists the neighbourhood zone that would primarily benefit from the project. A number of bids that have been recommended – TET Creative, Merton Garden Streets 2024, the Wheel, the Preloved Studio, Polish Family Climate Action, BAME Community Climate Action, Make Merton Merry, Library in the Park, May Project Gardens Ecosystem, Shine Saturday School – will benefit more than one of Merton's neighbourhoods. This would enhance civic pride by bringing communities together from

across Merton and support 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.

Community Climate Action Fund (criteria “H”, “I” and “J”)

- 2.28 In addition to the reasons noted above, some proposals to the *Community Climate Action Fund* are not recommended for funding, as proposals paid limited attention to criteria “I” and “J”. For the *Community Climate Action Fund*, those environmental objectives are integral to being considered for an award.

Additional information requirements for projects which have already received council funding

- 2.29 A number of bids for projects that have already received council funding are considered to not have satisfied assessors that a further allocation of funding would be appropriate. Those projects are considered to have failed to sufficiently demonstrate one or more of the following:
1. the value of the project (in terms of how it meets the assessment criteria overall);
 2. that other funding streams have been pursued;
 3. funding from non-council sources in addition to the contribution requested from the council – the amount of council funding required for relevant existing projects will decrease over time; or
 4. a long-term funding plan for the project without council funding.

Delegated Authority to amend bid amounts and to approve Section 106 Carbon Offset funding to a bid

- 2.30 Delegated authority as set out in Recommendation 3 is requested to address the scenario where amendments are required to authorised amounts of *Civic Pride Investing in Neighbourhoods* funding for bids approved by Cabinet where costs or 3rd party funding availability has changed. Any decision will be made in line with Cabinet’s agreed criteria.
- 2.31 The bid for retrofitting external wall insulation to the 23rd Mitcham Scout Hall qualifies for funding paid by developers of buildings under Section 106 agreements secured alongside planning permissions. Where Section 106 funding can be used the council applies it instead of more flexible forms of funding such as Community Infrastructure Levy or council Climate Funds so that it can meet its statutory duty in terms of managing public funds. The allocation decision can be made under delegated officer authority given the amount of funding required (£13,740).

The Councillors’ Ward Allocation Scheme

- 2.32 On 20th February 2023 Cabinet approved the new *Councillors' Ward Allocation Scheme* to be carried out in three phases. The first phase for engagements and preparing projects with councillors was to occur over the first 12 months from April 2023 to March 2024. The subsequent two phases involving project delivery are to be carried out from April 2024 to March 2026 once sufficient Neighbourhood CIL funding had accrued from developer receipts. Members were told that given the anticipated levels of receipts over the subsequent 12 months there was expected to be sufficient funding for this allocation in addition to the running of the Civic Pride Fund - Investing in Neighbourhoods bidding round in the Autumn 2023.
- 2.33 At the same meeting Cabinet granted delegated authority to the Executive Director of Environment, Civic Pride & Climate in consultation with the Cabinet Member for Civic Pride to approve the allocation of funding for the implementation of the *Councillors' Ward Allocation Scheme* as proposed once sufficient funding has been received by the council.
- 2.34 Accordingly it is recommended that Members approve the £370,000 allocation of Neighbourhood CIL funding required to support the delivery of the *Councillors' Ward Allocation Scheme* from April 2024 to March 2026. Given the £1,312,996 Neighbourhood CIL Funding currently available, this leaves a total of £940,583 of funding available for *Civic Pride Investing in Neighbourhoods Fund* bids, which is sufficient to cover all recommended *Civic Pride Investing in Neighbourhood* funding bid and top-up allocations (totalling £882,210) in this report.

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 bid requirements and criteria and in particular Merton's strategic 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).
- 3.2 Councillors may choose not to allocate *Community Climate Action Funding* or allocate funding towards other bids that have not been recommended. However, this would remove funding from recommended bids which have passed all eligibility checks, and clearly demonstrate how they will contribute to the council's strategic priority 'Building a sustainable future'. Allocations to alternative bids, or not allocating the *Community Climate Action Funding* is not recommended.
- 3.3 Members could choose to withhold the allocation of funding for the *Councillors' Ward Allocation Scheme*, however this would prevent the delivery of projects selected by ward councillors on the basis that the

funding would be allocated for delivery following Cabinet's decision in February 2023 and wards would miss out on an equal share of a portion of Neighbourhood CIL funding.

4 CONSULTATION UNDERTAKEN OR PROPOSED

- 4.1 Bids for the *Civic Pride Investing in Neighbourhoods and Community Climate Action Funds* were sought between 27 September and 1 November 2023.
- 4.2 The opening of the bidding round was advertised on the Council's website, via a press release and social media 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.
- 4.4 Further details are set out in the body of this report.

5 TIMETABLE

- 5.1 Budget allocations will be carried out following confirmation of approved bids with payments made from later in 2024 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 projects, is payable when CIL-liable developments start to be built, not when planning permission is granted.
- 6.2 As at 16 January 2024 £1,312,996 (to Q3 2023/24) of Neighbourhood CIL was available for new bids and *the Councillors' Ward Allocation Scheme* following commitments/expenditure totalling £6.73million, approved since 2018 including allocations to Civic Pride/Neighbourhood Fund bids and £350k put aside for the first Ward Allocation Scheme implemented between April 2019 and March 2022.
- 6.3 On 20th February 2023, as part of Merton's Climate Delivery Plan for Year 3, Cabinet approved the allocation of £500k to a *Community Climate Action Fund* to continue supporting the development and delivery of community-led climate projects. This was funded through the £2million in climate funding allocated by Cabinet in June 2022 and agreed with CMT on 22nd November 2022.
- 6.4 The Table at Appendix A summarises the 2023 bids recommended for approval in terms of the recommended funding allocations. The formal approval of these schemes will be progressed as part of the "Financial Report 2023/24 – Period 9, December 2023". Headline total amounts are as follows:

Neighbourhood CIL

	Recommended Total Amount	Revenue	Capital
Ward Allocation Scheme	370,000	370,000	0
Civic Pride Investing in Neighbourhoods Bids & top-ups	882,210	316,353	565,857

Community Climate Action Fund

	Recommended Total Amount	Revenue	Capital
Community Climate Action Fund bids	166,000	141,639	24,361

Section 106 Carbon Offset

	Recommended Total Amount	Revenue	Capital
Section 106 Carbon Offset bids <i>The decision to allocate this level of S106 Carbon Offset funding is delegated to officers so is not included in the recommendation in this report.</i>	13,740	0	13,740

- 6.5 The balance of Neighbourhood CIL not applied to bids approved by Cabinet or the *Councillor's Ward Allocation Scheme* will be rolled forward to support bids approved in future bidding rounds.
- 6.6 Forecasts based on planning permissions that attract Merton's CIL mean that the council expects to receive circa £300,000 into the Civic Pride Fund - Investing in Neighbourhoods per annum, excluding strategically significant developments.

7 LEGAL AND STATUTORY IMPLICATIONS

- 7.1 Under Section 216 (1) of the Planning Act 2008 and Regulation 59 of the CIL Regulations 2010 requires the Council to apply the charge, or cause the charge to be applied, to supporting development by funding the provision, improvement, replacement, operation or maintenance of infrastructure. Infrastructure is defined in Section 216(2) of the Planning Act 2008.
- 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 When allocating funding to external organisations the Council needs to be mindful of the UK Subsidy Control Regime which came into effect on the 4th January 2023. The purpose of the Subsidy Control Regime is to prevent

public authorities from giving financial advantage to enterprises in a way that could distort competition. In order to ascertain whether the regime would apply the Council would need to consider whether the funding is a subsidy in the first place and there is a prescribed test that would need to be carried out.

- 7.4 It is highly unlikely that this funding would be classed as subsidy. However, if in the event it was, then there is provision in the regime for Minimal Financial Assistance (MFA) which allows a public authority to award low value subsidies without needing to comply with the majority of the subsidy requirements.
- 7.5 The delegations recommended at 3 above are permissible under Section 9E of the Local Government Act 2000.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 8.1 None for the purposes of this report. Projects are recommended against the criteria that Cabinet approved in September 2022 such as consideration of Merton's strategic priorities, which include matters addressing equalities and community cohesion.

9 CRIME AND DISORDER IMPLICATIONS

- 9.1 None for the purposes of this report. Projects are recommended against the criteria that Cabinet approved in September 2022 such as consideration of Merton's strategic priorities, 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: *Summary of recommended allocations to bids and the Ward Allocation Scheme*
- Appendix B: Bid details – *Civic Pride Investing in Neighbourhoods and Community Climate Action Funds 2023*

12 BACKGROUND PAPERS

- Cabinet meeting 17 July 2023: Merton's Civic Pride Fund – Investing in Neighbourhoods and Merton's Community Climate Action Fund
<https://democracy.merton.gov.uk/ieDecisionDetails.aspx?AllId=21976>

- Cabinet meeting 20 February 2023: Climate Delivery Plan – Year 3 Decision - Climate Delivery Plan - Year 3 - Merton Council
<https://democracy.merton.gov.uk/ieDecisionDetails.aspx?AllId=21103>
- Cabinet meeting 20 February 2023: Neighbourhood CIL and Merton's Civic Pride Fund - Investing in Neighbourhoods bid approvals
<https://democracy.merton.gov.uk/ieDecisionDetails.aspx?AllId=21281>
- Cabinet meeting 22 September 2022: Minutes and Agenda Item 4 – Neighbourhood Fund
<https://democracy.merton.gov.uk/ieListDocuments.aspx?CId=146&MId=4183&Ver=4>