

Committee: Cabinet

Date: 8 November 2021

Wards: all

Subject: Merton's Neighbourhood Fund project selection 2021

Lead officer: Chris Lee, Director of Environment and Regeneration

Lead member: Councillor Martin Whelton, Cabinet Member for Housing, Regeneration and the Climate Emergency

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

Recommendations:

1. To allocate CIL Neighbourhood Fund money to individual projects received through the 2021 Neighbourhood Fund consultation in line with Merton Council's approved Neighbourhood Fund criteria as set out in Appendix A
 2. That delegated authority be granted to the Director of Environment and Regeneration in consultation with the Cabinet Member for Housing, Regeneration and the Climate Emergency 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 as set out in Appendix A.
- 1.2. This is the third year of allocations to Merton's Neighbourhood Fund, which combines with the Ward Allocation Scheme to allocate 15% of the Merton Community Infrastructure Levy to projects in Merton. In 2017 Merton's Cabinet agreed the criteria against which Neighbourhood Fund projects are assessed.
- 1.3. 32 project bids requesting a total of £1.78 million were received from community groups, residents, businesses, charities and council services following 9 weeks of public consultation. We would like to thank everybody who spread the word about the consultation and who participated by submitting a bid.
- 1.4. This report recommends allocating funding totalling £1,275,433 covering 22 of these projects and 2 top-ups of previously successful bids. Allocations are based on Merton's Neighbourhood Fund criteria agreed by Cabinet in 2017. 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 Housing Regeneration, and the Climate Emergency 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 for Merton and on behalf of the Mayor of London. As at 30th September 2021 Merton has received £5.6 million to be spent on neighbourhood projects via the Neighbourhood Fund and the Ward Allocation Scheme. To date (i.e. not including the proposed allocations in this report) £4.01 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. 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.
 - 2.5. Officers carried out a review of the operation of both schemes over the spring 2021 and Cabinet at its meeting dated 22 June 2021 resolved for officers to undertake a further review in 2022 following the conclusion of

four years of the Neighbourhood Fund and the conclusion of the Ward Allocation Scheme. They resolve that this review should look at priorities for Neighbourhood CIL spending and governance arising from the assessment of the Your Merton survey and to include an assessment of the implementation of the Ward Allocation Scheme for its full three year duration.

Bids

- 2.6. Bids for the Neighbourhood Fund were sought across nine weeks between 9 July and 10 September 2021. In the spring 2021 review, cross party councillors expressed a wish that the Neighbourhood Fund should be more accessible to residents and others who may not be used to bidding for funding, to make it clear that anyone can bid and should do so if they have an idea for funding even if they don't have all the information requested in the bid form. Therefore this year the bidding page on the council's website was amended in response to the findings of councillor feedback.
- 2.7. 32 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 £1,275,433 covering 22 of these projects and 2 top-ups of previous bids.
- 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 with amounts recommended for allocation shown in the column titled "Funding recommended £". Reasons for the recommendations are set out in the column titled "Summary Assessment".

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 Community Plan 2020-26 with a particular focus on the overarching goal of building social capital to help bridge the gap in life outcomes for the most deprived wards in the east and south of the borough compared to other wards.
- 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 £523k of funding recommended to projects that would directly meet the priority, namely:

• Pollards Hill Bus Shelter Refurbishment	£150,000
• Attic's Creative Community Engagement Programme	£42,549
• The Small Quarter: Community growing and culture space	£38,914
• The Mitcham Colour Way	£3,500
• The New Horizon's Centre - Better spaces - better place	£68,500
• Sherwood Park Cafe and Mini Golf	£60,000
• Uptown Youth Services	£30,000
• Immersive Learning Centre	£80,489
• Museum of Wimbledon Refurbishment Project	£50,000
TOTAL Bridging the gap	£523,952

Other Selection Criteria

2.12. 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:

2.13. 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.

2.14. 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 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.
- those that may be more appropriate for alternative funding, such as for Strategic CIL, ARG funding, or could be funding by existing funding

allocations such as street trees, alley-gates and Morden Town Centre Neighbourhood CIL funding pots.

- due to their impact upon future financial resources, requiring unspecified or ongoing funding support for project preparation, design, consultation, delivery and maintenance.
- Projects where funding is requested for feasibility and would not necessarily result in a project delivered on the ground.

2.15. 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 – Uptown Youth, Attic’s Creative Community Engagement Programme, Community Centre Energy Saving Lighting, Merton Garden Streets 2022, Energy Matters, Community Champions, the Wheel, Museum of Wimbledon – will benefit more than one of Merton’s neighbourhoods. This would enhance social capital 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.

Top-ups of previous bids

- 2.16. The further top-up of £20k for Bramcote parade is required to meet the final costs incurred to complete the scheme after various site-specific amendments in terms of materials and labour. Being a conservation area the restoration work required specific materials and standards to match the original construction. This was following and is in addition to the initial budget top-up of £40k approved by Cabinet in September 2020 required due to a 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.
- 2.17. The £27.5k top up for Parade programme and town centre management is required due to the need to fund the officer responsible for the management of the parade programme for the second half of the forthcoming financial year 2022-23 including managing the completion of the Haydon’s Road North Parade Improvements.

Supporting the recovery from Covid19 and combatting Climate Change

- 2.18. Recent consultation carried out by the council has shown the importance of the Covid19 Recovery and combatting Climate Change for residents and the community as a whole. Given this importance officers consider it important to refer to bids that would help support the Covid19 Recovery and efforts to combat Climate Change (as set out below). However, it should be noted that this is not part of the bid assessment under the bid assessment criteria approved by Cabinet in September 2017.

- 2.19. It is clear from findings of the recent Your Merton Survey that residents want more to be done to their local neighbourhoods given the greater amount of time they are spending at home since Covid19 struck. The Neighbourhood Fund can be used to support the improvements to the public realm and community facilities to boost the sport and recreation, cultural and high street offer in Merton to make our neighbourhoods vibrant, green, attractive and overall better equipped to meet these changing demands.
- 2.20. Covid19 has hugely disrupted the ability of local community organisations to operate effectively and viably and threaten the viability of locally supported traffic management measures. Reliable funding streams that supported these organisations and traffic measures pre-pandemic have been cut off and organisations have been operating with restricted capacity given working from home directives and staff absences. Given the importance of these organisations to respond to demands of Covid including the disproportionate impact upon the most marginalised and deprived communities and isolated individuals in Merton, the Climate Emergency and traffic safety, the Neighbourhood Fund offers to stimulate activity and recovery and reinvention to address the new and complex challenges faced.
- 2.21. Following the council's declaration of a Climate Emergency on 10 July 2019 the council has been building and forming new partnerships to support and drive community collectives to deliver on its Climate Strategy and Action Plan objectives. Funding projects, programmes and community activities is a substantial challenge given the pace of change in this area around the world and the restrictive terms and conditions of government and other external grants.
- 2.22. The Neighbourhood Fund presents a relatively flexible funding option to support smaller grass-roots projects and programmes developed by Merton's Climate Action Groups, and other climate aligned neighbourhood activities.
- 2.23. Bids that have been recommended for approval that stand out as supporting the Covid recovery – including helping our community in terms of Covid demands in terms of facilities and services and in providing funding support in-lieu of other funding streams/cash-flow shortages arising due to Covid19 – or helping to address Climate Change are as follows:

Covid19 Recovery

- | | |
|--|---------|
| • Attic's Creative Community Engagement Programme | £42,549 |
| • The Small Quarter: Community growing and culture space | £38,914 |
| • The Mitcham Colour Way | £3,500 |
| • Sherwood Park Cafe and Mini Golf | £60,000 |

• Uptown Youth Services	£30,000
• Improving Colliers Wood Rec Playground	£67,000
• Martin Way - Greener, Brighter & Revitalised	£27,335
• Merton Garden Streets 2022	£31,288
• There's More to Morden	£35,000
• Community Champions 2022	£64,000
• 20 mph banners	£35,000
TOTAL Covid19 Recovery	£434,586

Climate Change

• Polka Green Retrofit – decarbonisation measures to Polka Theatre old building	£20,177
• The Small Quarter: Community growing and culture space	£38,914
• Community Centre Energy Saving Lighting	£35,000
• Martin Way - Greener, Brighter & Revitalised	£27,335
• Merton Garden Streets 2022	£31,288
• Energy Matters: Building the next generation of energy champions	£88,822
• Community Champions 2022	£64,000
• The Wheel - A Circular Economy for Merton	£75,000
TOTAL Climate	£380,536

Delegated Authority to amend bid amounts

- 2.24. 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 changed or where match funding amounts are confirmed. Any decision will be made in line with Cabinet's agreed Neighbourhood Fund criteria.

- 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 9 July and 10 September 2021.
- 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.

5 TIMETABLE

- 5.1. Budget allocations will be carried out following confirmation of approved bids with payments made from November 2021 and through early 2022 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 8 October 2021 £1.27 million of Neighbourhood CIL was available [includes Q2 income figures sent to you on 13/10 Zoe] for new bids following commitments/expenditure totalling £4.3 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 5, August 2021”:

Capital Schemes	Budget 2021-22 £	Budget 2022-23 £	<u>Revenue Schemes</u>	Budget 2021-22 £	Budget 2022-23 £

Pollards Hill Bus Shelter Refurbishment		150,000	The Small Quarter: Community growing and culture space		38,914
Polka Green Retrofit (Grant)	20,180		The Mitcham Colour Way		3,500
Merton Priory/Anima Una - Building a creative space for young people (Grant)	50,000		Attic's Creative Community Engagement Programme		42,549
The New Horizon's Centre - Better spaces - better place (Grant)		68,500	Sherwood Park Cafe and Mini Golf		60,000
Improving Colliers Wood Rec Playground		67,000	Uptown Youth Services		30,000
Community Centre Energy Saving Lighting		35,000	Martin Way - Greener, Brighter & Revitalised		27,335
Immersive Learning Centre		80,490	Merton Garden Streets 2022		31,288
Abbey Recreation Ground and Merton Park Green Walk Improvements		40,000	Museum of Wimbledon Refurbishment Project (Grant)		50,000
Bramcote Parade topup	20,000		Energy Matters: Building the next generation of energy champions		88,823
South Wimbledon Business Area Wayfinding		135,360	There's More to Morden		35,000
			20mph banners		35,000
			Community Champions 2022: Building social capital in Merton's journey towards net zero	57,600	6,400
			The Wheel - A Circular Economy for Merton		75,000
			Parade Programme Management top-up		27,500
Total Capital Schemes	90,180	576,350	Total Revenue Schemes	57,600	551,309

Total All Projects

1,275,439

- 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 Council is empowered to arrange for the discharge of any of its functions by officers (under section 101 of the Local Government Act 1972). The delegation requested in this report is therefore permissible under that legislation.

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 2021

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>
- Cabinet meeting 22 June 2021: Minutes and Agenda Item 8 – Neighbourhood Community Infrastructure Levy Review
<https://democracy.merton.gov.uk/ieListDocuments.aspx?MId=3972>

Appendix A – Neighbourhood Fund bids for 2021

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