

## London Borough of Enfield

### Cabinet Report

**Meeting Date:** 7<sup>th</sup> July 2021

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**Subject:** The Meridian Water Community Chest Grant Fund

**Cabinet Member:** Cllr Nesil Caliskan

**Executive Director:** Sarah Cary

**Key Decision:** KD 5293

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### Purpose of Report

1. To agree the methodology, governance and process for the dissemination of the Meridian Water Community Chest funds. The Community Chest is a pot of money made up of contributions from private sector partners, the money is ringfenced for the local community of Edmonton.
2. The Meridian Water programme has two key ambitions relating to the existing communities of Edmonton: To ensure that local communities are the primary beneficiaries from the development and that the growth and opportunity enabled by the development will help lift the Edmonton Wards out of the top 10% most deprived in the UK by IMD. The challenges within the Edmonton Wards are clear and, most recently, set out in the 2020 Enfield Poverty and Inequality Commission Report "*All things being equal*".
3. One of the key means to deliver social impact and bridge the gap between the Edmonton community and opportunities of Meridian Water has been the ambition to deliver a local ongoing community grants programme, the Meridian Water Community Chest.
4. This report establishes the fund, its governance and ambitions.

### Proposal(s)

5. Cabinet is asked to:
6. Agree the allocation of funding secured and received by the Council from Meridian Water contractors, developers and consultants for the purposes of a long-term rolling Meridian Water 'Community Chest Grants Fund'. This fund will be distributed to communities of the three Edmonton Wards by means of a grant funding programme. These organisations or even informal groups with a constitution or Terms of Reference can apply for funding to address a community need in their area. It is envisaged that this funding programme will run throughout the lifetime of Meridian Water's development attracting contributions from developers/ partners yet to be appointed.
7. Approve the governance details as set out at Appendix One.

8. Delegate approval of the final formal documentation for the grant scheme (including applicant guidance notes; scoring assessment forms; application form templates; grant agreement template and other ancillary documentation) to the Director of Meridian Water in consultation with the Director of Law and Governance.
9. Approve that the decision making as to a successful application will be made by the Executive Director for Place via recommendations from officers and community representatives.
10. Approve the allocation of the remaining balance of the Vistry Community Benefits Contribution as set out in paragraph 22.
11. Approve the allocation of up to 2.5% per annum from the Community Chest Fund to fund the promotion of the Community Chest Grant scheme, the provision of advice and support to potential grant applicants and ongoing monitoring of delivery of grant objectives. Approve the award of a one year contract with Enfield Voluntary Action (EVA) to provide such services during the first year of operation of the Community Chest Fund. Note that thereafter the decision regarding the administration of the funding will be made by Director – Meridian Water.
12. To note that the Community Chest programme and documentation and EVA support will be reviewed annually; in terms of outputs, outcomes, value for money and expenditure, an annual report will be published.

### **Reason for Proposal(s)**

13. The fund will provide support to deliver the aims set out in the Enfield Council Plan A Lifetime of Opportunities (2020-2022) and also help to deliver against the 27 recommendations contained in the Enfield Poverty and Inequality Commission Report (published in January 2020) as set out in appendix 1.
14. The ongoing fund will also allow local communities to get involved in the future development of their neighbourhood and deliver local projects that will improve the day-to-day life of Edmonton's residents. It will provide a clear bridge to enable the benefits from the Meridian Water development. It is envisaged the fund will continue to grow in line with the new development, construction and occupation of buildings.
15. The Council is committed to disseminate the Community Benefit Funds derived from the 2019 Development Agreement with Vistry Partnerships. This specifically includes a Community Chest fund contribution for local communities neighbouring the Meridian Water development, as 'local people are to be the primary beneficiaries of the benefits from Meridian Water' so this will enable the start of the wider long-term fund.
16. Delegation of grant programme development to Council Officers will ensure that the fund is set up quickly but is able to respond quickly to changes that

may arise. Officers will continue to develop the grant infrastructure so that it aligns with and compliments that of the NCIL Enfield Neighbourhood Fund.

### **Relevance to the Council's Plan**

17. The proposal meets the Council's plan in a number of ways:

18. Ensuring that projects deliver against SAFE, HEALTHY AND CONFIDENT COMMUNITIES by inviting applications that specifically address: *Keeping communities free from crime; inspiring and empowering young Enfield to reach their full potential; and helping create healthy streets, parks and community spaces*

19. Further, also ensuring that projects deliver against AN ECONOMY THAT WORKS FOR EVERYONE by inviting applications that *help enhance skills and connect local people to opportunities.*

20. The proposed funding programme also ensures applicants support the aims and help to deliver against the recommendations for the Community and Voluntary Sector as set out in the Enfield Poverty and Inequality Commission Report (published January 2020). The Poverty Commission based criteria mirrors that of the Neighbourhood Fund

### **Background**

21. A Community Chest grants fund to bridge between the new development and local communities is a stated aspiration for the Meridian Water programme.

22. Enfield Council identified Vistry Partnerships (then Galliford Try) as their chosen development partner for the Meridian One scheme in 2019. As part of the Development Agreement, Vistry agreed a contribution £1,850,000 as a Community Benefits payment. In October 2019 Cabinet approved the allocation of £200,000 from this fund to be spent on street cleaning (£100,000) and community safety (£100,000). It is proposed that the split of the remaining balance of the Vistry contribution on Meridian One is allocated as follows:

- £780,000 Community Chest grant allocation
- £20,000 EVA support contract
- £850,000 reimbursement Council match-funding of the GLA Grant for Building BloQs

23. The Council fund will use the £800,000 from Vistry's Community Benefit fund for the Community Chest grants programme now the development status is unconditional, post Planning Consent being granted early May 2021. This is thus the catalyst for the delivery of the whole Community Chest grants fund for Meridian Water. Future funds from other contractors, developers and partners will be pooled from receipts collected into a rolling pot which will increase in future years as a result of new development at Meridian Water.

24. Some of these additional funds now identified and agreed in principle, to be banked at a later date, include:

- **£50,000 from Vinci, the construction contractors delivering the Housing Infrastructure Fund works (site-wide infrastructure);**
- **£50,000 from Vistry, the Developers of Meridian Two;**
- **£60,000 contribution from the various contractors procured for services for Meridian Four.**

25. Taking the investment from Vistry from Meridian One together with the contributions set out above means that the Community Chest fund pot will total £960,000 (once those payments have been made in accordance with agreed terms). As explained in this report further contributions will be sought from future partners to ensure that the pot is replenished and maintained over the lifetime of the delivery of Meridian Water.

26. The Council has been internally consulting, utilising the knowledge and guidance of the Corporate Strategy Service and the documentation previously designed and used in Enfield Council grants programmes particularly the imminent NCIL Enfield Neighbourhood Fund. Appendix One fully details the delivery mechanisms, criteria and other core details for the fund.

27. In summary, applications will be invited from not for profit organisations (or informal groups for smaller grants) for the delivery of a community benefit project within one, or all, of the three Edmonton Wards. The focus on Edmonton is derived from the clear need expressed by the national Indices of Multiple Deprivation and the 2020 Enfield Poverty Commission Report. Meridian Water sits within these communities and the stated aim for Meridian Water that *'local people are the primary beneficiaries of the benefits from the development'*. Any organisation is free to apply – but if not based within one of three Edmonton Wards (Upper, Lower and Edmonton Green), they will need to evidence that they have previously undertaken work in the area to benefit the residents of Edmonton and a clear track record of local delivery or evidence their own research and feasibility into a new project, if based outside the three Edmonton Wards.

28. Each project should look to, at a minimum, address one of the core criteria of the Poverty & Inequality Commission Report. Broadly put, these can be grouped into the following categories:

- a) Improving a physical area within a community**
- b) Improving opportunity for local people, particularly around employment**
- c) Improving life chances for young people**
- d) Addressing health inequalities**

29. Grant rounds will be run, inviting applications, twice a year and assessed for delivery of targets after the first year as part of the annual review.

30. To be eligible for a major grant (with no upper limit to amounts that can be applied for but envisaged as being between £10,000 and £60,000) applicants will have to evidence that: they are formally constituted; have undertaken delivery previously; that they have a formal organisational bank account; have a dedicated Project Manager and that they are based in an Edmonton Ward or have previously delivered community facing work in the area. For

particularly large sums above £60,000, applicants would also need to evidence match funding sources, strategic fit against Council priorities and that the project will enable a clear lasting legacy.

31. There will additionally be a parallel small grant round for applications for up to £2500. This grant will be more informal, targeting small local groups in Edmonton such as TRAs, PTAs etc. Individuals (such as local residents) will also be invited to apply for this grant, if they can form a small local group with, as a minimum, a short Terms of Reference and a project plan as part of their application. As above, final decisions will sit with the Executive Director of Place as chair of the decision making Panel and applications will be supported by EVA.

### **Main Considerations for the Council**

32. Resource: The scheme will be overseen and managed by the Regeneration unit within the Meridian Water Team, supported by the Corporate Strategy Service. Primarily, this will focus on project scoring assessment with the associated recommendations presented to the Panel set up as described in Appendix One, twice yearly.
33. Given the level of support, skills and experience required to promote and support the application process and long term monitoring of grant expenditure officers have identified that during the first year of operation of the Community Chest scheme Enfield Voluntary Action (EVA) are best placed to support the Council to ensure the successful roll out and delivery of the scheme. EVA have extensive knowledge of the voluntary sector in Edmonton, wide and established links to the community and experience in delivering similar schemes. It is therefore proposed that the Council enter into a 12 month contract with EVA for the provision of such support services. The contract will require EVA to support the gathering of data, outputs and assessment against the aims of the individual projects and their contribution to the Council objectives, namely the Council's Plan and the Poverty Commission Report. As part of the ongoing monitoring of successful applicants, grant recipients will be required to submit not only evidence of expenditure but also details of project outputs and outcomes and this will be monitored and verified by EVA. At the conclusion of any project and before any final payment, projects will be expected to submit a project report addressing how they addressed the core criteria they applied against.
34. The support role summarised in the paragraph above will be reviewed annually as part of the overall programme review process. It is proposed that up to 2.5% from the Community Chest Fund be allocated each year to fund the support role and the Director – Meridian will make all decisions regarding the administration of this funding.
35. At the conclusion of any project and before any final payment, projects will be expected to submit a project report addressing how they addressed the core criteria they applied against.
36. Promotion of successes: all successful applicants will be required to promote the project and acknowledge the Council's funding. This must be included in

the promotion of their project and their work including photos or physical outputs. The source of the funding will be set out in promotion, linking projects to donor organisations wherever possible.

37. The final form of scoring assessment matrix, application form and grant agreement which successful applicant organisations sign up to shall be delegated to the Director for Meridian Water in consultation with the Director of Law and Governance.
38. There will be no appeals process associated with the funding programme but unsuccessful bidders in any given round will be able to resubmit amended or new proposals in a future round.
39. Once an initial two bidding rounds have been completed, we will review the allocation and distribution of the fund to assess the supporting administrative role, the outcomes delivered and to ensure that the application process is delivering successful projects in a fair and transparent manner.
40. Any changes to the process in the future are to be delegated to the Meridian Water Director, in consultation with the Director of Law and Governance.

### **Safeguarding Implications**

41. Allocation of the Community Chest funding does not have safeguarding implications but implementation of projects in communities will need to be considered from a safeguarding perspective. The application form process will be fully supported to enable help for organisations suitability for applying, particularly looking at Public Liability and projects working with young people.

### **Public Health Implications**

42. The Meridian Water Project brings widespread improvements in transport, accessibility, social infrastructure, new green space and comprehensive remediation of contaminated brownfield sites which will all have positive health benefits for the local community and the future residents, workers and leisure users at Meridian Water. This fund particularly will enable new grassroots projects to come forward that directly address the multiple indices noted within the IMD and address the recommendations of the Poverty Commission report, thus addressing some of the long-standing public health implications within Edmonton.

### **Equalities Impact of the Proposal**

43. The fund is explicitly targeting the neighbouring wards to Meridian Water; Upper Edmonton, Lower Edmonton and Edmonton Green. It is clear that these wards are in need of the greatest support and intervention within the Borough, given the current unemployment rate and other critical IMD status, meaning that they sit within the top 10% most deprived in the country.
44. Further, corporate advice has been sought in regard to equalities and as part of the development of a detailed action plan a predictive Equalities Impact Assessment (EIA) will be undertaken on the MW Community Chest Fund and

associated guidance and details following the approval of this report. Equalities implications of any grant funding will be considered on a case-by-case basis as the programme develops, with particular regard for the applying organisations to be representative of the Edmonton community and the acknowledged diversity of the area.

45. Local authorities have a responsibility to meet the Public Sector Duty of the Equality Act 2010. The Act gives people the right not to be treated less favourably because of any of the protected characteristics. The Council as part of its EIA will consider the needs of these diverse groups when agreeing the apportionment of this fund to ensure that our actions do not unduly or disproportionately affect access by some groups more than others.

### **Environmental and Climate Change Considerations**

46. Projects will need to demonstrate how they make a positive contribution to the Council's commitment for Enfield to a carbon neutral borough by 2040. They should also align with the principles set out in the Meridian Water Environmental Sustainability Strategy. The application process will make clear that projects that improve and address their local environment and/or matters of climate change will be particularly welcome.

### **Risks that may arise if the proposed decision and related work is not taken**

47. The notion of a Community Chest grant fund open to local organisations has been published and publicised in the public domain since Barrett Homes were initially the master developer. In recent times, the fund has been mentioned in magazine interviews and discussed at the recent MW focussed Scrutiny Committee. It has also been promoted by Vistry as part of their planning application consultation for Meridian One. It is clearly viewed as a public benefit from the development of Meridian Water.

48. A full analysis of the potential for wholly external grant fund distribution was undertaken (i.e fully allocated to an external body to disseminate) but it is appropriate for the Council to retain control over the budget and process as further grant contributions in the future from other developers, contractors and tenants/occupiers will boost the fund and extend the longevity of the process.

### **Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks**

49. There is a full associated Risk Register annexed, addressing 10+ potential areas of risk. All fund management activities will be undertaken in such a way to review and limit any fraud or mismanagement.

### **Financial Implications**

#### **50. Developer contributions**

Point 3 of the report refers to Cabinet report – Meridian One Developer Appointment (October 2019), which states:

*The Council will also receive additional payments as set out in the original procurement documents of £3.89m for:*

- *Community Benefits Payment of £1,850,000*
- *Station Upgrade Contribution of £2,000,000*
- *Ladysmith Park payment of £40,000*

The Community Benefits payment is to be distributed as follows:

	Total
Developer Contribution (Vistry)	1,850,000
<i>To be spent on:</i>	
Community Chest	(800,000)
ASB Officers	(200,000)
Meridian Works match funding	(850,000)

#### 51. Budget impact – revenue

There is a net nil impact on Council's General Fund revenue budget as all eligible expenditure will be fully funded from the Community Chest Fund (CCF).

Budgets to acknowledge receipt and expenditure of the grant (overall nil impact as stated above) will need set up to reflect the eventual accounting treatment in the Council's final accounts.

Internal Council costs of fund set up and administration will also be funded from the CCF.

Future funding of the Community Chest over the life of Meridian Water development is to be maintained through developer contributions and external funding (donations), as referred to in paragraphs 25 and 46.

The timing of the CCF receipts is expected to follow.

#### 52. Budget impact – capital

None.

#### 53. Taxation

VAT - CCF contributions from developer are outside scope. VAT on eligible expenditure to be recovered at tax point at applicable rates. Contributions to be drawn down to offset net expenditure and any irrecoverable VAT if applicable. Income, Corporation tax – no financial implications.

#### 54. Borrowing & Debt

All eligible expenditure fully funded by contributions, no additional borrowing required.

55. The receipts from contributions could be used to support both capital and revenue projects which directly benefit the local community.
56. Fraud: All successful applicants will have submitted a detailed budget, subjected to scrutiny. It will be a requirement of the scheme that all successful applicants will enter into a legal contract with the Council, establishing clearly what the funding is for and what the Council can anticipate in return in terms of activities, outcomes and outputs. Each project will have a named lead contact and will submit full organisational bank details. Monitoring will be supported by Enfield Voluntary Action and evidence of expenditure must be tabled. No project will receive any more than 50% funding in advance and any further payment due will only be made against submission of evidence and outcomes.

### **Legal Implications**

57. *legal implications provided by MD on 15/06/21 based on the version of the report circulated on 15/06/2021 07:40*

The Council has a general power of competence under section 1(1) of the Localism Act 2011 to do anything that individuals may do, provided it is not prohibited by legislation and subject to Public Law principles. This power enables the Council to provide grant funding and enter into contracts as envisaged in this report.

Any grant agreements entered into must be in a form approved by the Director of Law and Governance. The grants will be unconditional (i.e. the grant will only include obligations to use the funding in a particular way and recipients will be required to account for that spend; the only remedy available will be repayment or withholding of the grant) and therefore will not be a contract for service for the benefit of the Council (the benefit will be for the public). Therefore, the Public Contracts Regulations 2015 and the Council's Contract Procedure Rules will not apply to any grant funding.

Officers must ensure that the grant allocation process is been carried out in a non-discriminatory, transparent, equal and proportionate way to ensure a grants programme that is value for money and to mitigate against any risk of challenge by organisations on the grounds that the Council is showing favouritism by not following these principles.

Provided recipient organisations are not engaged in commercial or economic activities in competition with other market operators they will not be engaged in economic activity and the state subsidy rules will not apply. Furthermore, if the total aid from state resources received by organisations is less than £350,000 over a three-year period, any grant will be within the de minimis threshold and permitted under state subsidy rules. It is therefore advised that recipients be required to confirm that how much funding they have received from the public sector (or from private bodies controlled by the state) during their current accounting year and the previous two accounting years to ensure that the de minimis threshold applies. Further legal advice should be sought in relation to each allocation of grant funding.

The award of any grant funding must comply with the Council's constitution including, if applicable, the Key Decision procedure.

The award of a support service contract to Enfield Voluntary Action must be carried out in accordance with the Council's Contract Procedure Rules ("CPRs"). The award will be undertaken without any competitive tendering exercise and therefore must fully comply with CPR Rule 15, be reasonable in all the circumstances and be in the best interests of the Council. All documentation supporting the decision must be retained on the E-Tendering Portal. The award of any subsequent contract for support services must comply with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015 (if applicable).

### **Workforce Implications**

58. Enfield Voluntary Action will under contract, help stakeholders prepare and submit bids and build capacity within organisations. EVA, Social media and Enfield Communication channels will also be used to publicise the bidding process.
59. The Infrastructure Delivery Team (Place Directorate) will work with Corporate Strategy Services to oversee the bidding process and review the progress of agreed and approved projects in partnership with relevant project leads.
60. A full report and review will be compiled annually.

### **Property Implications**

61. There are no direct property implications arising from proposals of the report

### **Other Implications**

62. There are no direct other implications arising from the proposals of the report

### **Options Considered**

63. A full analysis of the potential for wholly external grant fund distribution was undertaken (i.e fully allocated to an external body to disseminate) but the need for the Council to retain control over the budget and process long term was identified of being the most practical, flexible and sensible approach, not least that further grant contributions in the future from other developers, contractors and tenants/occupiers will boost the fund and extend the longevity of the process.
64. The MW Community Chest Fund closely aligns itself with that of the NCIL Enfield Neighbourhood Fund via criteria and nature of projects but is a distinct process due to the nature of the funding received to deliver the programme and that the focus is on the three Edmonton Wards only initially. The potential of the funds to develop significant strategic projects bids is acknowledged and officers of the Council will seek to cross reference allocations, projects, successful bids and other outcomes in regular meetings.

## Conclusions

65. The ability of the council to effectively deploy its resources is essential to the delivery of the aims of the Enfield Council Plan as well as achieving the vision of being 'a modern council'.
66. The approach set out in this document proposes a transparent and accountable process through which projects can be identified and funded in line with the aspirations of Meridian Water to 'ensure local people are the primary beneficiaries of the benefits of the scheme' and 'to lift Edmonton out of the top 10% most deprived Wards' as well as meeting the aims of the Council Plan and the 2020 Poverty & Inequality Commission Report. The aim of the programme is to facilitate the delivery of community-based projects via local community organisations and groups and professionals in consultation with local residents.
67. The proposed financial thresholds set out will reduce overhead costs and ensure that projects can have meaningful impact at the neighbourhood level.
68. The Meridian Water team seek the approval of Cabinet to proceed with the development of the Meridian Water Community chest towards ongoing promotion in 2021, an associated formal launch, a first round of applications invited throughout Autumn 2021 and an inaugural community panel convening in to review and agree application recommendations with initial grant payments made in Quarter 1 2022.

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### Background Papers:

The following document has been relied upon in the preparation of this report:

**LBE Portfolio Report KD 5236 – Enfield Neighbourhood Fund**

### Appendices:

1. MW Community Chest Appendix One
2. MW Community Chest Risk Register