

<b>Committee(s):</b> Resource Allocation Sub (Policy and Resources) Committee – For decision	<b>Dated:</b> 17/03/2021
<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 February 2021.

Members are asked to approve the grant recommended for their consideration at a meeting of the CILNF Officer Panel in February 2021.

### **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 February 2021 (Appendix 1).
2. To approve the grant recommended to the Bevis Marks Synagogue Heritage Foundation at a meeting of the CILNF Officer Panel in February 2021 (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 February 2021 to discuss two applications that had been received and assessed by the CGU. Appendix 1 outlines the applications that were agreed and rejected under delegated authority.
12. Where an application will have an impact on a specific ward, your Officers will consult with Members of that ward as part of the assessment process. The feedback provided by ward Members has been unanimously in favour of funding the applications being considered by this Committee.
13. The CGU is now in a position to bring a request for approval of a grant to this Committee: following assessment by your Officers, positive feedback from your fellow Members and approval by your Officer Panel, this Committee is now asked to approve a grant of £240,000 over 4 years to Bevis Marks Synagogue Heritage Foundation to improve access, interpretation and functionality to ensure Bevis Marks Synagogue is fit for purpose as a historic attraction and cultural centre. Further detail of the project can be found at Appendix 2.

### **Corporate & Strategic Implications**

14. 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.
15. 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.
16. 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.
17. 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.
18. 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.

19. 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**

20. 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.

21. 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.

22. If the recommendation in this report is approved, it will bring the total funds distributed by the CILNF in its first six months of operation to £544,327.

## **Appendices**

Appendix 1 – Grants awarded and rejected under delegated authority.

Appendix 2 – Assessment Report – Bevis Marks Synagogue Heritage Foundation

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

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