

Committee: Cabinet

Date: 20 February 2023

Wards: all

Subject: Neighbourhood CIL and Merton's "Civic Pride Fund - Investing in Neighbourhoods" bid approvals

Lead officer: Adrian Ash, Interim Executive Director of Environment, Civic Pride & Climate

Lead member: Councillor Eleanor Stringer, Deputy Leader and Cabinet Member for Civic Pride

Contact officer: Tim Catley, Planning Contributions Manager, Future Merton

Recommendations:

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1. To allocate £1,324,209 Neighbourhood Community Infrastructure Levy money to 22 individual projects received through the *2022 Civic Pride Fund - Investing in Neighbourhoods* bidding round as set out in Appendix A in line with Merton Council's approved criteria;
 2. To approve the award of funding is subject to:
 - (a) any conditions shown against each bid recommended for approval in Appendix B and the
 - (b) due diligence being carried out to ascertain if grants do fall under the UK Subsidy Control Regime which came into effect on the 4th January 2023 and where necessary to comply with the regime and the Subsidy Control Act 2022;
 3. To delegate authority to the Interim Executive Director of Environment, Civic Pride & Climate in consultation with the Cabinet Member for Civic Pride to make any amendments to funding bid amounts recommended for approval, in line with Merton Council's approved criteria;
 4. To note the review of the implementation of the Ward Allocation Scheme from 2019 to 2022 included at Appendix C;
 5. To endorse the implementation of a further Ward Allocation Scheme from April 2023 to March 2026 in accordance with paragraph 2.28 of this report.
 6. To delegate authority to the Interim Executive Director of Environment, Civic Pride & Climate in consultation with the Cabinet Member for Civic Pride to allocate Neighbourhood Community Infrastructure Levy Funding to support the implementation of a further Ward Allocation Scheme to March 2026 in accordance with paragraph 2.29 of this report.
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1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. This report concerns the use of the 15% Community Infrastructure Levy (CIL) funding for neighbourhood projects (Neighbourhood CIL). CIL is paid to the council by developers of new housing in the borough. This report recommends Neighbourhood CIL funding is awarded to successful bids

received under the *Civic Pride Fund - Investing in Neighbourhoods* Fund following bid submission in Autumn 2022.

- 1.2. This is the fourth year of allocations of Neighbourhood CIL to projects in Merton. On 22 September 2022 Merton's Cabinet updated the criteria against which bids to the *Civic Pride Fund - Investing in Neighbourhoods* are assessed, the original criteria having been approved by Cabinet in September 2017. The new criteria are focused on the council's priorities, namely:
 - Nurturing civic pride
 - Building a sustainable future
 - Creating a borough of sport

- 1.3. The amount of Neighbourhood CIL funding that is available for new projects under the *Civic Pride Fund – Investing in Neighbourhoods* is £1,411,419, an increase of over £0.6m from the figure of available funding reported to Cabinet in September 2022. This is due to a strong CIL income return from new developments in quarter 3 (October / December 2022), including £266,000 from the residential development which started construction at the Tesco's Car Park site on Burlington Road, New Malden.

- 1.4. During the five-week bidding round in autumn 2022, the council received 39 project bids requesting a total of £2.14 million. The bids were received 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.

- 1.5. This report recommends allocating funding totalling £1,324,209 covering 22 of these bids. Allocations are based on *Merton's Civic Pride Fund Investing in Neighbourhoods* criteria agreed by Cabinet in September 2022.

- 1.6. The list of bids recommended for approval is set out in Appendix A and details of all the bids received and any conditions to be met by bidders prior to the award of grants for bids recommended for approval are set out in Appendix B to this report.

- 1.7. In addition it is recommended that any award of grant to an external organisation will need to be considered in light of the Subsidy Control Regime that came into force on the 4th January 2023 pursuant to the Subsidy Control Act 2022.

- 1.8. Members are also asked to delegate authority to the Interim Executive Director of Environment, Civic Pride & Climate 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. This report also sets out proposals for a new scheme of ward investments, known as the Ward Allocation Scheme during the current electoral term to

March 2026. Like the *Civic Pride Fund - Investing in Neighbourhoods* the Ward Allocation Scheme will also be funded by Neighbourhood CIL

- 1.10. Cabinet is also asked to note the findings of the review of the Ward Allocation Scheme contained in the report at Appendix C that involved allocations to specific types of ward projects identified and agreed by ward councillors from April 2019 to March 2022 and approve arrangements with respect to the implementation of a second round of ward allocations to March 2026 with expenditure to commence from April 2024.
- 1.11. It is also recommended that Cabinet grants delegated authority to the Interim Executive Director of Environment, Civic Pride & Climate in consultation with the Cabinet Member for Civic Pride to allocate Neighbourhood CIL funding to support the implementation of this further Ward Allocation Scheme 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 30th June 2022 Merton has received £6.97 million to be spent on neighbourhood projects. To date £5.58 million of this funding has been approved/spent under the 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 [22 September 2022 Cabinet agreed](#) updated criteria through which it can assess bids for the allocation of Neighbourhood CIL funding, originally approved in September 2017 for the Neighbourhood Fund scheme, under a new scheme named the “*Civic Pride Fund – Investing in Neighbourhoods*”, with this new scheme replacing the Neighbourhood Fund. The updated criteria that is now applicable to bids submitted under the *Civic Pride Fund – Investing in Neighbourhoods* is 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 Council's overarching priority/aim of rebuilding pride in Merton, supported by three guiding principles 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 new scheme name with Nurturing Civic Pride being one of the new administration's key priorities 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 and 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.

Overview of Bids

- 2.6. Bids for the *Civic Pride Fund - Investing in Neighbourhoods* were sought across five weeks between 3 October and 4 November 2022. 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.
 - via the My Merton magazine (autumn publication) that is delivered to all Merton households and social media releases,
 - via Merton Connected outreach channels
 - officers spoke at the Joint Consultative Committee for Ethnic Minorities meeting in October giving key information for bidders.

- 2.7. 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 September 2022.
- 2.8. This report recommends allocating funding totalling £1,324,209 covering 22 of these bids.
- 2.9. **Appendix A** includes the bids recommended for funding under the assessment criteria.
- 2.10. **Appendix B** lists all the bids including those recommended for approval and those that are not. 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

- 2.11. A key aspect of the criteria approved by Cabinet is a requirement for bids to demonstrate how they would contribute to the council's priorities:
- Nurturing civic pride
 - Building a sustainable future
 - Creating a borough of sport
- 2.12. Each bid recommended for approval are considered to contribute towards one or more of the priorities.
- 2.13. The following proposals are considered to have particularly strong outcomes with respect to **nurturing civic pride**:

| | |
|---|----------|
| • Merton Sports Coaching Academy | £144,275 |
| • Strive to thrive – Workshop 305 | £115,600 |
| • Springboard – SMCA working for the community | £87,000 |
| • Cannizaro Park Valley Path | £82,500 |
| • Towards Employment | £74,960 |
| • Restoring Pride in Mitcham Cricket Green | £54,000 |
| • Ready Steady Cook – CR4 Community Cooking Classes | £42,750 |
| • Anima Una | £33,000 |

| | |
|---|-----------------|
| • Merton Garden Streets 2023 | £35,373 |
| • The Small Quarter Phase 2 | £22,000 |
| • Uptown Youth Services | £15,000 |
| • Vestry Hall – Mitcham Arts Collective | £12,000 |
| TOTAL nurturing civic pride | £718,458 |

2.14. 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, teaching school children in areas with high rates of diabetes how to cook healthily for themselves and their families, improving accessibility to activities and public places for people with physical or mental disabilities, and fostering a deeper connection to Merton by celebrating its heritage and culture.

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

| | |
|--|-----------------|
| • Cannizaro Park Valley Path | £82,500 |
| • Morden Park Playground | £75,530 |
| • Kenilworth Green SuDS and Pocket Park | £65,000 |
| • The Wheel | £63,615 |
| • Community Champions, more sustainable Merton | £51,836 |
| • Merton Garden Streets 2023 | £35,373 |
| • The Small Quarter Phase 2 | £22,000 |
| TOTAL building a sustainable future | £395,854 |

2.16. 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 providing sustainable drainage solutions and weatherproof pathways in local green spaces, supporting planting in parks and on streets or inspiring behavioural change through activities and initiatives with respect to the circular economy, travel, food production and diets.

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

| | |
|---|-----------------|
| • Merton Saints BMX Club – New Start Hill | £130,000 |
| • Merton Sports Coaching Academy | £144,275 |
| • Garfield Rec MUGA refurb | £120,000 |
| • Cannizaro Park Valley Path | £82,500 |
| • Morden Park Playground | £75,530 |
| • Restoring Pride to Mitcham Cricket Green | £54,000 |
| • Ready Steady Cook – CR4 Community Cooking Classes | £42,750 |
| • Green Gym for Moreton Green | £35,000 |
| • TOTAL creating a borough of sport | £684,055 |

2.18. 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 our sporting future with work experience opportunities for sports coaching students in local schools, building on the success of BMX at recent Olympic Games by investing in local BMX infrastructure, supporting the viability and accessibility of the oldest cricket club in the world and creating a more mobile population by equipping a generation in CR4 with healthy cooking knowledge.

Other assessment criteria

2.19. 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:

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

All bids have been closely assessed under this legislative requirement 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. One of the eligibility requirements that fall under this criteria 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 niche aren't supported.

2.21. 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 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.
- Projects that are not authorised by relevant statutory approval bodies, landowner, delivery organisation or council service area.
- Projects where funding is requested for surveys and would not necessarily result in a project delivered on the ground.
- Bidders currently carrying out projects using Neighbourhood CIL allocations approved in previous years where the council would like to see those projects completed and outcomes delivered before considering any further funding allocations to the bidder
- Projects that are proposed for delivery outside of the funding timeframes.

2.22. 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. Appendix A lists the neighbourhood zone that would primarily benefit from the project. A number of bids that have been recommended – Uptown Youth, Merton Garden Streets 2023, Championing Civic Pride, the Wheel, Merton Sports Coaching – 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.

Delegated Authority to amend bid amounts

- 2.23. Delegated authority as set out in Recommendation 3 is requested to address the scenario where amendments are required to authorised amounts 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.

The Ward Allocation Scheme

- 2.24. On 19th January 2019 Cabinet allocated a portion of Neighbourhood CIL receipts to a scheme (separate to the Neighbourhood Fund) called the “*Ward Allocation Scheme*”, allowing each ward £15,000 to spend on specific small-scale public space projects. The Ward Allocation Scheme ran for three years from April 2019 until March 2022. It allowed ward councillors three years to submit proposals for approval prior to 31 March 2022, when this round of the Ward Allocation Scheme terminated.
- 2.25. Officers carried out a review of the operation of the scheme over the Spring 2021, including conducting in-depth interviews with the leaders of each political party in the council at the time, interviewing some Cabinet Members and conducting a survey to give all councillors an opportunity to share their views. [At the 22 June 2021 meeting Cabinet resolved](#) that officers undertake a further review in late 2022 following the end of the first Ward Allocation Scheme round.
- 2.26. On [22nd September 2022 Cabinet endorsed](#) preparations to occur over the Autumn/Winter 2022-23 towards approving a new Ward Allocation Scheme
- 2.27. The work over the autumn/winter to be carried out was as follows:
- a. Pick-up on the findings of the review with councillors that was carried out in the Spring 2021 referred to at paragraph 2.24 above.
 - b. consider the effectiveness of the delivery of the last Ward Allocation Scheme following the final 9 months when a large proportion of activity occurred.
 - c. Work on the assumption that a new Ward Allocation Scheme will be implemented over the next three years:
 - allowing councillors more focussed time and more officer support to work up projects with their communities in the first year (for example, until April 2024) and having
 - a second phase over two years for delivering these projects in each ward.
- 2.28. Appendix C contains the review report of the implementation of the Ward Allocation Scheme for its full duration from April 2019 to March 2022, including an update to the councillor review carried out in the Spring 2021 (the interim review is appended to the report). Cabinet is asked to note the findings therein.
- 2.29. The review looks at councillor and officer feedback and the final performance in delivering investments using the £15,000 allocated to each ward and makes recommendations for the new Ward Allocation Scheme as follows:

The New Ward Allocation Scheme

- **Duration** – 1st April 2023 to 31st March 2026
- **Funding**
 - £15,000 for wards with three councillors
 - £10,000 for wards with two councillors
- **General rule** – Projects must be physical enhancements to **free-to-use** and **freely accessible** public spaces.

Explanation: Proposals must meet Neighbourhood CIL rules and given the large number of potential bids and limited monitoring resources the council would not wish to invest Ward Allocation Scheme funding in projects with a risk that the public neighbourhood benefit that address demands of development won't be achieved.

- **Who can apply**
 - applications can only be submitted by a councillor; and
 - must be endorsed by **all** ward councillors in that ward.
 - a dedicated application form will be provided for the application stage
- **Phased implementation** as follows:

Phase 1

1st April 2023 to 31st March
2024

- Focussed engagement with all wards
- Preparing viable and deliverable bids with councillors
- Project development/feasibility, including site visits

Phase 2

1st April 2024 to 31st March
2025

- Submitting bids (“application stage”)
- Bid windows (for seasonal activities, e.g. planting)
- Decision making
- Programming delivery
- Start spending

Phase 3

1st April 2025 to 31st March
2026

- No more bids
- Continued delivery
- Reporting

- **Specific project parameters** – In-scope options for councillors and out of scope items:

In scope

Projects that would be appropriate for Ward Allocation Scheme investments would be as follows:

Notes

- Sponsoring existing/larger projects *For existing (council or third party) large projects that might benefit from a small amount of additional funding where project funding, development and project management support has been secured outside of the Ward Allocation Scheme process.*
More than one ward can contribute to one project, via pooling their Ward Allocation Funds. For example, in the last Ward Allocation Scheme councillors from Hillside and Village contributed all their funding towards the existing Wimbledon Hill public realm improvements.
- In contract spends (if no budget for contracted spend exists) *This will be for additions / enhancements that may be covered in a contract with the council's term contractors IdVerde, FM Conways or Veolia for which a budget does not exist, and not for routine maintenance which is generally within contract. For example, in the last Ward Allocation Scheme Ravensbury ward contributed some funding towards bulb planting, which was carried out by IdVerde.*
- Project suggestions *Officers will provide lists of existing projects that are already occurring (pipeline, programmed or being implemented) that wards could contribute to, whether to add additional benefits or to provide gap funding to secure delivery. This will help provide councillors with options and consider what is happening locally that might benefit from the Ward Allocation Scheme. Note that it might not be possible to suggest specific projects for every ward – the wards without a*

project may wish to select a **project typology** to be implemented in their selected location – see next option.

- Project typologies *A list of typologies – e.g. table tennis tables, bulb planting – with narratives about what to expect/applicability criteria/bidding windows will be set out to councillors during the engagements in phase 1. Location acceptability would still need to be considered.*
- Grants to community groups *Given the wide variety of projects and different types of organisations, proposals will need to be developed and checked and accountability of community groups will need to be verified during phase 1. Payment on a cost recovery basis may be considered where groups aren't fully incorporated but have a group bank account and evidence of payment (for approved project costs) from that account can be provided. The funding will not be available for expenditure incurred by individuals.*

Out of scope

Projects that would *not* be appropriate for Ward Allocation Scheme investments would be as follows:

Notes

- In contract spends (where budget for contracted spend exists) *This will tend to be routine maintenance items*
- Projects with unacceptable maintenance/revenue implications *Proposals that comply with identified project typologies, are less likely to fall into this category*
- Tree planting *Exceptions to be discussed during phase 1:*
 - *planting in parks by community groups to establish whether location/maintenance implications are acceptable.*
 - *Sponsoring existing projects (see **Sponsoring** option above)*

- **Split ward agreement**

- Allow for individual allocation of £5k per councillor in split wards – with ward councillors from different political parties – where all three ward councillors (or two for two-councillor wards) agree and can then bid individually.
- Agreement would need to be reached, by the councillors for any wards wishing to take this approach, no later than 30th September 2023
- The agreement form would include a declaration that the councillors will not unreasonably impede the development and delivery of the other councillors' projects.
- There would be a limit on the number of bids per councillor where a split is agreed so that split wards do not receive a disproportionate level of officer support, given the disproportionate demand this would have on funding project administration instead of actual delivery on the ground.
- Phases remain the same so if agreement isn't secured promptly development of bids would need to occur swiftly to allow sufficient feasibility assessment during phase 1 (deadline 31st March 2024).

2.30. The changes to the scheme from the first iteration that completed last year reflect a reconciliation of the two themes that ran through the feedback. Firstly councillors were clear that the types of projects and amount of support from the council for their delivery needs to better match councillors' aspirations. Secondly that the councillors expectations should better match the amount of support that the council is able to offer. The solution to split the delivery into three phases – offers, on one side, to provide certainty in terms prioritising workloads and, on the other side, support for councillors to develop their lists of projects and have their bids approved well in advance of the expenditure deadline. This should support a more flexible approach in terms of the variety and scope of projects that councillors can apply for and see delivered.

2.31. The allocation of funding to support bids will need to be approved once sufficient Neighbourhood CIL income has accrued. Accordingly the recommended action is for Cabinet to grant delegated authority to the Interim 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 new Ward Allocation Scheme as proposed in this report once sufficient funding has been received by the council. Given the anticipated levels of receipts over the next 12 months, including further receipts from the Tesco's development that the developer is legally obliged to pay, there is expected to be sufficient funding for this allocation in addition to the running of the next *Civic Pride Fund - Investing in Neighbourhoods* bidding round in the Autumn 2023.

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 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. The council could take a different path with respect to the Ward Allocation Scheme., However launching a new ward-based scheme of Neighbourhood CIL allocations without consideration of lessons learnt or deciding not to allocate funding on a ward basis will miss the opportunities to deliver a new and improved Ward Allocation Scheme in the current electoral period and what it offers in terms of sharing Neighbourhood CIL funding amongst all wards.

4 CONSULTATION UNDERTAKEN OR PROPOSED

- 4.1. Bids for the Neighbourhood Fund were sought between 3 October and 4 November 2022.
- 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 2023 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 19 January 2023 £1,411,419 of Neighbourhood CIL was available for new bids following commitments/expenditure totalling just under £6 million approved since 2018 including allocations to Neighbourhood Fund bids

and £350k put aside for the first Ward Allocation Scheme implemented between April 2019 and March 2022.

- 6.3. The Table below summarises the 2022 bids. The formal approval of these schemes will be progressed as part of the “Financial Report 2022/23 – Period 10, January 2023”:

| Capital Schemes | Budget 2023-24 £ | Budget 2024-25 £ | <u>Revenue Schemes</u> | Budget 2023-24 £ | Budget 2024-25 £ |
|---|---------------------------------|---------------------------------|--|---------------------------------|---------------------------------|
| Merton Saints BMX Club - New Start Hill and LED Lighting (grant TBC) | 170,000 | | Merton Sports Coaching Academy (grant) | 144,275 | |
| Survive to Thrive - Workshop 305 (grant) | 115,600 | | Towards Employment | 74,960 | |
| Anima Una – Equip Chapter House for Youth Theatre... | 33,000 | | Vestry Hall - Mitcham Arts Collective | 12,000 | |
| The Small Quarter Phase 2: Accessibility Improvements (grant) | 22,000 | | Ready Steady Cook CR4 Community Cooking Classes | 42,750 | |
| Springboard – SMCA working for the community | 87,000 | | Uptown Youth Services (grant) | 15,000 | |
| Kenilworth Green SuDS and Pocket Park Improvement | 65,000 | | Merton Garden Streets 2023 (grant) | 35,373 | |
| Restoring Pride in Mitcham Cricket Green | 54,000 | | Community Champions, more sustainable Merton (grant) | 51,836 | |
| Morden Park Playground | 75,530 | | The Wheel (grant) | 63,615 | |
| Cannizaro Park Valley Path safety, accessibility and sustainability project | 82,500 | | Repairs to Grade II Listed Tudor Walls – Church Lane Playing Fields and St Mary’s Churchyard | 20,000 | |
| Future proofing the Durnsford Road Recreation Ground | 44,770 | | | | |
| Garfield Rec MUGA refurb | 120,000 | | | | |
| Green Gym for Moreton Green | 35,000 | | | | |
| | | | | | |
| Total Capital Schemes | 964,400 | | Total Revenue Schemes | 459,809 | |

Total All Projects

1,324,209

- 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 *Civic Pride Fund - Investing in Neighbourhoods* per annum, excluding strategically

significant developments. Further receipts from strategic the Tesco's development are expected to more than double the anticipated return for the next four quarters which would provide funding that can be allocated to the *Civic Pride Fund – Investing in Neighbourhoods*.

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 the following test would need to be carried out:
- (i) Is the financial Assistance given, directly or indirectly, from public resources by a public authority?
 - (ii) Does the financial assistance confer an economic advantage on one or more enterprises?
 - (iii) Is the financial assistance specific? That is, has the economic advantage been provided to one(or more than one enterprise), not to others?
 - (iv) Will the financial assistance have, or is capable of having an effect on competition or investment within the UK, or trade or investment between the UK and another country or territory.

If the answer is no to any of the questions above, the funding would not be considered a subsidy.

- 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. MFA has a financial threshold so no recipient

can receive more than £315,000 in subsidies over the applicable period which is:

- (i) The elapsed part of the current financial year (i.e. from 1st April) and
- (ii) The two financial years immediately preceding the current financial year.

In order to ensure that MFA can be relied on the Council would need recipients to confirm the total funding they have received in the applicable period from other public authorities.

- 7.4. The delegations recommended at 3 and 6 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: *Civic Pride Fund - Investing in Neighbourhoods* bids for 2022 recommended for approval
- Appendix B: Bid details – *Civic Pride Fund Investing in Neighbourhoods*
- Appendix C: Neighbourhood CIL Review – The Ward Allocation Scheme

12 BACKGROUND PAPERS

- 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>
- [Cabinet meeting 22 June 2021 Minutes and agenda item 8 – Neighbourhood Community Infrastructure Levy review](https://democracy.merton.gov.uk/ieListDocuments.aspx?CId=146&MId=3972&Ver=4)
<https://democracy.merton.gov.uk/ieListDocuments.aspx?CId=146&MId=3972&Ver=4>

Appendix A

Civic Pride Fund Investing in Neighbourhoods bids for 2022 recommended for approval

Appendix B

Bid details – Civic Pride Fund Investing in Neighbourhoods bids for 2022

Appendix C
Neighbourhood CIL Review – The Ward Allocation Scheme

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