



## Resource Allocation Sub (Policy and Resources) Committee

**Date:** THURSDAY, 4 FEBRUARY 2021

**Time:** 3.00 pm

**Venue:** VIRTUAL MEETING

**Members:** Deputy Catherine McGuinness (Chair)  
Jeremy Mayhew (Deputy Chairman)  
Deputy Keith Bottomley  
Tijs Broeke  
Deputy Jamie Ingham Clark  
Karina Dostalova  
Anne Fairweather  
Sheriff Christopher Hayward  
Shravan Joshi  
Alderman Vincent Keaveny  
Deputy Edward Lord  
Alderman Ian Luder  
Deputy Tom Sleigh  
Sir Michael Snyder  
Deputy James Thomson  
Alderman Sir David Wootton

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### Accessing the virtual public meeting

Members of the public can observe this virtual public meeting at the below link:

<https://www.youtube.com/watch?v=UK7vJYAo1q8>

This meeting will be a virtual meeting and therefore will not take place in a physical location following regulations made under Section 78 of the Coronavirus Act 2020. A recording of the public meeting will be available via the above link following the end of the public meeting for up to one municipal year. Please note: Online meeting recordings do not constitute the formal minutes of the meeting; minutes are written and are available on the City of London Corporation's website. Recordings may be edited, at the discretion of the proper officer, to remove any inappropriate material.

**John Barradell**  
**Town Clerk and Chief Executive**

## **AGENDA**

1. **APOLOGIES**

2. **MEMBERS DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

3. **MINUTES**

To agree the public minutes of the joint meeting of this Sub-Committee with the Efficiency & Performance Sub Committee held on 21 January 2021.

**For Decision**  
(Pages 1 - 2)

4. **CAPITAL FUNDING UPDATE**

Report of the Chamberlain.

**For Decision**  
(Pages 3 - 12)

5. **COMMUNITY INFRASTRUCTURE LEVY NEIGHBOURHOOD FUND - APPLICATIONS FOR APPROVAL**

Report of the Chief Grants Officer and Director of City Bridge Trust.

**For Decision**  
(Pages 13 - 32)

6. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**

7. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

8. **EXCLUSION OF THE PUBLIC**

MOTION – That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of the Schedule 12A of the Local Government Act.

**For Decision**

### **Part 2 – Non-Public Agenda**

9. **NON-PUBLIC MINUTES**

To agree the non-public minutes of the joint meeting of this Sub-Committee and the Efficiency & Performance Sub Committee meeting held on 21 January 2021.

**For Decision**  
(Pages 33 - 36)

10. **CYCLICAL WORKS PROGRAMME (CWP) AND ADDITIONAL RESOURCES FOR CITY FUND PROPERTIES (ARCFP)**

Report of the Chamberlain.

**For Decision**  
(Pages 37 - 50)

11. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**

12. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE SUB-COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

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## **JOINT MEETING OF THE RESOURCE ALLOCATION SUB (POLICY AND RESOURCES) COMMITTEE AND THE EFFICIENCY AND PERFORMANCE SUB (FINANCE) COMMITTEE WITH COMMITTEE CHAIRMEN**

**Thursday, 21 January 2021**

Minutes of the meeting of the Resource Allocation Sub (Policy and Resources) Committee and the Efficiency and Performance Sub (Finance) Committee with Committee Chairmen held as a virtual meeting on Thursday, 21 January 2021 at 11.00 am

### **Present**

#### **Members:**

|                                     |                             |
|-------------------------------------|-----------------------------|
| Deputy Catherine McGuinness (Chair) | Marianne Fredericks         |
| Jeremy Mayhew (Deputy Chairman)     | Sheriff Christopher Hayward |
| Randall Anderson                    | Shravan Joshi               |
| Deputy Keith Bottomley              | Alderman Vincent Keaveny    |
| Tijs Broeke                         | Oliver Lodge                |
| Deputy Roger Chadwick               | Deputy Edward Lord          |
| Deputy Jamie Ingham Clark           | Alderman Ian Luder          |
| James de Sausmarez                  | Paul Martinelli             |
| Karina Dostalova                    | Hugh Morris                 |
| Sir Peter Estlin                    | Deputy James Thomson        |
| Anne Fairweather                    | Deputy Philip Woodhouse     |
|                                     | Alderman Sir David Wootton  |

#### **Officers:**

|                     |  |
|---------------------|--|
| Caroline Al-Beyerty | - Deputy Chamberlain                                 |
| John Barradell      | - Town Clerk & Chief Executive                       |
| Michael Cogher      | - Comptroller & City Solicitor                       |
| Emma Cunningham     | - Town Clerks  |
| James Gibson        | - IT   |
| Peter Kane          | - Chamberlains                                       |
| Peter Lisley        | - Assistant Town Clerk & Director of Major Projects  |
| Greg Moore          | - Town Clerks  |
| Angela Roach        | - Assistant Town Clerk & Director of Member Services |
| Bob Roberts         | - Director of Communications                         |
| Paul Wright         | - Deputy Remembrancer                                |

#### **1. APOLOGIES**

Apologies were received by Deputy Tom Sleigh and Alderman Sir David Wootton.

#### **2. MEMBERS DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

There were no declarations.

3. **MINUTES**

The minutes of the meeting held on the 11 January 2021 were approved as a correct record.

Matters arising

The Policy Chair raised that following the last meeting, she had received some advice from the Remembrancer on whether the job title should change to "Leader of the Council" or "Political Leader of the Council". It was discussed that the Remembrancer would provide some advice in writing to the Sub-Committee so that they could consider these concerns.

4. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**

There were no questions.

5. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

There was no other business.

6. **EXCLUSION OF THE PUBLIC**

RESOLVED, that under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.

**Item No.**

7

**Paragraph No.**

3

7. **OVERALL FINANCIAL POSITION AND MEDIUM-TERM FINANCIAL PLAN**

The Sub-Committee considered a report of the Chamberlain outlining decisions around the overall financial position and the medium-term financial plan.

8. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**

There were no questions.

9. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE SUB-COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

There were no items of urgent business.

**The meeting ended at 12.24 pm**

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Chair

**Contact Officer: Emma Cunnington**  
**emma.cunnington@cityoflondon.gov.uk**

|   |  |
|---|--|
| <b>Committee(s):</b><br>Resource Allocation Sub Committee<br>Policy and Resources Committee               | <b>Date(s):</b><br>4 February 2021<br>Urgency  |
| <b>Subject:</b><br>Capital Funding Update   | <b>Public</b>  |
| <b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b> | The schemes for which funding is now requested span across a range of corporate outcomes                 |
| <b>Does this proposal require extra revenue and/or capital spending?</b>                                  | Yes  |
| <b>If so, how much?</b>   | £6.887m  |
| <b>What is the source of Funding?</b>   | £1.234m OSPR,<br>£3.351m City Fund<br>Capital Reserves,<br>£2.286m City's Cash<br>and £16k BHE reserves. |
| <b>Has this Funding Source been agreed with the Chamberlain's Department?</b>                             | Yes  |
| <b>Report of:</b><br>The Chamberlain  | <b>For Decision</b>  |
| <b>Report author:</b><br>Dianne Merrifield, Group Accountant  |  |

## Summary

This report follows on from previous papers on capital prioritisation and the 2020/21 and 2021/22 round of annual capital bids.

The approved annual capital bids for 2020/21 totalled £85m. A schedule of the current 2020/21 bids is included in the Appendix for information. To date, drawdown of £17.893m to progress twenty five schemes has been agreed from this source.

The second annual bid round for 2021/22 has granted in principle funding approval to 30 new bids with a total value of £83.5m, including 6 capital climate action bids for £42.8m. Funding for these bids is still subject to formal confirmation by the Court of Common Council in March as part of the 2021/22 budget setting process.

In addition to sums set aside for new bids, there are also some remaining provisions for schemes previously agreed for progression outside of the fundamental review.

This report now proposes the release of £6.887m to allow ten schemes to progress as summarised in Table 1, of which £2.022m relates to schemes agreed for progression outside of the fundamental review, £2.729m relates to 2020/21 new bids and £2.136m for release after 1<sup>st</sup> April from the 2021/22 new bids.

| <b>Table 1: Project Funding Requests</b>                                |   | <b>Next Gate-way</b> | <b>City Fund</b> | <b>City's Cash</b> | <b>Bridge House Estates</b> | <b>Total</b> |
|---|---|----------------------|------------------|--------------------|-----------------------------|--------------|
|   |   |                      | £m               | £m                 | £m                          | £m           |
| <b>Funding to progress to the next gateway</b>                          |   |                      |                  |                    |                             |              |
| <u>Schemes agreed for progression outside of the Fundamental Review</u> |   |                      |                  |                    |                             |              |
| (i)   | West Smithfield Area Public Realm and Transportation for 'Area 1'       | G. 4                 | 0.565            |                    |                             | 0.565        |
| <u>2020/21 New Bids</u>   |   |                      |                  |                    |                             |              |
| (ii)  | LMA Replacement of Fire Alarm, Chillers and Landlord Lighting and Power | G. 3/ 4              | 0.145            |                    |                             | 0.145        |
| <b>Full Funding for Scheme Implementation</b>                           |   |                      |                  |                    |                             |              |
| <u>Schemes agreed for progression outside of the Fundamental Review</u> |   |                      |                  |                    |                             |              |
| (iii)   | Walbrook Wharf Depot Replacement of Mechanical and Electrical Services  | G. 5                 | 1.457            |                    |                             | 1.457        |
| <u>2020/21 New Bids</u>   |   |                      |                  |                    |                             |              |
| (iv)  | Computer Equipment Rooms Uninterrupted Power Supply                     | G. 5                 | 0.022            | 0.025              | 0.003                       | 0.050        |
| (v)   | Critical IT Security Improvements                                       | G. 5                 | 0.112            | 0.125              | 0.013                       | 0.250        |
| (vi)  | Golden Lane Estate Lighting   | G.5                  | 0.500            |                    |                             | 0.500        |
| (vii)   | Interim Rough Sleeper Assessment Centre                                 | G.6                  | 0.196            |                    |                             | 0.196        |
| (viii)  | Baynard House Car Park Ventilation and Smoke Clearance System           | G.6                  | 0.669            |                    |                             | 0.669        |
| (ix)  | Central Criminal Court Mezzanine replacement M&E services including     | G. 5                 | 0.919            |                    |                             | 0.919        |
| <u>2021/22 New Bids</u>   |   |                      |                  |                    |                             |              |
| (x)   | St Lawrence Jewry Church (top-up)                                       | G. 6                 |                  | 2.136              |                             | 2.136        |
| <b>Total Requested for Release of Funding</b>                           |   |                      | <b>4.585</b>     | <b>2.286</b>       | <b>0.016</b>                | <b>6.887</b> |

Funding for 9 of these schemes could be met from the provisions set aside from the reserves of the three main funds: £1.234m from the On-Street Parking Reserve, £3.351m from City Fund capital reserves, £150km from City's Cash and £16k from Bridge House Estates reserves, together with £2.136m after 1<sup>st</sup> April from City's Cash reserves as top up funding for the St Lawrence Jewry project.

Members will recall that financial disciplines currently in place include that central project funding may be withdrawn for schemes that slip by more than one year. Therefore, a report detailing any unallocated central funding provisions will be brought to committee for review in the spring.

### Recommendations

Members are requested -

- (i) To review the ten schemes listed in Table 1 (detailed in paragraph 8) and, in the context of the current financial climate, to confirm their continued essential priority for release of funding at this time.



- (ii) To agree the release of up to £6.887m from the relevant reserves of City Fund, City's Cash and Bridge House Estates as appropriate, subject to the required gateway and 2021/22 funding approvals.
- (iii) To note that in order to maintain sound financial discipline a review of unallocated central project funding provisions will be brought to Members in the spring.

## **Main Report**

### **Background**

1. As part of the fundamental review, Members agreed the necessity for effective prioritisation of capital and SRP projects, with central funding allocated in a measured way. This has been achieved via the annual capital bid process which applies prioritisation criteria to ensure that corporate objectives are met and schemes are affordable.
2. The following criteria against which capital and supplementary revenue projects are assessed have been agreed as:
  - i. Must be an essential scheme (Health and Safety or Statutory Compliance, Fully/substantially reimbursable, Major Renewal of Income Generating Asset, Spend to Save with a payback period < 5 years.)
  - ii. Must address a risk on the Corporate Risk register; or the following items that would otherwise be escalated to the corporate risk register:
    - a. Replacement of critical end of life components for core services;
    - b. Schemes required to deliver high priority policies; and
    - c. Schemes with a high reputational impact.
  - iii. Must have a sound business case, clearly demonstrating the negative impact of the scheme not going ahead, i.e. penalty costs or loss of income, where these are material.

The above criteria were used as the basis for prioritising the annual capital bid submissions.

3. The scope of schemes subject to this prioritisation relates only to those funded from central sources, which include the On-Street Parking Reserve, Community Infrastructure Levy (CIL), flexible external contributions and allocations from the general reserves of City Fund, City's Cash or Bridge House Estates\*. This means that projects funded from most ring-fenced funds, such as the Housing Revenue Account, Designated Sales Pools and Cyclical Works Programmes are excluded, together with schemes wholly funded from external grants, and tenant/ developer contributions e.g. under S278 agreements and S106 deposits.

\*Contributions from Bridge House Estates are limited to its share of corporate schemes such as works to the Guildhall Complex or corporate IT systems.

### **Current Position**

4. The first year of the new annual capital bid process gave 'in principle' funding approval to 46 bids with a total value of £89m across the three main funds, together with 'in principle' internal loan funding of £47.7m. A subsequent re-

prioritisation exercise identified several schemes for deferral which, after allowing for three new essential schemes, has reduced the value of bids down to £85m. A detailed schedule of the latest successful bids is included in Appendix 1 for information.

5. To date, £17.893m has been drawn down to allow 25 of the 2020/21 capital bid-funded schemes to be progressed.
6. Members have also recently agreed 'in principle' funding of a further £83.5m across the three main funds for the 2021/22 new bids.
7. In addition to sums set aside for new bids, there are also some remaining provisions for schemes previously agreed for progression outside of the fundamental review.

## Proposals

8. Since December, two schemes previously approved to continue outside of the fundamental review, seven schemes arising from the 2020/21 round of new bids and one scheme from the 2021/22 new bids have progressed through the gateways, for which release of £6.887m is now requested. The 2021/22 bid relates to top-up funding for St Lawrence Jewry Church which is still subject to formal confirmation by the Court of Common Council in March as part of the 2021/22 budget setting process. In the first instance, in the context of the current financial climate, Members will wish to confirm that these schemes remain a priority for funding to be released at this time. Details of the schemes are provided below:

(i) West Smithfield Area Public Realm and Transportation - £565k now requested to reach the next Gateway for 'Area 1'

- The proposal is for release of additional funding of £565k to undertake engagement and supporting design work to reach the next gateway (detailed options appraisal) in respect of 'Area 1' of this scheme – the area around the future site of the Museum of London.
- 'In principle' funding from the On-Street Parking Reserve for the key major project dependency elements of this scheme was agreed for progression outside of the fundamental review. This was to ensure that the public realm and transportation works around the major projects keep pace with the main project timetables.

(ii) London Metropolitan Archive (LMA) Replacement of Fire Alarm, Chillers and Landlord Lighting and Power – release of £145k to reach the next gateway

- This project will carry out essential replacements of the current electrical installation, lighting, fire alarm and chillers to bring these LMA assets up to compliant standards.
- The request is for the release of £145k to undertake surveys and develop options for consideration at Gateway 3/4.
- The 'in principle' funding from City Fund reserves was agreed for this scheme as part of the 2020/21 annual capital bids as essential replacement of end of life assets. It should also be noted that some elements of the

project costs will be recoverable from the tenant who occupies part of the demise.

(iii) Walbrook Wharf Depot Replacement of Mechanical and Electrical Services – release of £1.457m requested to implement the scheme

- This project is to replace life-expired mechanical and electrical services at the Walbrook Wharf Depot.
- The total estimated cost of the scheme is £2.085m (including risk of £135k) which exceeds the upper range estimate of £1.6m by £485k. The main reason for the increase follows the decision to locate the corporate occupier to an alternative site. Therefore the scope of the scheme has now been extended to replace the obsolete M&E services to the two large areas in the basement and ground floor previously demised to the corporate occupier.
- 'In principal' funding of up to £1.6m was approved to allow progression of this scheme outside of the fundamental review on the grounds of critical end of life replacement and approval is now sought to draw down the remaining balance of £1.457m to implement the scheme. The shortfall of £485k can be funded from savings identified in the programme of works funded through the Additional Funds set aside for City Fund Properties, subject to approval by CASC.

(iv) Computer Equipment Rooms Uninterrupted Power Supply – release of £50k to implement the scheme

- This project is to replace existing end of life power supply sources to provide power resilience to core computer equipment facilities across the CoL estate.
- The total cost of replacing the equipment is £50k for which the release of funding is now requested, subject to Chief Officer approval of the Gateway 5 authority to start work report.
- The 'in principal' funding, to be drawn from the reserves of the three main funds on an apportioned basis, was agreed for this scheme as part of the 2020/21 annual capital bids to address the vulnerability of a power failure or surge which would result in disruption and potential loss – a risk which is recognised on the Corporate Risk Register.

(v) Critical IT Security Improvements - £250k requested to implement the scheme

- This is a scheme to implement critical IT security improvements to reduce security risks from cyber attack and other security breaches.
- The 'in principal' funding was approved for this essential scheme as part of the 2020/21 capital bids to ensure compliance with latest security guidance provided by the National Cyber Security Centre. Funding will be drawn from the reserves of the three funds on an apportioned basis.
- The request is for the release of £15k now to progress the scheme with the balance of the £250k for implementation being subject to Chief Officer authority to start work being granted at gateway 5.

(vi) Golden Lane Estate Lighting and Accessibility Improvements – release of up to £500k to implement the scheme

- This project is to upgrade lighting on the Golden Lane Estate to improve accessibility and safety in the semi-public areas of the estate. These areas are expected to see an increased footfall due to Crossrail and Culture Mile developments.
- The request is for the drawdown of £15k now to cover costs of tendering, with the release of the balance being subject to authority to start work being approved by Chief Officer at Gateway 5.
- 'In principle' funding was agreed for this essential scheme on health and safety grounds as part of the 2020/21 annual capital bids, to be met from City Fund capital reserves.

(vii) Interim Assessment Centre for Rough Sleepers – release of up to £196k to implement the scheme

- This project is to establish a full-time, rapid assessment facility providing referral, emergency accommodation and access to specialist help for rough sleepers. This interim facility is being put in place to respond to the immediate need to reduce rough sleeping in the City, pending the securing of a longer-term assessment centre as part of the Strategic Rough Sleeper Growth Programme.
- The request is for the drawdown of £196k to fit out rent-free church premises, providing interim facilities for a relatively short period of 18 months. However, some of this cost can be recouped when the premises are vacated, for example up to 70% of the cost shower pods can be recovered on resale to the supplier, and some of the service materials (such as kitchen equipment) can be reused.
- 'In principle' funding was agreed to deliver this high-profile policy initiative as part of the 2020/21 annual capital bids, to be met from City Fund capital reserves. The total bid was for £1m to cover both the interim and longer-term assessment centres – therefore a further drawdown request for the longer-term facility will be submitted at a later date against the remaining balance of £804k.

(viii) Baynard House Car Park Ventilation and Smoke Clearance System - Release of £669k to implement the scheme (including risk of £65k)

- This project is to install a new ventilation and smoke clearance system at Baynard House Car Park to comply with modern fire safety standards. Completion of these works will enable electric vehicle charging equipment installed by TfL to be brought into use.
- 'In principle' funding was agreed for this essential scheme on health and safety compliance grounds as part of the 2020/21 annual capital bids, to be met from the On-Street Parking Reserve.

(ix) Central Criminal Court East Wing Ground Mezzanine Cooling and Heating Replacement – release of balance of £919k to implement the scheme

- This project is to replace mechanical and electrical services including replacement of carpets and bathrooms in the East Wing Ground Mezzanine area of the Central Criminal Court. The existing services are mostly original from when the wing was opened in 1972 and are therefore end of life - but

critical to this area which is primarily occupied by the Sheriffs and associated staff.

- The total estimated cost of the scheme is now £1.778m (including costed risk of £122k), compared with the original estimate of £1m. The full extent of the works required to bring the accommodation up to an acceptable standard has become apparent following surveys carried out by the consultant engineer and this, together with the associated building fabric works and carpet replacements has resulted in a significant increase in cost.
- Central funding of up to £1m from City Fund reserves was agreed in principle as part of the 2020/21 annual capital bids (£81k previously released) and approval is now requested to draw down a further £42k to reach the next gateway, with the balance to be released following authority to start work being granted by Chief Officer. The shortfall of £778k can be funded from savings identified in the programme of works funded through the Additional Funds set aside for City Fund Properties, subject to approval by CASC.

(x) St Lawrence Jewry Church - £2.136m required to provide top-up funding to implement the scheme

- This project is to undertake urgent backlog repair works to the Church. The total estimated cost of the scheme now stands at £4.223m, of which funding of £2.087m (including £52k contribution from the Church and £120k from local risk) is in place, leaving a shortfall of £2.136m.
- Top-up funding from City's Cash reserves of up to £2.565m was agreed in principle in December 2020 as part of the 2021/22 annual capital bids. This approval was conditional upon thorough scrutiny of the Gateway 5 report (authority to start work) by the Corporate Asset Sub and Projects Sub Committees which has now taken place.
- This request is for the advance approval to the release (after 1<sup>st</sup> April) of 2021/22 top-up funding of £2.136m to make up the shortfall, which is within the £2.565m sum agreed in principle.
- This would make the total funding for the scheme (including risk) as follows:

|   | £m    |
|---|-------|
| City Surveyor Local Risk (previous years)   | 0.120 |
| Funding from Church/GCC   | 0.052 |
| Allocation from City's Cash Reserves previously agreed outside of the fundamental review    | 1.915 |
| Draw down of top-up funding after 1st April (from in principle allocation of up to £2.565m) | 2.136 |
|   | 4.223 |

9. The funding for 9 of these schemes can be met from the existing provisions set aside from the relevant reserves of the three main funds which were either agreed as part of the fundamental review or via the 2020/21 annual bids, with advance approval for St Lawrence Jewry from the 2021/22 annual bids – all subject to Members confirming the priority of these schemes at this time.

## **Financial Discipline**

10. Members will recall that financial disciplines currently in place allow for central project funding to be withdrawn for schemes that slip by more than one year unless an exceptional case is agreed by the Resource Allocation Sub Committee. Therefore, it is intended to undertake a review in February/March 2021 to identify any schemes which have not been progressed from the funding agreed as part of the fundamental review and 2020/21 annual capital bid round. This will ensure that funding is available to direct to the highest priority areas.

## **Conclusion**

11. Requests for the release of £6.887m to allow ten schemes to progress are set out in Table 1 (details in paragraph 8).
12. Of the ten schemes, two were agreed for progression outside of the fundamental review (£2.022m), seven have previously received 'in principle' approval via the 2020/21 annual capital bids (£2.729m), with funding for the remaining scheme (St Lawrence Jewry top-up) still being subject to formal confirmation by the Court of Common Council in March as part of the 2021/22 budget setting process.
13. Funding for 9 of these schemes can be met from the provisions set aside from the reserves of the three main funds: £1.234m from the On-Street Parking Reserve, £3.351m from City Fund capital reserves, £150km from City's Cash and £16k from Bridge House Estates reserves, together with advance approval to draw down £2.136m against the 2021/22 provision for St Lawrence Jewry after 1st April.
14. Members will recall that financial disciplines currently in place include that central project funding may be withdrawn for schemes that slip by more than one year. Therefore, a report detailing any unallocated central funding provisions will be brought to committee for review in the spring.

## **Appendices**

Appendix 1– 2020/21 Approved Bids

### **Background Papers**

- Annual Capital Prioritisation Report, 12 December 2019 (Non-Public).
- Prioritisation of Remaining 2020/21 Annual Capital Bids (Deferred from December 2019 Meeting), 23 January 2020 (Non-Public)
- Re-prioritisation of 2020/21 Approved Capital Bids, 18 September 2020 (Non-Public)
- Capital Funding – Prioritisation of 2021/22 Annual Capital Bids – Stage 2 Proposals, 10 December 2020 (Public)

### **Dianne Merrifield**

Group Accountant, Capital

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| Approved Bids 2020/21   |                  |                    |              |                                    |   | THIS REPORT                                   |  |
|---|------------------|--------------------|--------------|------------------------------------|---|---|--|
| Project Name  | City Fund<br>£'m | City's Cash<br>£'m | BHE<br>£'m   | Total Funding<br>Allocation<br>£'m | Fundng<br>Allocation<br>After Re-<br>prioritisation | Release of<br>Funding<br>Previously<br>agreed | Release of<br>Funding now<br>requested |
| <b>Critical End of Life Replacement</b>   |                  |                    |              |                                    |   |   |  |
| Barbican Replacement of Art Gallery Chiller   | 0.300            | -                  | -            | 0.300                              | 0.300   | 0.018   |  |
| Car Park - London Wall Joints and Waterproofing   | 2.000            | -                  | -            | 2.000                              | 2.000   | -   | -                                      |
| Car Park - Hampstead Heath, East Heath Car Park Resurface   | -                | 0.415              | -            | 0.415                              | 0.415   | 0.387   | -                                      |
| Central Criminal Court - Replacement for Heating, Cooling and Electrics for the East Wing Mezzanine including the sheriff's apartments. | 1.000            | -                  | -            | 1.000                              | 1.000   | 0.081   | 0.919                                  |
| Finsbury Circus Garden Re-instatement   | 2.558            | -                  | -            | 2.558                              | 2.558   |   | -                                      |
| Guildhall - North and East Wing Steam Generator replacement – including Art Gallery   | 0.744            | 0.396              | 0.060        | 1.200                              | 1.200   | 0.107   |  |
| Guildhall - West Wing - Space Cooling - Chiller Plant & Cooling Tower Replacement   | 1.860            | 0.990              | 0.150        | 3.000                              | 3.000   | 0.174   |  |
| Guildhall event spaces - Audio & Visual replacement / upgrade   | -                | 0.330              | -            | 0.330                              | 0.330   | 0.045   |  |
| Guildhall Yard - Refurbishment/ Replacement of Paviours   | -                | 3.000              | -            | 3.000                              | 3.000   | -   | -                                      |
| I.T - Computer Equipment rooms (CER) Uninterrupted Power Supplies (UPS)Upgrades and Replacements  | 0.090            | 0.100              | 0.010        | 0.200                              | 0.200   | 0.150   | 0.050                                  |
| I.T - Essential Computer (Servers) operating system refresh programme   | 0.068            | 0.075              | 0.008        | 0.151                              | 0.151   | 0.095   | -                                      |
| I.T - Personal device replacement (Laptops, Desktops and tablet/mobile device)  | 1.013            | 1.125              | 0.112        | 2.250                              | 2.250   | 2.250   | -                                      |
| I.T - Rationalisation of Financials, HR & Payroll Systems   | 2.654            | 2.949              | 0.295        | 5.898                              | 5.898   | -   | -                                      |
| I.T - Telephony replacement   | 0.873            | 0.343              | 0.034        | 1.250                              | 1.250   | -   | -                                      |
| LMA : Replacement of Fire Alarm, Chillers and Landlords Lighting and Power  | 1.397            | -                  | -            | 1.397                              | 1.397   | -   | 0.145                                  |
| Oracle Property Management System Replacement   | 0.713            | 0.380              | 0.058        | 1.151                              | 1.151   | 0.620   | -                                      |
| Structural - Lindsey Street Bridge Strengthening  | 5.000            | -                  | -            | 5.000                              | 5.000   | 0.030   | -                                      |
| Structural - Dominant House Footbridge  | 1.025            | -                  | -            | 1.025                              | 1.025   | -   | -                                      |
| Structural - West Ham Park Playground Refurbishment   | -                | 1.279              | -            | 1.279                              | 1.279   | 0.863   | -                                      |
| <b>Fully or substantially reimbursable</b>  |                  |                    |              |                                    |   |   |  |
| Barbican Turret John Wesley High Walk   | 0.043            | -                  | -            | 0.043                              | 0.043   | 0.043   | -                                      |
| Chingford Golf Course Development Project   | -                | 0.075              | -            | 0.075                              | 0.075   | -   | -                                      |
| <b>High Profile Policy Initiative</b>   |                  |                    |              |                                    |   |   |  |
| Bank Junction Transformation (All Change at Bank)   | 4.000            | -                  | -            | 4.000                              | 4.000   | 4.000   |  |
| Culture Mile Implementation Phase 1 incl CM experiments and Culture Mile Spine  | 0.580            | -                  | -            | 0.580                              | 0.580   | 0.580   | -                                      |
| I.T - Smarter working for Members and Officers  | 0.113            | 0.125              | 0.013        | 0.251                              | 0.251   | 0.185   |  |
| Rough Sleeping - assessment hub   | 1.000            | -                  | -            | 1.000                              | 1.000   | -   | 0.196                                  |
| Rough Sleeping High Support Hostel - Option 3   | 0.500            | -                  | -            | 0.500                              | 0.500   | -   | -                                      |
| Secure City Programme   | 15.852           | -                  | -            | 15.852                             | 15.852  | 3.306   |  |
| <b>Statutory Compliance/Health and Safety</b>   |                  |                    |              |                                    |   |   |  |
| Barbican Exhibition Halls   | 5.000            | -                  | -            | 5.000                              | 1.549   | 1.548   |  |
| Barbican Podium Waterproofing, Drainage and Landscaping Works (Ben Jonson, Breton & Cromwell Highwalk) Phase 2 – 1st Priority           | 13.827           | -                  | -            | 13.827                             | 13.827  | 1.517   | -                                      |
| Covid19 Phase 3 Transportation Response*  | -                | -                  | -            | -                                  | 0.568   | 0.568   |  |
| City of London Primary Academy Islington (COLPAI) temporary site  | -                | 0.300              | -            | 0.300                              | 0.583   | 0.583   |  |
| Golden Lane Lighting and Accessibility  | 0.500            | -                  | -            | 0.500                              | 0.500   |   | 0.500                                  |
| Guildhall - Great Hall - Internal Stonework Overhaul  | -                | 2.000              | -            | 2.000                              | 2.000   | 0.025   |  |
| Guildhall - Installation of Public Address & Voice Alarm (PAVA) and lockdown system at the Guildhall (Security Recommendation)          | 0.930            | 0.495              | 0.075        | 1.500                              | 1.500   | 0.118   | -                                      |
| I.T - Critical Security Works agreed by the DSSC  | 0.112            | 0.125              | 0.013        | 0.250                              | 0.250   | -   | 0.250                                  |
| I.T - GDPR and Data Protection Compliance in addition saving money in being able to share and find information quickly                  | 0.090            | 0.100              | 0.010        | 0.200                              | 0.200   | -   |  |
| Confined and Dangerous Spaces - Barbican Centre   | 2.000            | -                  | -            | 2.000                              | 2.000   | -   | -                                      |
| Confined and Dangerous Spaces - GSMD  | -                | 0.400              | -            | 0.400                              | 0.400   | -   | -                                      |
| Fire Safety - Car Park London Wall - Ventilation, electrics, lighting and fire alarm works  | 1.370            | -                  | -            | 1.370                              | 1.370   | 0.250   |  |
| Fire Safety - Works in car parks  | 1.032            | -                  | -            | 1.032                              | 1.032   |   | 0.669                                  |
| Fire Safety - Frobisher Crescent, Barbican Estate (compartmentation)  | 0.550            | -                  | -            | 0.550                              | 0.550   | 0.800   |  |
| Fire Safety - Smithfield sprinkler head replacement and fire door replacement.  | -                | 0.150              | -            | 0.150                              | 0.150   | -   | -                                      |
| Queen's Park Public Toilet Rebuild  | -                | 0.380              | -            | 0.380                              | -   | -   | -                                      |
| Spitalfields Flats Fire Door Safety   | 0.146            | -                  | -            | 0.146                              | 0.146   | -   | -                                      |
| <b>Spend to save with a payback &lt; 5 years</b>  |                  |                    |              |                                    |   |   |  |
| Energy programme of lighting and M&E upgrade works (Phase 1)  | 0.440            | 0.489              | 0.049        | 0.978                              | 0.978   | 0.050   | -                                      |
| I.T - GDPR Compliance Project Unstructured data   | 0.112            | 0.125              | 0.013        | 0.250                              | -   | -   | -                                      |
| Wanstead Flats Artificial Grass Pitches (spend to save > 5 years)   | -                | -                  | -            | -                                  | 1.700   | -   | -                                      |
| The Monument Visitor Centre   | -                | 2.500              | -            | 2.500                              | -   | -   | -                                      |
| <b>Total Approved Funding Bids</b>  | <b>69.492</b>    | <b>18.646</b>      | <b>0.900</b> | <b>89.038</b>                      | <b>85.008</b>                                       | <b>17.893</b>                                 | <b>2.729</b>                           |

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|   |                             |
|---|-----------------------------|
| <b>Committee(s):</b><br>Resource Allocation Sub (Policy and Resources)<br>Committee – For decision        | <b>Dated:</b><br>04/02/2021 |
| <b>Subject:</b> Community Infrastructure Levy Neighbourhood Fund – Applications for Approval              | <b>Public</b>               |
| <b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b> | 1, 2, 3, 4, 7, 10           |
| <b>Does this proposal require extra revenue and/or capital spending?</b>                                  | <b>N</b>                    |
| <b>If so, how much?</b>   | <b>N/A</b>                  |
| <b>What is the source of Funding?</b>   | <b>N/A</b>                  |
| <b>Has this Funding Source been agreed with the Chamberlain's Department?</b>                             | <b>N/A</b>                  |
| <b>Report of:</b> Chief Grants Officer and Director of City Bridge Trust                                  | <b>For Decision</b>         |
| <b>Report author:</b> Jack Joslin, Head of Central Grants Unit  |                             |

## Summary

The City Corporation adopted a Community Infrastructure Levy (CIL) in 2014. National CIL Regulations require that 15% of CIL receipts be reserved for neighbourhood funding. Local authorities are required to engage with communities on how this neighbourhood funding should be used to support development of the area. Local authorities are required to report annually on the collection and use of CIL funds, identifying separately the amount of funds allocated to neighbourhood funding.

An amended policy for the Community Infrastructure Levy Neighbourhood Fund (CILNF) was agreed by this committee in May 2019, with agreement that a proportion of funding applications by officers under delegation, whilst retaining the role of the Committee to determine applications in excess of £50,000; a normal upper limit on funds for any one project of 15% of outstanding funds at the time of application; clarification of the reporting requirements for the Fund; clarification on those organisations that would be eligible to apply for funding, but allowing applications from constituted resident and business organisations in the City; and amendments to make the Fund more responsive to community-led projects and to allow for use of the Fund to cover robustly justified, time limited applications for revenue funding and maintenance.

The CILNF application process is managed by the City Corporation's Central Grants Unit, with officers assessing applications and providing support to Committee in the consideration of larger applications. The administrative cost incurred in operating the Fund is recoverable from the 5% of City CIL funds allowed to cover such costs in Regulations.

Members are asked to note the grant awarded under delegated authority at a meeting of the CILNF Officer Panel in December 2020.

Members are asked to approve the grant recommended for their consideration at a meeting of the CILNF Officer Panel in December 2020.

### **Recommendation**

Members are recommended to:

1. To note the approved and rejected grants under delegated authority at a meeting of the CILNF Officer Panel in December 2020 (Appendix 1).
2. To approve the grant recommended to the Maggie Keswick Jencks Cancer Caring Centres Trust at a meeting of the CILNF Officer Panel in December 2020 (Appendix 2).

### **Main Report**

#### **Background**

1. Under the 2008 Planning Act and the Community Infrastructure Levy Regulations 2010 (as amended), a local authority may adopt a Community Infrastructure Levy (CIL) setting out how it will require contributions from development towards the cost of providing new infrastructure. A local authority adopting a CIL must set out the infrastructure it will fund through the CIL in a document known as a Regulation 123 List. CIL regulations allow for up to 5% of CIL receipts to be used to fund the administrative costs incurred in operating a CIL. Regulations also require that 15% of CIL receipts shall be reserved for neighbourhood funding, or 25% where there is a neighbourhood plan. Neighbourhood funding must be passed to a neighbourhood forum, parish or town council, where they exist. Where they do not exist (as in the City of London), the local authority will retain CIL neighbourhood funds but should engage with communities where development has taken place and agree with them how best to spend this element of CIL.
2. In accordance with national Planning Practice Guidance, local authorities should set out clearly and transparently how they will engage with communities and the use of the neighbourhood fund should match the priorities expressed by these local communities.
3. Regulations require that the neighbourhood fund must be used to support the development of the local council's area, or any part of that area. CIL Regulation 59F allows a wider scope of projects to be funded through the CILNF than that allowed for other CIL funding, including:
  - a) the provision, improvement, replacement, operation or maintenance of infrastructure; (the same criteria as for other CIL funds) or
  - b) anything else that is concerned with addressing the demands that development places on an area (additional flexibility for neighbourhood fund).

In delivering against (b) above, the neighbourhood fund does not have to be spent in accordance with the local authority's CIL spending priorities (set out in its Regulation 123 List).

4. Local authorities are required to report annually on the collection and use of CIL funds, identifying separately the amount of CIL Neighbourhood Funds and how they have been used.

### **Current Position**

5. The City CILNF launched on 1 September 2020. At January 2021, the neighbourhood portion of the City CIL stood at £6.2 million.

### **Process**

6. Management of the City CILNF process is aligned with the City's existing grant allocation process, through the Central Grants Unit (CGU).
7. The CGU is co-located with the City Bridge Trust (CBT) team in order to facilitate consistency of approach and harmonise service standards across grant-making activities by the City Corporation (in its various capacities, including as trustee of a number of charities which form part of the Central Grant Programme). The Chief Grants Officer, responsible for the grant-making activities of CBT is also responsible for maintaining an overview of the CGU (and broader charity matters), with relevant input from the Charity Finance Team (Chamberlain's Department), with the work being delivered by the Head of Central Grants Unit.
8. The CILNF will have a normal minimum level of funding for which applications can be made, of £1,000, to ensure that very small applications do not lead to disproportionate administrative cost. A normal upper limit of 15% of CIL Neighbourhood Funds available at the time of application, to ensure that funding is not exhausted on a small number of schemes. Applications in excess of 15% can be considered in exceptional circumstances where there is demonstrable benefit to more than one of the City's communities and the proposal aligns with published City Corporation strategies. Full criteria can be found at **Appendix 3**.
9. It was agreed at this meeting in May 2019 that provision for delegated authority would determine a proportion of applications, whilst retaining the requirement for Committee approval for larger value applications. Delegated provision is outlined as follows:
  - i. Applications under £25,000 – to be determined by officer delegation
  - ii. Applications between £25,000 and £50,000 – to be delegated to officers, in consultation with the Chairman and Deputy Chairman of the Resource Allocation Sub-Committee.
  - iii. Applications over £50,000 – determined by the Resource Allocation Sub-Committee, with advice from the officer Priorities Board.
10. Delegated funding decisions and advice to Committee are made by an Officer Panel, chaired by the Policy and Performance Director from the Department of

Built Environment and drawn from a broad range of departments, reflecting a diversity of views and interests. Applications over £50,000 will be brought to the Resource Allocation Sub-Committee for decision.

11. The Officer Panel met in December 2020 to discuss an initial three applications that had been received and assessed by the CGU. Appendix 1 outlines the applications that were agreed and rejected under delegated authority.
12. The CGU is now in a position to bring its first request for approval of a grant to this Committee: following assessment by your officers and approval by your Officer Panel, this Committee is now asked to approve a grant of £254,827 over 5 years to Maggie Keswick Jencks Cancer Caring Centres Trust for the provision of a Cancer Support Specialist at Barts Hospital and the creation of an open-access therapeutic garden located in the grounds of Barts Hospital. Further detail of the project can be found at Appendix 2.

### **Corporate & Strategic Implications**

13. Corporate Plan Implications: Adoption of a mechanism enabling City communities to bid for funding from the City CILNF will enable community-led infrastructure improvements across the City and contribute towards meeting the 3 aims of the Corporate Plan 2018-23, particularly Contribute to a Flourishing Society and Shaping an Outstanding Environment.
14. Security Implications: The proposal to create a Neighbourhood Fund fulfils a statutory requirement for the spending of CIL. There are no direct security implications, though future funded projects may bring security benefits.
15. Financial Implications: The proposed City CILNF would make use of that proportion of City CIL monies which are required by statute to be used to assist in the delivery of new infrastructure to meet community needs (15% of CIL funds). The costs of management of the grant application process will be met through the 5% of CIL funds set aside by statute to cover CIL administration.
16. Equalities and resourcing implications: The proposed City CILNF has been subject to an Equality Analysis Test of Relevance. This has concluded that there are no impacts arising from these proposals for protected groups and that a full Equality Analysis is not required.
17. Volunteering programme: Projects funded by the CILNF may provide volunteering opportunities which can be offered to Officers via the Corporate Volunteering programme if and when appropriate.
18. Delivery of the Fund will be through existing staff resources in Departments. Staff resource requirements will be met through allocation of some of the City CIL funds set aside by statute to cover administration costs.

## **Conclusion**

19. Community Infrastructure Levy legislation requires local authorities to reserve between 15% and 25% of CIL receipts for neighbourhood funding. Where there is no recognised parish or town council or neighbourhood forum, the local authority will retain the neighbourhood fund but must spend it on infrastructure which meets community needs. The local authority must consult the community on how these funds will be used.
20. The Neighbourhood Fund application process is managed by the City Corporation's Central Grants Unit, with officers assessing applications and providing support to Committee in the consideration of larger applications. The administrative cost incurred in operating the Fund is recoverable from the 5% of City CIL funds allowed to cover such costs in Regulations. The programme launched on 1 September 2020.
21. If the recommendation in this report is approved it will mark the first significant expenditure from the CILNF.

## **Appendices**

- Appendix 1 – Grants awarded and rejected under delegated authority.
- Appendix 2 – Assessment Report - Maggie Keswick Jencks Cancer Trust
- Appendix 3 – CIL Neighbourhood Fund - Criteria

## **Background Papers**

Report to Policy & Resources Committee 02/05/2019: City of London Community Infrastructure Levy – Approval of Neighbourhood Fund

### **Jack Joslin**

Head of Central Grants Unit

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## Appendix 1 – Grants Approved and Rejected under Delegated Authority

### Grants Approved under Delegated Authority

|   |   |
|---|---|
| <b>Becket Pageant for London, acting through the Skinners' Malmesbury Foundation (ref. 18026)</b> | £24,500 contribution towards the costs of a Community and School Engagement Programme showcasing the historical importance of the Beckett Pageant and its links to the City of London. The Panel approved the grant as it had demonstrated robust measures in place in light of Covid-19. |
|---|---|

### Grants Rejected under Delegated Authority

|  |   |
|--|---|
| <b>Fleet Street Sundial CIC (ref. 17973)</b> | A project proposal was submitted to build the Fleet Street Heritage Sundial. The panel could not support the proposal at this time as only limited financial information was provided and a clear case was not made for the Community benefit of the project. Further engagement is required with Officers from the Department of Built Environment before a further application can be considered. |
|--|---|

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## **APPENDIX 2 - CIL NEIGHBOURHOOD FUND**

**Maggie Keswick Jencks Cancer Caring Centres  
Trust (ref. 17995)**

**Amount requested: £254,827**

**Amount recommended: £254,827**

**Purpose of grant request: To provide professional support for anyone with cancer and bring to life the Garden; providing seating, greenery and outdoor spaces for patients, visitors and residents.**

**Type of cost: Mixture of revenue & capital**

**Ward(s) benefitting: *All Wards***

### **The Applicant**

Maggie's Centres have been providing high quality, evidence-based support to help people with cancer and their loved ones for 25 years. The Charity receive around 300,000 individual visits each year to 24 centres across the UK. It provides a person-centred, evidence-based programme of care which has shown to improve the physical and emotional wellbeing of people affected by cancer and has been highlighted as an example of best practice by the NHS and Department of Health.

### **Background and detail of proposal**

The Maggie's Centre at Barts Hospital has been offering cancer support since 2018 and is funded through a variety of voluntary sources. This proposal is a request for a mixture of capital and revenue funding to pay for a Cancer Support Specialist and a therapeutic garden, both of which will be located at Barts Hospital. The cancer support specialist will work with a range of people who access the Maggie's Centre at Barts Hospital – a very high proportion of which are expected to be residents of the City of London. According to Maggie's at Barts, there were 1363 cancer referrals from City of London postcodes in 2018 and 1387 cancer referrals in 2019. The Cancer Support Specialist will also deliver 'Cancer in the Workplace' sessions to support local businesses (when it is safe and appropriate to do so in the context of COVID-19). The Garden will become a permanent feature at Barts Hospital. It will be open and accessible for hospital staff, patients, visitors and residents of the City to enjoy. It will be used for activities to support patients and provides a quiet space for reflection.

This request will provide three years of salary costs for a Cancer Support Specialist and provides a contribution towards the costs of the garden. Maggies have already raised some of the remaining garden costs and have further applications with other funders and sources of support pending. The proposed outcomes focus on supporting patients and their loved ones with their emotional resilience, feelings of isolation and mental health. These can be difficult outcomes to measure – especially when the service and support is provided on a drop-in, open-access basis. However, Maggie's is a very experienced service provider and your officer is satisfied that the tools used for monitoring and evaluating these outcomes are suitable and appropriate.

## Financial Information

Maggie's raises significant funds each year and does this through a diverse range of donors and income streams including charitable trusts, local community fundraising, the People's Postcode Lottery, legacies, companies and individuals. Trading activities account for approximately 15% of income. Maggie's receives very little statutory funding. The organisation has delivered annual surpluses for the last three years, but a significant proportion of these funds are held for capital builds and refurbishment. Trustees aim to hold between 3 and 6 months in free reserves. 2019 was an unexpectedly good year for fundraising producing a bigger than anticipated surplus, which in turn increased the level of free reserves. Consequently, a decision was taken to increase unrestricted expenditure for 2020, resulting in a deficit on unrestricted expenditure for the year. The deficit will be covered by free reserves. A modest surplus on unrestricted funds is anticipated for 2021.

| Year end as at 31/12                        | 2019             | 2020             | 2021          |
|---|------------------|------------------|---------------|
|   | Signed Accounts  | Forecast         | Budget        |
|   | £                | £                | £             |
| <b>Income &amp; expenditure:</b>            |                  |                  |               |
| Income                                      | 25,042,000       | 22,357,000       | 17,930,000    |
| - % of Income confirmed as at               | N/A              | 72%              | 0%            |
| Expenditure                                 | 18,047,000       | 16,925,000       | 17,858,000    |
| Total surplus/(deficit)                     | <b>6,995,000</b> | <b>5,432,000</b> | <b>72,000</b> |
| Split between:                              |                  |                  |               |
| - Restricted surplus/(deficit)              | 4,021,000        | 3,987,000        | 2,000,000     |
| - Unrestricted surplus/(deficit)            | 2,974,000        | 1,445,000        | (1,928,000)   |
|   | <b>6,995,000</b> | <b>5,432,000</b> | <b>72,000</b> |
| Cost of Raising Funds (Total)               | 6,777,000        | 4,570,000        | 5,117,000     |
| % Income                                    | 27%              | 20%              | 29%           |
| Operating Expenditure (unrestricted)        | 13,910,000       | 14,435,000       | 15,858,000    |
| <b>Free unrestricted reserves:</b>          |                  |                  |               |
| Free unrestricted reserves held at year end | 2,830,000        | 4,275,000        | 2,347,000     |
| No of months of operating expenditure       | 2.4              | 3.6              | 1.8           |
| Reserves policy target                      | 3,852,500        | 4,932,500        | 5,370,500     |
| No of months of operating expenditure       | 3.3              | 4.1              | 4.1           |
| Free reserves over/(under) target           | (1,022,500)      | (657,500)        | (3,023,500)   |

## Recommendation

This is a strong application from a well-established organisation that is recognised as a leader in its field. The costs are reasonable and in-line with expectations for support and specialist advice of this nature. There is no statutory obligation to provide the additional care and support that would be available to City of London residents via the proposed Cancer Support Specialist. The creation of a therapeutic garden at Barts Hospital has the potential to become a valuable community asset in its own right and – if approved for funding – provides opportunities to support with the upkeep of the garden that would integrate neatly into the City of London Corporation's Volunteering Strategy. The recommendation is for this application to be fully funded over 5 years.

**£254,827 over five years (£51,609; £50,000; £50,000; £51,609; £51,609) towards the salary of a Cancer Support Specialist and creation of a therapeutic garden at Barts Hospital.**

# **City of London**

## **Community Infrastructure Levy**

### **Neighbourhood Fund**



# City of London Community Infrastructure Levy

## Neighbourhood Fund

### Introduction and legislative background

1. The Community Infrastructure Levy is a charge levied on new development, introduced by the Planning Act 2008. It is intended to help local authorities deliver the infrastructure needed to support development. The power to set a charge came into effect from April 2010, through the Community Infrastructure Levy Regulations 2010, which have subsequently been amended.
2. The City of London Corporation implemented a Community Infrastructure Levy (CIL) for the City of London from 1 July 2014.
3. Further information on the City CIL is available on the City Corporation's website at: <https://www.cityoflondon.gov.uk/services/environment-and-planning/planning/planning-policy/Pages/Community-Infrastructure-Levy.aspx>

### CIL Neighbourhood Fund Requirements

4. Community Infrastructure Levy Regulations require that 15% of CIL receipts should be reserved to enable the delivery of neighbourhood priorities. These receipts should be passed directly to existing parish and town councils where development has taken place. Where a neighbourhood plan or neighbourhood development order has been made 25% of CIL receipts from development in the plan area is reserved for the delivery of neighbourhood priorities.
5. Where there is no existing parish, town or community council, neighbourhood plan or development order, then the local authority will retain neighbourhood CIL funds, but should engage with communities where development has taken place and agree with them how best to spend the neighbourhood CIL.
6. Within the City of London, there are no existing parish, town or community councils and no adopted neighbourhood plans or neighbourhood development orders. The City Corporation therefore retains the CIL Neighbourhood Fund and should seek community views on how this Fund should be used. In exercising this role, the City Corporation has considered whether specific communities or

neighbourhoods should be identified. However, given that the City is little over one square mile in area, the City Corporation considers that it should be regarded as a single neighbourhood for the purposes of collection and spending of CIL Neighbourhood Funds.

## **What can CIL Neighbourhood Funds be used for?**

7. CIL Regulation 59(F) requires that the Neighbourhood Fund be used to support the development of the neighbourhood. The scope of projects that can be funded by the Neighbourhood Fund is wider than that for general CIL funds and comprises:
  - a. The provision, improvement, replacement, operation or maintenance of infrastructure; or
  - b. Anything else that is concerned with addressing the demands that development places on an area.
8. This definition is deliberately wide and allows the City Corporation to work collaboratively with local communities to determine priorities and how the Fund should be used.

## **Scale of the City CIL Neighbourhood Fund**

9. The City of London CIL was implemented from 1 July 2014.
10. At March 2019, the total amount of CIL monies received and allocated to the CIL Neighbourhood Fund was £4.5 million.

## **Community Priorities**

11. The City Corporation has adopted a Regulation 123 List which identifies the types of infrastructure that it will consider funding using the Community Infrastructure Levy. This Regulation 123 List is kept under review and any proposals for change will be subject to public consultation. The current Regulation 123 List is available on the City Corporation's website at:  
<https://www.cityoflondon.gov.uk/services/environment-and-planning/planning/planning-policy/Pages/Community-Infrastructure-Levy.aspx> . The Regulation 123 List is used principally to guide the use of CIL monies outside of the Neighbourhood Fund.
12. In considering how to use the CIL Neighbourhood Fund, Planning Practice Guidance states that where there is no parish, town or community

council, charging authorities should engage with communities where development has taken place on their priorities for funding.

13. The City Corporation consulted on priorities for the use of the City's CIL Neighbourhood Fund during December 2018 and January 2019. This consultation revealed support for the Fund to be used primarily to deliver infrastructure which meets local community identified needs.
14. The City's Neighbourhood Fund has been established to be applied to funding applications from local communities and community groups and to deliver improvements in infrastructure which have the potential to deliver benefit to City residents, workers and visitors. The Fund could be used for:
  - Smaller scale projects, deliverable for under £50,000, in response to locally identified needs.
  - Larger projects of over £50,000 and normally less than 15% of the total available Neighbourhood Fund.

## **Community Definition**

15. The City of London has a resident population of approximately 8,000 and a daily working population of over 500,000 occupying nearly 9 million square metres of office floorspace. The City Corporation's Statement of Community Involvement already recognises that it is not appropriate to regard the 'local community' as just the resident community. For the purposes of the CIL Neighbourhood Fund, 'community' is defined as local residents, City workers and the owners and occupiers of City buildings.

## **Governance Process**

16. The City CIL Neighbourhood Fund will be allocated following consideration of valid applications (i.e. those that meet the adopted assessment criteria for the Neighbourhood Fund) from communities within the City of London or close to the City of London where projects support the development of the City. The determination of these applications will rest with the City Corporation. The City Corporation will publish details of funding applications and its determination of those applications on the City Corporation's website.
17. The City Corporation will prepare an annual report for the CIL Neighbourhood Fund as a separate item within the wider annual CIL

and s106 monitoring report. The Neighbourhood Fund monitoring will include details of:

- Total CIL Neighbourhood Fund receipts for the reporting year;
- Total CIL Neighbourhood Fund expenditure for the reporting year;
- Details of CIL Neighbourhood Fund expenditure for the reporting year, including the amount spent on each individual project;
- Total CIL Neighbourhood Fund monies remaining.

18. City Communities will be consulted on an annual basis on community priorities for the City CIL Neighbourhood Fund. A full review of the Neighbourhood Fund, including priorities and governance, will be undertaken at least every 5 years.

## **Neighbourhood Fund Application Process**

19. The application process will be managed by the City Corporation's Central Grants Unit. Information about the Neighbourhood Fund and how to apply will be posted on the City Corporation's website at: <https://www.cityoflondon.gov.uk/services/environment-and-planning/planning/planning-policy/Pages/Community-Infrastructure-Levy.aspx>

20. Fund applications can be made at any time and should be submitted via an online application form which will be posted on the City Corporation's website.

## **Organisations eligible to bid for funding**

21. Neighbourhood Fund applications will be accepted from the following types of organisation:

- Constituted voluntary organisations and resident associations
- Constituted business organisations and associations
- Registered charities
- Registered community interest companies
- Charitable companies (incorporated as not for profit)
- Registered charitable incorporated organisations
- Exempt or excepted charities

- Registered charitable industrial and provident society or charitable cooperative.
22. Applications should be from City-based organisations or should demonstrate City-based support. Applications cannot be accepted from individuals. Individuals who wish to apply for funding should do so through a City-based constituted organisation or group falling into the above definition. Applications will not be accepted from political parties or organisations involved in political lobbying.
23. Applications from City Corporation service departments will be accepted where they:
- Have the support of a City-based community group, or
  - Can demonstrate that delivery will meet community priorities, either through consultation with communities, or through an adopted City Corporation strategy which can demonstrate community support.
24. Applications for infrastructure funding to mitigate the direct impacts of development will not be accepted. Such mitigation should be delivered as part of the development process and funded through s106 Planning Obligations.

## **Assistance with Applications**

25. The Central Grants Unit can provide assistance to applicants with the completion of application forms. Contact details are available on the City Corporation's website. The Central Grants Unit cannot provide assistance with project management or delivery of schemes funded through the Neighbourhood Fund.

## **Assessment Criteria**

26. Applications should demonstrate that funding will be used to meet the Regulatory requirements for CIL funding set out in Community Infrastructure Levy Regulations, namely to support the development of the area by:
- a. the provision, improvement, replacement, operation or maintenance of infrastructure; or
  - b. anything else that is concerned with addressing the demands that development places on an area.



27. Infrastructure improvements funded through the Neighbourhood Fund should deliver improvements necessary to support development of the City. Normally, such funding will deliver new infrastructure, but funding will also be available to meet reasonable on-going maintenance costs. Applications should, therefore, identify and include an allowance for future maintenance of any infrastructure to be provided.
28. CIL Regulations allow greater flexibility in the use of the Neighbourhood Fund compared with other CIL expenditure. Neighbourhood Funds may therefore be used to fund revenue expenditure. To avoid creating long term commitments on the Neighbourhood Fund, any requests for revenue funding should be clearly justified, showing demonstrable community benefit, and time limited to a maximum of 5 years. The City Corporation will not commit to providing CIL funding beyond the agreed time period and will need to be satisfied that alternative funding is in place if the proposed project is intended to continue beyond 5 years.
29. For larger projects of over £50,000 and up to 15% of the total value of the Neighbourhood Fund at the time of application, applications should also consider whether the project meets the priorities identified in the City Corporation's Regulation 123 List and projects identified in City Corporation strategies that have been subject to public consultation. Funding decisions will not be made solely on the basis of compliance, or otherwise, with the Regulation 123 List.
30. Applications should include evidence of the feasibility, deliverability and sustainability of the project.
31. Where possible, the application should be supported by a delivery plan or business plan, which sets out the timescales for delivery, that any necessary consents have been obtained and the mechanisms in place to ensure that the funds are used appropriately.
32. Projects should be delivered within a 12 month period from the grant of funding unless an alternative timescale has been agreed. If delivery over a longer timescale is anticipated, this should be set out clearly in the application and a justification provided for the extended timescale. The City Corporation will monitor delivery of projects, including taking action to ensure that projects are delivered on time, or seek to recover funds if projects do not proceed within agreed parameters.
33. Applications for funding in excess of £50,000 should demonstrate how the project will deliver value for money, including through the identification of any contributory or match funding. This can include contributions in time or expertise, for example, where a local community

delivers infrastructure improvements themselves, but is not necessary for a successful bid.

34. Applications to fund projects which are already in receipt of other City CIL funding, or s106, s278 funding for site specific mitigation will not normally be accepted.
35. Developers may wish to support an application from a constituted City-based organisation or group, as set out above, where the proposed infrastructure cannot be delivered through other means.

### **Value of Bids**

36. The minimum value for applications for infrastructure funding is £1,000.
37. Individual applications should normally not exceed 15% of the total value of the available CIL Neighbourhood Fund at the time of application. Information on the available funds will be published on the City Corporation's website on a quarterly basis to inform applications.
38. Applications in excess of 15% will only be considered in exceptional circumstances, where there is demonstrable benefit to more than one of the City's communities and where the proposal aligns with other City Corporation ambitions, set out in published strategies.

### **Awards Process**

39. The determination of applications will be made through a combination of officer delegation and Committee approval, depending on the financial value of the application. The adopted thresholds accord with those used by the City Bridge Trust in its consideration of grant applications.
40. Funding applications for under £25,000 will be determined by City Corporation officers under delegated authority. Decisions should normally be made within 12 weeks of the receipt of a valid application.
41. Applications for between £25,000 and £50,000 will be determined by a City Corporation officers under delegated authority and in consultation with the Chairman and Deputy Chairman of the Resource Allocation Sub-Committee. Decisions should normally be made within 16 weeks of the receipt of a valid application.
42. Decisions taken under delegated authority will be reported to the Resource Allocations Sub-Committee.

43. Applications for over £50,000 will be considered by the City Corporation's Resource Allocation Sub-Committee, normally on a quarterly basis. Applications will be considered as items in the public part of the meeting agenda.

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