

Appendix 1 - Funding Criteria

1. For all bids irrespective of funding sources, the Priorities Board will take account of the extent to which projects support delivery of the Corporation's strategies and initiatives, including the '*Climate Action Strategy - City of London*' and '*Destination City*'. Bids should set out how the project would support the relevant strategic objectives.

CIL

2. The Community Infrastructure Levy Regulations 2010 require the City Corporation (as a CIL charging authority) to apply CIL to funding the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area. National Planning Practice Guidance provides that "Local authorities must spend the levy on infrastructure needed to support the development of their area and they will decide what infrastructure is needed. The Levy can be used to increase the capacity of existing infrastructure or to repair failing existing infrastructure, if that is necessary to support the development." "Infrastructure" is defined by Section 216 of the Planning Act 2008 to include (a) roads and other transport facilities; (b) flood defences; (c) schools and other educational facilities; (d) medical facilities; (e) sporting and recreational facilities; and (f) open spaces.
3. Priorities for CIL allocations are set out in the City Corporation's Infrastructure Delivery Plan - March 2024 (IDP) and are to be applied by the Priorities Board when recommending infrastructure projects.

The **CIL** funding priorities are categorised as follows:

- **Critical:**
Lack of infrastructure is a physical constraint to growth; development cannot come forward if the infrastructure is not provided.
 - **Essential:**
Development cannot come forward in a sustainable and acceptable way if the infrastructure is not provided.
 - **Important:**
Development can come forward if the infrastructure is not delivered, but some sustainability goals will need to be compromised and some adverse impacts accepted.
4. There are therefore two main tests that any project needs to meet to be eligible for CIL.

Test 1: Is the project a type of infrastructure?

The national Planning Practice Guidance states that:

“The levy can be used to fund a wide range of infrastructure, including transport, flood defences, schools, hospitals, and other health and social care facilities (for further details, see section 216(2) of the Planning Act 2008, and CIL Regulation 59, as amended by the 2012 and 2013 Regulations). This definition allows the levy to be used to fund a very broad range of facilities such as play areas, open spaces, parks and green spaces, cultural and sports facilities, healthcare facilities, academies and free schools, district heating schemes and police stations and other community safety facilities.”

Infrastructure of the sort envisaged by the legislation would normally serve a clear public benefit rather than being a purely private concern. Commercial ventures – such as shopping centres or offices – would not normally be considered infrastructure (for the purposes of CIL). Private housing does not fall within the definition of infrastructure. The CIL legislation also prevents the use of CIL for affordable housing.

Test 2: Is the infrastructure needed to support the development of the area?

The national Planning Practice Guidance states that:

“Local authorities must spend the levy on infrastructure needed to support the development of their area.”

CIL-funded projects must therefore be necessary to support development of the area. This is a crucial test; CIL funding cannot be used to fund schemes that would not be necessary to support development. It is unlikely that projects that are seeking to maintain or repair existing infrastructure would meet this test.

This second test is reflected in the CIL funding priorities (see “CIL funding priorities”, above).

Note: both Test 1 and Test 2 must be met for any project that is seeking CIL funding.

OSPR

5. On Street Parking Reserve has a very limited remit for allocation as set out in Section 55(3A) of the Road Traffic Regulation Act 1984 (as amended) and the London Local Authorities and Transport for London Act 2003 set out in the report.

The **OSPR** funding priorities are identified in legislation, which provides that any surplus not applied in the financial year may be carried forward. If it is not to be carried forward, it may be applied by the City for one or more of the following purposes: -

- a. making good to the City Fund any deficit charged to that Fund in the 4 years immediately preceding the financial year in question;
- b. meeting all or any part of the cost of the provision and maintenance by the City of off-street parking accommodation whether in the open or under cover;
- c. the making to other local authorities, or to other persons, of contributions towards the cost of the provision and maintenance by them, in the area of the local authority or elsewhere, of off-street parking accommodation whether in the open or under cover;
- d. if it appears to the City that provision in the City of further off-street parking accommodation is for the time being unnecessary or undesirable, for the following purposes, namely: -
 - meeting costs incurred, whether by the City or by some other person, in the provision or operation of, or of facilities for, public passenger transport services;
 - the purposes of a highway improvement project in the City;
 - meeting the costs incurred by the City in respect of the maintenance of roads at the public expense; and
 - for an “environmental improvement” in the City;
- e. Meeting all or any part of the cost of the doing by the City in its area of anything which facilitates the implementation of the Mayor’s Transport Strategy, being specified in that strategy as a purpose for which a surplus can be applied; and
- f. making contributions to other authorities, i.e. the other London Borough Councils and Transport for London, towards the cost of their doing things upon which the City in its area could incur expenditure upon under (a)-(e) above.