1. **Decision Required**

Cabinet is requested to:-

1.1 Note the outcome of the Greenwich Neighbourhood Growth Fund review consultation.

1.2 Agree the suggested amendments to the GNGF award process as set out in Section 4 and note that the award process will be kept under review, with any further appropriate changes being made in advance of Round 4.

1.3 Agree the arrangements for Round 3 set out in Section 5.

2. **Background**

2.1 In April 2010 the Government introduced the Community Infrastructure Levy (CIL), a new mechanism designed to help local authorities raise funds from developments in their area and deliver the required infrastructure improvements. The Royal Borough adopted its own CIL Charging Schedule on 25 March 2015, with the charge coming into effect from 6 April 2015.

2.2 Regulation 59A of the CIL regulations requires that charging authorities pass on 15 per cent of the relevant CIL receipts to the Parish Council for the area where CIL is secured, with this proportion rising to 25 per cent where there is a neighborhood plan in place. This is known as the “neighbourhood portion” or “Neighbourhood CIL”.

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2.3 In Greenwich, where there are no Parish Councils or Neighbourhood Plans, the neighbourhood portion is set at 15 per cent, and can be retained by the Royal Borough to be spent on the provision, improvement, operation, replacement or maintenance of infrastructure; or on anything else that is concerned with addressing the demands that development places on an area (Regulation 59F).

2.4 In March 2017, Cabinet agreed that the borough be divided into four neighbourhood areas for the purposes of collecting and allocating Neighbourhood CIL (NCIL), with fifteen per cent of the CIL money collected in each neighbourhood area to be made available for local improvement projects.

2.5 In December 2017, Cabinet agreed the process by which the neighbourhood portion would be made available to the local community. It was agreed that neighbourhood CIL would be branded the “Greenwich Neighbourhood Growth Fund” (GNGF), providing a local fund for residents to bring forward proposals that mitigate the impact of development in their area.

2.6 Two rounds of funding have now been completed, with 36 projects funded totalling £571,920. Unspent money from each round has been carried forward, and this combined with the CIL collected in 2018/19 there is now £602,100 available to fund projects for Round 3.

3. **GNGF Review**

3.1 In response to the feedback received from residents, applicants and members, it was agreed that the Council would undertake a review of the current system, to see if there were opportunities to improve how money is made available and awarded. The review was launched in May 2019 and included an online consultation, an officer review of other local authority approaches; and a workshop chaired by the Cabinet Member for Regeneration and Growth to discuss and develop ideas.

3.2 The online consultation was launched in May 2019 for a 6 week period, giving respondents the opportunity to comment on different elements of the current system, and suggest improvements to the funding process. In total 159 responses were received, including responses from Councillors, previous applicants, potential new applicants and other interested parties.
3.3 The review of other local authority approaches looked at how neighbourhood areas had been defined; the proportion allocated to neighbourhood CIL; the process for engaging with the local community; and the process for awarding funds.

3.4 A workshop was held on 8th July 2019 chaired by the Cabinet Member for Regeneration and Growth, to discuss the GNGF process and the issues and themes that had been raised in the consultation. All respondents to the consultation and known local community groups were invited to attend. In total 22 people attended the workshop.

3.5 The main issues identified in the review and any proposed changes are set out in Section 4 of this report.

4. Feedback and proposed changes

Application window and timescales

4.1 A common theme from respondents was that insufficient time had been provided for groups to develop and submit proposals. In recognition of this it is proposed that the application window be extended from 4 weeks to 12 weeks. In addition it is proposed that the application form and guidance documents remain on the GNGF webpage all year round (i.e. not just for the duration of the application window), thereby giving groups the ability to develop proposals outside the application window. Given the tight timescale between completing the review and the launch of Round 3, this has not been possible for the upcoming round, but will be implemented for future rounds.

4.2 In terms of the timescales, it is proposed that an indicative timetable for future rounds will be published on the GNGF webpage to provide clarity to applicants when rounds will launch and the funding released.

Application Form

4.3 Previous applicants reported issues with the PDF application form. An improved application form will be available for Round 3. It is proposed that a web form be made available in Round 3, with an improved editable PDF version also available for application wishing to complete their applications offline.
Guidance, clarity of purpose and local priorities

4.4 Some respondents reported that they were not completely clear what the purpose of the GNGF is and the types of projects likely to be successful. Officers have updated the funding guidance to make the purpose clearer, which sets out that the **preference is for proposals that provide new or improve existing items of physical infrastructure.** Service-based proposals will also be considered, but they must clearly demonstrate the local need and how the proposal **mitigates the impact of development.**

4.5 The guidance documents in previous rounds has included the local priorities identified from the 2017 Residents Survey, to assist applicants in developing proposals that addressed local priorities. The priorities did not form part of the shortlisting criteria, but respondents have advised that this was not clear and believed that projects that did not meet one of these priorities would not be considered. Respondents had suggested that the priorities should be removed entirely from the guidance, but having reviewed this suggestion it is considered that the **priority list is a useful guide for residents and it is proposed that it will remain.** The funding guidance will clearly set out that these priorities are not a shortlisting criteria, but can be used for ideas and guidance.

Neighbourhood Areas and Neighbourhood Portion

4.6 Respondents raised concerns regarding the availability of funds by area, with some areas having more to spend than others. The amount available in each neighbourhood area is directly driven by the amount of development in that area, with the requirement that neighbourhood CIL collected in an area is spent in that same area.

4.7 Some local authorities have chosen to define their whole borough as a single neighbourhood, thereby providing greater freedom with regard to the distribution of available funding. Others authorities have used the existing ward boundaries to define the neighbourhood areas. These possibilities were considered in the review, with the general consensus being that the current neighbourhood areas are appropriate, and that is it right that a neighbourhood that has been most affected by the development should benefit from the CIL that has been collected. There was however recognition that a mechanism to distribute available funding in the event of a surplus was required, in order that areas with insufficient funding could be supported in exceptional circumstances.
4.8 It is therefore proposed that once the funding awards are completed for each neighbourhood area, that any unspent funds are made available to other neighbourhood areas with insufficient funds to support shortlisted proposals. The decision on whether to distribute unspent funds to projects in other areas would be taken in a special meeting, chaired by the Leader, and would be in exceptional circumstances given that the purpose of the scheme is to mitigate the impact of development.

4.9 In terms of the proportion of CIL that is made available to the local community as neighbourhood CIL, the minimum required by the regulations is 15%. Any increase to the neighbourhood portion would reduce the amount available for strategic priorities. Fifty per cent of the CIL money collected in Greenwich is committed to the fit out of the Woolwich Crossrail Station in accordance with the funding agreement with the GLA. Increasing the proportion allocated to neighbourhood CIL would slow the collection and repayment of this money. It is therefore proposed that the neighbourhood portion remain at 15%, but that this be kept under review.

Public Vote

4.10 Residents were given the opportunity in Rounds 1 and 2 to vote for their preferred proposals. In total 2,164 residents voted for their preferred projects over the two rounds. In most areas there was sufficient funding to fund all shortlisted projects and the public vote therefore did not impact the outcome. The feedback from respondents was that public vote was of limited value, which potentially disadvantages smaller groups less able to organise the necessary support.

4.11 It is proposed that the 2-week public vote remain for Round 3 but that the success of the vote is reviewed at the conclusion of Round 3 and that further consideration is given to alternative options.

Endorsements

4.12 In rounds 1 and 2 applicants were required to obtain endorsement from the three ward councillors where the project was located. The feedback from respondents was that this was not always straightforward process. It is proposed that the current arrangements for endorsement remain, but that the guidance will be clearer on the need to engage ward councillors at the earliest opportunity, to avoid any problems prior to submission. All Councillors will be briefed on the process prior to the launch of Round 3 to clarify the process.
Decisions

4.13 In previous rounds the decision on how available funds were awarded was taken by the Leader, Cabinet Member for Finance and Resources and Cabinet Member for Growth & Regeneration.

4.14 The Council has taken consultation feedback on board and is considering alternative options for how successful projects are decided. Some ideas being considered are a Dragon’s Den style approach to awarding funding, or involving residents in the decision panel. **It is proposed that award decisions for Round 3 are taken in the same way as in the two previous rounds**, but that further consideration will be given to alternative approaches that could be implemented in time for Round 4.

Assistance and support

4.15 Feedback from respondents was that more assistance is required in developing proposals. The expectation is that the proposals submitted for GNGF funding are community-led, and that the guidance documents are sufficiently clear that groups can develop their projects and proposals themselves. **A dedicated contact at the Council however will be available to provide advice and support with regards to the application process and Metro GAVS have agreed to support applicants as needed.** Relevant contact details will be made available online and in the guidance documents.

5. **Round 3**

5.1 The funding guidance has been updated to reflect the proposals set out in this report and are attached as appendices to this report.

5.2 The timescales for Round 3 are set out below.

<table>
<thead>
<tr>
<th>Stage</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application window opens</td>
<td>25th September 2019</td>
</tr>
<tr>
<td>Application window closes</td>
<td>18th December 2019</td>
</tr>
<tr>
<td>Validation of application</td>
<td>September 2019 - January 2020</td>
</tr>
<tr>
<td>Shortlisting applications</td>
<td>January 2020</td>
</tr>
<tr>
<td>Public Vote</td>
<td>February 2020</td>
</tr>
<tr>
<td>Final decision</td>
<td>February 2020</td>
</tr>
<tr>
<td>Funding awarded</td>
<td>March 2020</td>
</tr>
</tbody>
</table>
5.3 The indicative timetable for Round 4 and future rounds is set out below, which will be published on the GNGF webpage.

**Table 2. Future round timescales**

<table>
<thead>
<tr>
<th>Stage</th>
<th>Timeframe</th>
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<tbody>
<tr>
<td>Begin promotion of funding round</td>
<td>June</td>
</tr>
<tr>
<td>Application window opens</td>
<td>July</td>
</tr>
<tr>
<td>Application window closes</td>
<td>September</td>
</tr>
<tr>
<td>Validation of application</td>
<td>July – September</td>
</tr>
<tr>
<td>Shortlisting applications</td>
<td>September</td>
</tr>
<tr>
<td>Public Vote</td>
<td>October</td>
</tr>
<tr>
<td>Final decision</td>
<td>October</td>
</tr>
<tr>
<td>Funding awarded</td>
<td>November</td>
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</tbody>
</table>

5.4 In terms of the funding that is available in Round 3, this is set out in Table 3, and will be published on the GNGF webpage. Unspent funds from Rounds 1 and 2 have been carried forward into Round 3 and added to the CIL income from 2018/19. As in previous rounds a minimum of £30,000 is to be made available in each area, and where necessary of forward funded from the Strategic CIL pot.

**Table 3. Round 3 funding available.**

<table>
<thead>
<tr>
<th>Neighborhood Area</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Area 1 (Eltham and Shooters Hill)</td>
<td>£39,867.78</td>
</tr>
<tr>
<td>Area 2 (Greenwich, Peninsula and Blackheath)</td>
<td>£441,821.57</td>
</tr>
<tr>
<td>Area 3 (Woolwich and Charlton)</td>
<td>£118,949.92</td>
</tr>
<tr>
<td>Area 4 (Abbey Wood, Thamesmead and Plumstead)</td>
<td>£30,000*</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£600,639.27</strong></td>
</tr>
</tbody>
</table>

*Forward funded - £1,459.31 has been collected in this area

6. **Cross-Cutting Issues and Implications**

<table>
<thead>
<tr>
<th>Issue</th>
<th>Implications</th>
<th>Sign-off</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Legal</strong> including Human Rights Act</td>
<td>The report raises no legal issues</td>
<td>Azuka Onuorah, Head of Legal Services 06/06/2019</td>
</tr>
<tr>
<td><strong>Finance</strong> and other resources</td>
<td>The report notes the outcomes of the GNGF review consultation and sets out</td>
<td>Michael Horbatchewskyj</td>
</tr>
</tbody>
</table>
including procurement implications

<table>
<thead>
<tr>
<th>recommended changes for biddings rounds 3 and beyond.</th>
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<tbody>
<tr>
<td>The recommendation to maintain neighbourhood CIL at 15% ensures that resources available for strategic corporate infrastructure projects continue to be maximised. Whilst the neighbourhood area distribution will ensure that CIL receipts continue to target the local impacts of development.</td>
</tr>
<tr>
<td>Other recommendations set out in the report have low or no financial implications and will maintain or improve the stewardship and transparent use of these funds.</td>
</tr>
<tr>
<td>Funding amounts available for distribution, set out in table 3, have been secured by the Authority.</td>
</tr>
<tr>
<td>Future CIL and planning obligation reports will need to address the changes set out in the 2019 CIL regulation amendments memorandum.</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Equalities</th>
<th>There are no known adverse impacts to equalities associated with the decisions in this report.</th>
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<tr>
<th>Accountancy Business Change Manager 06/09/2019</th>
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<tr>
<th>Equalities</th>
<th>Alex Wood, Performance &amp; Planning Obligations Manager, 4/9/2019</th>
</tr>
</thead>
</table>

7. **Appendices**

**Appendix 1** – Funding Guidance