

Cabinet

Date: 17th July 2023

Agenda item:

Subject: Merton's Civic Pride Fund – Investing in Neighbourhoods and Merton's Community Climate Action Fund

Lead Director: Dan Jones, Executive Director of Environment, Civic Pride & Climate; Lucy Owen, Executive Director of Housing and Sustainable Development

Lead Officer: Dominique Hill Climate Change Officer, Amy Mallett Climate Engagement Officer, Tim Catley Planning Contributions Manager

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

Recommendations:

Cabinet to

1. approve the proposed approach to launching and administering Merton's new Community Climate Action Fund alongside Merton's Civic Pride Fund – Investing in Neighbourhoods.
 2. approve the amended assessment criterion B set out at para 2.13 for Merton Civic Pride Fund – Investing in Neighbourhoods so that it refers to the Council Plan – "Building a Better Merton Together" which confirms the context for the council's strategic objectives.
 3. approve the proposed criteria for Merton's new Community Climate Action Fund.
 4. note the new prioritisation guidance for both funds, as well as the additional information requirements for projects which have already received council funding.
 5. approve the proposed timetable set out in Section 5 of this report.
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1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The purpose of this report is for Cabinet to approve the creation of a new funding scheme called "Merton's Community Climate Action Fund" which will be administered alongside the Civic Pride Fund – Investing in Neighbourhoods.

- 1.2 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.
- 1.3 The intention is to administer grants under this fund using the same framework as the existing *Civic Pride Fund – Investing in Neighbourhoods*. This report sets out how the grant funding under the *Community Climate Action Fund* and *Civic Pride Fund – Investing in Neighbourhoods* will be allocated, what criteria and prioritisation guidance will be applied, and what additional information will be required for existing projects which have already received council funding.
- 1.4 Officers intend to hold bidding rounds for this Fund once a year for the next three years, alongside the *Civic Pride Fund – Investing in Neighbourhoods*, with the first round expected to launch in autumn 2023. Section 5 of this report sets out the proposed timetable for the first round of bidding, assessments and decision making.
- 1.5 Since Cabinet approved this funding allocation in February 2023, the relevant Cabinet Members (Cllr Eleanor Stringer for the *Civic Pride Fund – Investing in Neighbourhoods* and Cllr Natasha Irons for the *Community Climate Action Fund*) have worked closely with officers in Future Merton (climate and community infrastructure levy) to develop the approach set out in this report.

2. DETAILS

Background & context

- 2.1 In 2019, Merton declared a Climate Emergency and committed to becoming a net zero carbon borough by 2050 and a net zero carbon council by 2030. Merton’s Climate Strategy and Action Plan, which was informed by extensive stakeholder engagement and adopted by full Council in November 2020, highlighted the importance of community-led grassroots action in achieving net zero carbon as a borough.
- 2.2 Merton’s annual Climate Delivery Plan tracks council progress against these 2030 and 2050 targets, which includes encouraging and facilitating wider behaviour change and climate action across the borough where emissions sit outside the council’s direct control.
- 2.3 In January 2021, the council launched Merton’s Climate Action Group, to support the development and implementation of community-led projects,

events and knowledge exchange that reduce Merton's greenhouse gas emissions, where joint efforts are more effective than the actions of individuals or the council alone. Since inception, the group has developed and received Neighbourhood Community Infrastructure Levy funding from the council to run three projects with delivery partners Sustainable Merton and the Centre for Sustainable Energy. These projects are Merton Garden Streets, The Wheel and Energy Matters.

- 2.4 These projects align with core themes of Merton's Climate Strategy and Action Plan and have led to the employment of two local residents to deliver the Merton Garden Streets and the Wheel projects; have reached thousands of residents to deliver a number of co-benefits for local residents including physical and mental wellbeing benefits, improved community cohesion and helping tackle fuel poverty in Merton.
- 2.5 The intention is for the new Community Climate Action Fund to support the roll-out of more community-led climate action projects using the same model. This could include established organisations in Merton bidding for funding to deliver new climate projects themselves or with other delivery partners, or residents working with local delivery partners to develop and deliver new community climate action projects.

The mechanism

- 2.6 It is proposed that decisions on allocating Community Climate Action Funding will be considered under the council's overarching aim/strategic priority of rebuilding pride in Merton, alongside [*Merton's Civic Pride Fund – Investing in neighbourhoods*](#).
- 2.7 The objective of this approach is to embed decision-making in line with the vision that the administration has for the borough and the legacy of pride that they are committed to leave for our communities, which includes a sustainable future and becoming a net zero carbon borough by 2050.
- 2.8 This approach also maximises 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.
- 2.9 Similarly to Community Infrastructure Levy (CIL) funding the intention is that the funding must be spent on local projects to support the demands development places on areas and can be applied to both capital and revenue costs.

- 2.10 In order to encourage residents to continue engaging in local climate action and developing new project ideas over the next few years, officers are proposing to split this Community Climate Action Funding evenly across three years (i.e. circa £166k per year). This will allow residents who aren't ready to bid, or who aren't successful with their bid this year, to bid in future years once they've had a chance to refine their proposal.
- 2.11 Communications and outreach to raise awareness of the funds will begin in late July to generate interest and allow ample time for bidders to develop and submit project proposals.
- 2.12 The intention is to use the same web page and bidding form for both pots of funding to minimise the burden on residents, community groups and organisations looking to bid for council funding. Where bidders specify that they would like to be considered for both pots, and have provided the relevant information, this approach will enable officers to consider bids holistically and decide which fund is most appropriate.

Assessment criteria

- 2.13 All bids to the *Investing in Neighbourhoods Fund* and the *Community Climate Action Fund* will be assessed against the following criteria, to ensure that any projects which cannot be progressed through the Community Climate Action Fund could be progressed through the Investing in Neighbourhood Fund if appropriate:
- A. Bids must clearly (in terms of demonstrable outcomes) address the demands that development (such as new homes, shops and offices) place on the borough and the public the council represents.
 - 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. The proposal must be an appropriate use of the funds and should not have any unacceptable financial implications (either capital or ongoing revenue funding) on the council or any other body.
 - D. Estimated cost of the proposal should aim to be over £20,000.
 - E. The proposal should be deliverable and capable of being started within the year ahead.
 - F. Proposals should be endorsed by at least one Merton ward councillor who is not a member of the Cabinet.

- G. Proposals will be assessed as to how they meet neighbourhood priorities. We will be looking for proposals that align with 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).
- 2.14 Criterion B is being updated so that it refers to the Council Plan – “Building a Better Merton Together” approved by Council on 19th April 2023 which confirms the context for the council’s strategic objectives which were added as criteria by Cabinet on 19th September 2022.
- 2.15 In order to be considered for the Community Climate Action Fund, in addition to meeting the above criteria, bidders will need to complete the additional Community Climate Action Fund questions on the bidding form and demonstrate that the proposal:
- H. 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. helps reduce carbon emissions or adapt and build resilience to the impacts of climate change as set out in the [United Nation’s definition of Climate Adaptation](#).
 - J. 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).
- 2.16 Each bid will be assessed by considering how it performs against the above criteria overall, with the assessment recorded and used to inform the prioritisation process.

Prioritisation guidance

- 2.17 If there is high demand for the funding and not all proposals can be funded, officers will prioritise the following projects for both funds:
- Projects which add most value to the Merton community.
 - Projects which demonstrate how the bidder has considered alternative funding sources and that the market is currently failing to provide a solution to this challenge.
 - Projects that engage audiences which haven’t connected with the council before or hardly reached audiences.
- 2.18 In addition to the above general priorities, officers will prioritise the following for the Community Climate Action Fund:
- Projects which have a higher carbon impact (i.e. save more carbon)

- Projects which help address climate vulnerability in areas of high climate risk as per the [Greater London Authority's Climate Risk Map](#).

Projects which have already received council funding

- 2.19 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.

3. ALTERNATIVE OPTIONS

Option 1 - No Community Climate Action Fund

- 3.1 £500k was allocated by Cabinet in February 2023 to set up and launch Merton's new Community Climate Action Fund in 2023. This commitment was also secured under workstream 1 of [Merton's Climate Delivery Plan for Year 3](#). Not having a Community Climate Action Fund is therefore not an option.

Option 2 – Standalone Community Climate Action Fund

- 3.2 Setting up a new mechanism to administer the *Community Climate Action Fund*, separate to the existing Investing in Neighbourhoods framework, would not be an effective use of council resources. If the two pots were completely separate, residents, community groups and local organisations would likely bid to both funds to maximise their chances of securing funding, thereby duplicating efforts for the local community and officers.

- 3.3 The proposed approach of coordinating the *Community Climate Action Fund* with the *Civic Pride Fund – Investing in Neighbourhoods* was approved by Cabinet in February 2023. This approach will also help maximise the benefits to Merton's community, by ensuring that projects which provide best value for money are supported across both funds.

Option 3 – Absorbing the funding into the Investing in Neighbourhoods pot

- 3.4 Legal advice was sought from the South London Legal Partnership in autumn 2022 to inform the 2022 Climate Funding Allocation which was

taken to CMT on 22nd November 2022. SLLP advised that it should be clear that funding under the Community Climate Action Fund should be separate from grant funding under NCIL and should be identified as such. It is therefore not possible to add the £500k in climate funding directly to the Investing in Neighbourhoods Fund.

- Option 4 – Different criteria for the Community Climate Action Fund**
- 3.5 Using completely different criteria for the Community Climate Action Fund would mean that any projects which do not meet the climate criteria, but still add value to the local community, could not be progressed under the Investing in Neighbourhoods Fund. This could lead to missed opportunities for supporting community-led projects with other benefits in Merton.
- 3.6 Officers are proposing to apply the Investing in Neighbourhoods criteria and additional specific climate criteria to the Community Climate Action Fund, to ensure that any projects that don't meet the additional climate criteria could still be progressed through the Investing in Neighbourhoods Fund if appropriate.

4. CONSULTATION UNDERTAKEN OR PROPOSED

- 4.4 The targets and actions set in Merton's Climate Strategy and Action Plan and Merton's Climate Delivery Plan for Year 3 were developed with consultation across the council, and the wider community, including but not limited to Merton's Climate Action Group. The proposals in this report have been developed by or with the relevant teams.
- 4.5 Government guidance states that local authorities should engage local communities and agree with them how to best spend Neighbourhood CIL, and that administration of it should be proportionate to the level of receipts.
- 4.6 As part of the preparations for spending Merton Neighbourhood CIL funding public consultation was carried out over the winter 2016-17 when neighbourhoods were asked for their investment priorities in accordance with statutory government guidance. The findings of this consultation informed the assessment criteria approved by Cabinet in September 2017 that is used in the decision making on allocations. Respondents were supportive of investing in a wide range of project typologies across all areas of the borough, with no one typology standing out significantly.
- 4.7 For the Council Plan approved by Council on 19th April 2023, which confirms the context for the council's strategic objectives, extensive internal consultation was undertaken through Directorate Management

Teams, the Corporate Management Team and Cabinet Member briefings. The development of the plan was also informed by a resident engagement programme carried out over 2021 and collaborative engagement work with our voluntary sector and community groups.

5. TIMETABLE

- 5.1 The indicative timetable for the first round of bidding under the *Community Climate Action Fund* and the second round of the *Civic Pride Fund – Investing in Neighbourhoods* is set out below, based on the 2022 timescale:

Table 1 – Indicative timetable for the 2023 bidding round

Milestone	Timescale
Communications and outreach to generate local interest	Late July to November
Applications open	5 weeks in autumn 2023 (September – November 2023)
Application review	November 2023 – January 2024
Cabinet sign-off on allocations	February 2024
Grant agreements and programming with successful bidders	From March 2024 (can take up to 6 months)

6. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 6.1 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.
- 6.2 Appendix A to the February 2023 report profiled the spending on this scheme to £300k in 2024-25 and £200k in 2025-26, the proposals contained in this report change this profile to £166.6k in 2024-2027. It is envisaged that the revenue budget will be adjusted via the financial monitoring report as bids are approved (reflecting the approach taken with NCIL bidding).
- 6.3 The fund was originally envisaged to be related to revenue expenditure, from the additional detail provided in this report it is anticipated that some

schemes may be capital in nature. As capital bids are approved, they will be added to the capital programme via the financial monitoring report.

7. LEGAL AND STATUTORY IMPLICATIONS

- 7.1 Officers are recommending approval of the recommendations in paragraphs 1-5 of this report. As to recommendation 1, the Council must ensure that in administering the scheme, it adheres to all relevant requirements of the Subsidy Control Act 2022, and related Statutory Guidance and to the principles of transparency, fairness and equality. As to recommendations 2-5, no legal implications arise.

8. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 8.1 None for the purposes of this report. Projects will be selected against the criteria set out above which include matters addressing equalities and community cohesion.

9. CRIME AND DISORDER IMPLICATIONS

- 9.1 None for the purposes of this report.

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

- None for the purposes of this report.

12. BACKGROUND PAPERS

Merton's Climate Strategy & Action Plan November 2020 [Climate change : Climate Strategy and Action Plan | Merton Council](#)

Merton's Climate Delivery Plan for Year 3 2023 [Appendix - Climate Delivery Plan.pdf \(merton.gov.uk\)](#)

Cabinet meeting 22 February 2023: Climate Delivery Plan – Year 3 [Decision - Climate Delivery Plan - Year 3 - Merton Council](#)

Building a Better Merton Together – London Borough of Merton Council Plan 2023-26 [Building a Better Merton Together: London Borough of Merton Council Plan 2023-26 | Merton Council](#)

Cabinet Meeting 19 September 2022: Merton’s Civic Pride Fund – Investing in Neighbourhoods using Neighbourhood Community Infrastructure Levy funding [2022-09-19 Civic Pride NCIL report - Cab v1.0.pdf \(merton.gov.uk\)](#)

Cabinet 19th September 2022: Merton Civic Pride Fund – Supporting the Voluntary and Community Sector 2023/26 [Final Cabinet report 19 September Civic Pride VCS.pdf \(merton.gov.uk\)](#)