

## City of London Community Infrastructure Levy

### Neighbourhood Fund – Key Themes arising from public consultation

#### General Comments

A number of comments were made about the use of CIL generally and overall priorities for spending. Whilst helpful to consider in the context of the next review of the City's CIL, these were not considered relevant to the design and implementation of the Neighbourhood Fund.

Three key issues emerged from other general comments:

#### *1. Transparency of the process*

Concern was expressed that the decision-making process was not transparent and there were no opportunities for community groups to be involved in the process. To address this concern, changes are proposed to clarify the annual reporting process (which is set out in Regulations) and that applications and decisions on funding will be published on the City's website. Where decisions are taken by Members, these should be within public agendas of the Resource Allocation Sub-Committee.

#### *2. Definition of a Neighbourhood*

There were conflicting views, with some support for a single City-wide definition, but other comments suggesting that individual residential areas should be defined as neighbourhoods for CIL purposes. CIL Regulations limit the use of neighbourhood CIL to the neighbourhood in which development takes place. Identifying separate neighbourhoods across the City would limit both the scale of funds available to individual communities and reduce flexibility to use the Fund to deliver improvements which benefit the wider City community. No change is proposed to the definition of the City as a single neighbourhood.

#### *3. Use of the Fund to meet maintenance costs*

There was concern that proposed Fund was limited to capital expenditure only. Although national regulations and guidance indicate that CIL should be used principally for the delivery of new infrastructure, the Fund can be used for a wider range of projects identified by the community. Amendments are proposed to clarify the Regulatory requirements, including the use of the Fund for time limited revenue expenditure and reasonable maintenance costs associated with new infrastructure.

#### **Question 1: Do you agree that City CIL Neighbourhood Fund spending should be guided by the spending priorities set out in the City's Regulation 123 List?**

There were a number of responses to this question, with responses either supporting the use of the City's Regulation 123 List to guide spending or suggesting that the Regulation 123 List unnecessarily constrained the use of the Neighbourhood Fund. Comments were also received on suggested amendments to the Regulation 123 List, largely to ensure that it reflected community ambitions.

The Regulation 123 List is a statutory requirement and is subject to public consultation, so did reflect wider community views at the time it was adopted (in 2014). However, it is recognised that the List, although setting out broad categories of infrastructure that could be funded through CIL, might not reflect community views or support for the wider range of projects allowed for neighbourhood CIL in Regulations. Amendments are proposed which allow for a wider range of projects to be funded where funding of under £50,000 is sought, but for projects over £50,000 the Regulation 123 List will continue to provide a broad guide.

### **Q2: Do you have other suggestions for spending priorities for the City CIL Neighbourhood Fund?**

A wide range of spending priorities were suggested, many of which would be capable of funding under the existing CIL regime in the City. Others were more relevant to Departmental responsibilities and not capable of funding through CIL. Respondents highlighted the need for the Fund to be flexible to respond to community needs. To respond to the suggested priorities, amendments are proposed to the Fund to clarify how it can be used, with reference to national regulations and community-led projects. Some of the suggested priorities could be reflected in future amendments to the City's CIL Regulation 123 List. The priorities suggested by respondents included:

- Crime prevention
- Dealing with homelessness
- Street cleansing
- Public transport services
- Community facilities (including halls and meeting places)
- Open spaces
- Heritage assets
- Air quality
- Public realm improvements, including improved biodiversity
- Education facilities
- Improvements to retail centres and streets
- Revenue funding for staff to allow facilities to be open for longer

### **Q3: Can you suggest any specific projects that you consider should be funded through the City CIL Neighbourhood Fund?**

A number of specific projects were put forward by respondents, alongside the broader priorities identified under Question 2. It is expected that some of the projects suggested will come forward as applications for funding once the City's Neighbourhood Fund is operational. It is not proposed to identify individual projects as part of the guidance for the Neighbourhood Fund, but the projects suggested are an indication of current community priorities, which can assist consideration of funding bids to the Neighbourhood Fund, as well as informing other Corporation strategies and use of mainstream CIL and s106 monies.

Specific projects identified by respondents as potential recipients of CIL Neighbourhood Funding were:

- Community Centre for the Barbican and wider residential community in the NW of the City
- Ensure free access to facilities that provide community benefit
- Improve physical access to halls and venues and fund staff to keep them open
- Enhance open spaces to deal with high level of demand and ensure spaces are open 24/7
- Open new public spaces and places where none currently exist
- Open educational facilities to the wider community
- Create additional green space within the City
- Provision of childrens' play space
- Improved seating in Church Entry churchyard
- Improvements to St Peter's Westcheap churchyard garden
- Delivery of Area Strategy for St Paul's, Cheapside & Guildhall and Fleet Street
- Connecting St Paul's to Citigen CHP network
- Further pedestrianisation around St Paul's as part of the World Square project
- Public realm improvements around Liverpool Street Station
- Healthy Streets and other TfL projects
- Improvements to Fortune Street Park
- Improvements to the City's river wall

**Q4: Do you think that there should be an upper ceiling on bids for the CIL Neighbourhood Fund, or a minimum level? If so, what should these levels be?**

There was some support for a minimum level for project applications, with suggestions separately of £10,000 and of 2.5% of available funds. There was also support for no minimum level as it was felt that this could discourage applications. In responding, it is proposed that there should be a minimum application threshold of £1,000 to avoid very small-scale applications being submitted where the administrative cost of processing the application would be greater than the funds being sought.

There was wider support for a maximum level for applications to avoid a small number of projects utilising the bulk of the Fund. A number of suggested levels were put forward, including £100,000, and 25% of available funds. To provide scope for larger projects to come forward, whilst mitigating against a small number of schemes using up most of the funds, an upper limit of 15% of the available Neighbourhood Fund is proposed.

**Q5: Do you agree with the list of groups and organisations that would be eligible to bid for CIL Neighbourhood Funds? Are there other organisations that should be eligible?**

There was general support for the list of eligible organisations, but a divergence of opinion over the potential for the business community and developers to be eligible for funding. Resident and community organisations considered that businesses and developers should be excluded, whereas the business community considered that they should be eligible. There were also requests for GLA/TfL and for individuals to be eligible.

The criteria as set out includes constituted business organisations as a key part of the City's community. Inclusion of local business is in line with the approach in the City's Corporate Plan. Developers are excluded from the list of eligible organisations as any mitigation or improvements needed as a result of their proposed developments should continue to be funded through other s106, s278 and CIL general funding. Similarly, TfL receives funding from development in the City to mitigate the transport impacts of development and benefits from wider public realm and transportation improvements funded by s106, s278 and CIL. Neither group is proposed to be included in the list of eligible organisations.

With regard to individuals, the requirement for bids to be submitted through constituted organisations ensures that funds will be used appropriately. Amendments have been proposed to clarify that individuals cannot bid, unless it is through and with the support of a constituted organisation.

**Q6: Do you agree with the proposed assessment criteria for the CIL neighbourhood Fund?**

There were a number of comments made about proposed criteria. Key suggestions that were raised include:

- Need for transparency in terms of the bidding process and how decisions are made
- Suggestions that independent community representatives should sit on decision making boards
- Delegated authority for lower value applications
- Applications should not need to have ward member support
- Requirement for match funding should allow non-financial contributions
- Bids should be able to be submitted more than twice a year
- Assistance in making applications should be provided
- Time limits on decision making

A number of changes are proposed to address these issues. Questions of transparency have been addressed by setting out clearer reporting structures. CIL decision making processes have been amended to include officer delegated decisions on applications under £25,000, Chairman and Deputy Chairman consultation for applications between £25,000 and £50,000 and committee approval, through the public agenda, for applications in excess of £50,000. The delegated

decision thresholds are in line with those adopted by the City Bridge Trust. Although this process does not allow for independent representation on decision making bodies, there is a requirement for public reporting and public decision making for larger applications which will ensure that the Fund is publicly accountable.

Introducing an element of delegated authority allows for a quicker turnaround of smaller scale applications, with larger applications to be determined on a quarterly basis. It is expected that delegated decisions can be made within 12 weeks of receipt of a valid application for projects under £25,000 and within 16 weeks for those between £25,000 and £50,000. Committee decisions will take longer. The application process will be managed by the City Corporation's Central Grants Unit and clarification has been provided on the role of the Unit and the assistance available to help complete application forms. The requirement for ward member support has been deleted.