

City of London Community Infrastructure Levy

Consultation on Proposed Neighbourhood Fund



City of London Community Infrastructure Levy

Consultation on Proposed 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 a number of times.
2. The City of London Corporation implemented a Community Infrastructure Levy (CIL) for the City of London from 1 July 2014. The City Corporation has published a list of the types of infrastructure it will fund through the Community Infrastructure Levy on its website – this list is known as a Regulation 123 List. The City Corporation's Regulation 123 funding priorities are:

City CIL Regulation 123 List

- Community facilities
- Decentralised energy facilities
- Education facilities
- Emergency services facilities
- Flood defence and flood risk alleviation
- Pipe subways
- Play space facilities
- Publicly accessible open space, sports and recreation facilities
- Public health care facilities
- Public realm enhancement
- Transportation improvements

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. 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 parish, town or community council, neighbourhood plan or development order, 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 parish, town or community councils and no adopted neighbourhood plans or neighbourhood development orders. The City of London Corporation therefore retains the CIL Neighbourhood Fund and is required to seek community views on how this Fund should be used. The City Corporation considers that, for the purposes of CIL, the City of London should be regarded as a single neighbourhood.

What can CIL Neighbourhood Funds be used for?

7. CIL Regulations require 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 includes:
 - a. The provision, improvement, replacement, operation or maintenance of infrastructure;
 - b. Anything else that is concerned with addressing the demands that development places on an area.
8. This definition is deliberately wide to allow local communities to determine their priorities and how the Funds should be used.

Amount of City CIL Neighbourhood Funds

9. The City of London CIL was implemented from 1 July 2014. City CIL Neighbourhood Funds have been accumulating slowly, with significant contributions from major development during 2018.
10. At August 2018, the total amount of CIL monies received and allocated to the CIL Neighbourhood Fund was £4.7 million.

Scope of the Consultation

11. National Planning Practice Guidance requires that local authorities who retain CIL neighbourhood funds must consult with its communities on priorities for the use of those funds, and that these priorities are reflected in how funds are used.
12. The City Corporation has prepared draft guidelines for the use of the City CIL Neighbourhood Fund, including guidance on how communities can bid for funding and how the allocation of funds will be managed. The City Corporation is now seeking comments on these proposals, including comments on priorities for community funding going forward.
13. Following this consultation, the City Corporation will consider comments received in designing the final scope of the City CIL Neighbourhood Fund and mechanisms for applying for funding. The City CIL Neighbourhood Fund should be active from April 2019.

How to Respond

This consultation will run from 3 December 2018 until 5pm on 18 January 2019

You can send your comments by email to:

localplan@cityoflondon.gov.uk

(Please include CIL Neighbourhood Fund in the subject line)

Or you can write to us at:

City CIL Neighbourhood Fund, Development Plans Team, Department of the Built Environment, City of London, PO Box 270, Guildhall, London EC2P 2EJ

If you have any questions, you can call us on:

020 7332 1038

City CIL Neighbourhood Fund

Proposed Priorities and Governance/Management Arrangements

Community Priorities

14. The City Corporation has adopted a Regulation 123 List which identifies broad categories of infrastructure that it will fund using the Community Infrastructure Levy. The City Corporation suggests that these priorities should also be used to guide the allocation of the City CIL Neighbourhood Fund.

Consultation Question 1

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

Consultation Question 2

Do you have other suggestions for spending priorities for the City CIL Neighbourhood Fund?

Consultation Question 3

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

* Please note that identification of specific schemes does not guarantee that these schemes will receive CIL Neighbourhood Fund support. Individual schemes will be required to submit bids through the proposed bidding mechanism that is set out below.

Governance/Management Arrangements

15. The City CIL Neighbourhood Fund will be allocated on submission of valid bids (i.e. those that meet the adopted assessment criteria for the Neighbourhood Fund) from communities within the City of London. The determination of these bids will rest with the City Corporation. The City Corporation's funding determinations will be clearly communicated to applicants and published on the City Corporation website.
16. Communities include the City's working community, resident community and business community.
17. The bid process will be managed by the City Corporation's Central Grants Unit, with approval for the allocation of Neighbourhood Funds by the Resource Allocation Sub-Committee advised by an officer Priorities Board.

Grant Application Process

18. Applications to the City CIL Neighbourhood Fund can be made at any time but will be assessed two times a year. Application deadlines will be posted on the City Corporation's website.
19. Applications should be submitted via an online application form which will be posted on the City Corporation's website.
20. An upper ceiling or minimum level of funds for individual projects may be applied. Details will be posted on the City Corporation's website. If an upper ceiling is agreed, the City Corporation's Resource Allocation Sub-Committee will have the authority to exceed this limit where supported by robust evidence.
21. Applications should provide details of the group or organisation bidding for funding. Applications will be accepted from:
 - 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 from individuals should be made via a City-based constituted organisation or group falling into the above definitions.
23. Applications will also be considered from City Corporation service departments, where they demonstrate community support.
24. Applications should be supported by a Ward Member or be submitted by a Ward Member on behalf of a community group falling into one of the above definitions.

Assessment Criteria

25. Applications to the City CIL Neighbourhood Fund will be managed by the City Corporation's Central Grants Unit, who will undertake due diligence examination of bids and ensure that grant spending is undertaken in accordance with the terms of any grant allocation.
26. Applications should demonstrate that funding will be used to meet the Regulatory requirements for CIL funding set out in Community Infrastructure Levy Regulation 59c:
 - 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. Applications should demonstrate how the proposed project aligns with the City Corporation's adopted priorities for the use of CIL funds (the City's Regulation 123 List), the City's Corporate Plan, the City of London Local Plan, The City of London Transport Strategy or other adopted and published City Corporation service delivery plans and strategies. These plans and strategies have undergone public consultation and scrutiny and have been prepared in the context of community representations. Where projects do not align with these priorities, applicants will need to demonstrate that the benefits of the project justify funding outside of published priorities.
28. Applications should include evidence of the feasibility and deliverability of the project, including a delivery plan or business plan where possible.
29. Applications should identify any ongoing revenue costs as a result of implementation of a project, such as future maintenance costs, and identify how these costs will be met and by whom. Additional bids for City

CIL Neighbourhood Funds to meet future revenue costs will not normally be accepted.

30. Applications should demonstrate how the project will deliver value for money, including through the identification of contributory or match funding from other organisations, and the amounts of any such funding.

31. Applications to fund projects which are already in receipt of other City CIL funding will not normally be accepted.

Consultation Question 4

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

Consultation Question 5

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

Consultation Question 6

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