



CABINET
14 January 2018

**Report from the Strategic Director,
 Regeneration and Environment**

**Brent Neighbourhood Community Infrastructure Levy
 (NCIL) - Review**

Wards Affected:	ALL
Key or Non-Key Decision: (only applicable for Cabinet, Cabinet Sub Committee and officer decisions)	Key
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
No. of Appendices:	Three: Appendix 1 – Brent CIL Neighbourhood Boundaries Appendix 2 – Projects awarded NCIL funding Appendix 3 – NCIL Review Consultation Findings
Background Papers:	
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1. Purpose of the Report

- 1.1 This report provides an overview of Brent's Neighbourhood Community Infrastructure Levy (NCIL) programme, and makes recommendations for improvements following a review that took place in spring 2018.

2. Recommendations

- 2.1 It is recommended that Cabinet agree the following **significant** amendments to the NCIL programme:
- a) Panel membership is increased from two to four (see 5.10-5.11)
 - b) The distribution of NCIL funds is changed as per Option 4 and will be reviewed annually (5.12-5.19)
- 2.2 It is recommended that Cabinet agree the following **minor** amendments to the NCIL programme:
- a) To adopt the same four priorities across all five CIL Neighbourhoods until 2020, rather than have different priorities for each Neighbourhood
 - b) To rename 'Parks and Open Space' 'Parks and Green Spaces'
 - c) To retain the existing shortlisting criteria, but with minor wording changes to provide greater clarity and remove duplication

- d) NCIL funds will continue to be allocated to shortlisted projects at two points in the years, but in exceptional circumstances the NCIL Panel may consider bids outside these times
- e) Delegated authority is given to the relevant Strategic Director responsible for the NCIL programme (currently the Strategic Director, Regeneration & Environment) in consultation with the Cabinet Member for Regeneration, Highways and Planning, to approve spend for individual Neighbourhood CIL projects up to the value of £100k. (Projects above £100k will continue to be agreed by Cabinet).

2.3 It is recommended that Cabinet agree there is **no change** to the following elements of the NCIL programme:

- a) Brent 'CIL Neighbourhood' areas match the 'Brent Connects' areas
- b) NCIL bids are accepted from community organisations and stakeholders (residents, local businesses etc.) and Council officers
- c) There is no limit, other than the amount available in the respective NCIL pot, to the value of funds requested. (Projects over £100k in value will still require Cabinet approval following Panel shortlisting)
- d) There is no limit to the number of bids that may be submitted by a group or individual (although the same project cannot be funded more than once).

2.4 An action plan will also be developed to enhance capacity building and support for those who wish to make an NCIL application.

3. Background

3.1 Brent is one of the first authorities to have adopted and delivered a process for spending NCIL. It is also one of the few authorities to open applications to community groups and stakeholders. Following Cabinet¹ approval the programme was launched in February 2017, with a commitment to a review in spring 2018. The output of this review is being considered in this paper.

3.2 The CIL Regulations 2010 (as amended) stipulate that at least 15 per cent of CIL receipts generated may be spent on neighbourhood projects, that is, infrastructure or anything else that is concerned with addressing the demands that development places on an area (capped at £100/dwelling each financial year). Whilst the legislation does not prescribe a process for how NCIL is allocated, the expectation is that priorities are decided following engagement and consultation with the local community. As a result, Brent is divided into five CIL Neighbourhoods; Kilburn, Kingsbury & Kenton, Wembley, Willesden and Harlesden.

3.3 Where a Neighbourhood Plan is in place, then up to 25 per cent of CIL collected from liable developments within the Neighbourhood Plan boundary, may be spent on priorities identified by the Neighbourhood Forum (uncapped). There is only one adopted Neighbourhood Plan in Brent, Sudbury Town, although the Harlesden Neighbourhood Plan is shortly going to examination. A diagram showing the CIL Neighbourhood and Forum boundaries is in **Appendix 1**

¹ <http://democracy.brent.gov.uk/ieDecisionDetails.aspx?AllId=24493>

- 3.4 All shortlisted NCIL projects must be aligned to at least one of the Neighbourhood Priorities identified via consultation (May 2017). A summary of the current priorities is in **Table 1**:

CIL Neighbourhood	Community Space & Cultural facilities	Parks & Open Space	Town Centre & High Streets	Transport & Roads
Harlesden	✓		✓	✓
Kilburn	✓		✓	✓
Kingsbury		✓	✓	✓
Wembley	✓	✓	✓ (joint 1 st)	✓ (joint 1 st)
Willesden	✓		✓	✓

- 3.5 NCIL funds are currently allocated twice a year (June and December). Projects are shortlisted by the NCIL Panel (the Cabinet Member for Regeneration, Highways and Planning and the Head of Planning, Licensing and Transport).
- 3.6 Brent's community directory (approximately 800 groups and organisations), website and Brent Connects Forums are used to encourage NCIL applications. Notifications are also provided to Brent officers via the council's intranet. All applicants are offered one to one support from CVS Brent and half-day workshops are also held to guide potential applicants through the process and answer any queries.
- 3.7 During 2017/18 55 projects were awarded funding, valuing approximately £2m. Since June 2018 a further 26 projects have been awarded NCIL funding. The full list of funded projects is in **Appendix 2**

4. Review Methodology

- 4.1 The review activities were completed between April and June 2018 and included:
- **an online survey**, 70 completed responses, 80 partial responses (from successful and unsuccessful applicants and those new to the NCIL programme)
 - **one internal focus group**
 - **two external focus groups** for community groups and organisations
 - **seven internal interviews** with teams across Brent Council including Public Health, Employment & Skills, Corporate Transformation, Community Protection, Youth Engagement, Capital Programme Office and Housing Management;
 - **a Member's online survey** (eight completed, 13 partial responses)
 - **Benchmarking** with other Local Authorities and funding programmes as well as Brent Council's Partnerships & Engagement team.

5. Review Findings

- 5.1 Over the course of the review, the following 7 themes emerged:
- I. Neighbourhood boundaries,
 - II. Neighbourhood priorities,

- III. Grant process and number of submissions,
- IV. Shortlisting criteria,
- V. Panel membership,
- VI. Distribution of funds,
- VII. Capacity building and administration.

5.2 A summary of the consultation findings is in **Appendix 3** however options and recommendations arising from these themes are discussed below:

I. Neighbourhood boundaries

5.3 It is recommended that the current five CIL Neighbourhood boundaries are retained as they reflect the Council's current consultation mechanism (Brent Connects Forum boundaries). The focus, moving forward will be on improving communication and clarifying the boundaries of the existing neighbourhoods. It is, however, worth noting that the outcome of the Brent ward boundary review may mean that the existing boundaries may change in the future.

II. Neighbourhood Priorities

5.4 As consultation on new CIL neighbourhoods priorities will need to take place before 2020, it is recommended that, in the interim, all four current priorities are adopted across all five CIL Neighbourhoods. Adopting the same priorities across all five NCIL Neighbourhoods does not have a negative impact on the NCIL programme, and Wembley already has all four priorities.

5.5 It is also recommended that 'Parks and Open Space' is renamed 'Parks and Green Spaces' - as there was the misconception that open spaces did not include green spaces. Going forward, actions to improve understanding of the current priorities via the web and guidance will also be completed.

III. Grant Process and number of submissions

5.6 Brent is one of a few local authorities to offer so much flexibility in its NCIL programme and open applications to the whole community. It is recommended that the application process remains open to community groups and organisations as well as council officers; there is no limit to the value of funds requested (projects over £100k in value will still require Cabinet approval following Panel shortlisting) and there is no limit to the number of bids that may be submitted by a group or individual as unsuitable bids will be identified through the shortlisting process. However the same project cannot be funded more than once.

5.7 74.3% of survey respondents preferred having at least two NCIL allocation points a year, this was echoed in the internal and external focus groups as it allows greater flexibility and responsiveness to local need. It is recommended that the number of allocations remains two per year, however in exceptional circumstances the NCIL panel may consider applications outside these allocation points. The Brent NCIL literature, website and training will be updated to reflect this recommendation.

IV. Shortlisting criteria

5.8 There are currently seven mandatory criteria used to shortlist NCIL projects. The majority of survey respondents and focus group attendees did not believe that major changes should be made to the shortlisting criteria and comments received focussed on technical wording and clarification. It is therefore recommended that the existing shortlisting criteria are amended as follows:

5.9 All shortlisted projects must demonstrate that they:

1. Address the demands that development places on an area
2. Reflect the priorities of the Council & CIL Neighbourhood
3. Provide evidence of a benefit to a Brent community
4. Provide evidence of community support for the project
5. Be a one-off scheme that does not require additional revenue funding in its delivery or its operation (or identifies how additional revenue funding may be met)
6. Offer value for money

V. Panel membership

5.10 The majority of survey respondents and focus group attendees felt the membership of the panel was too narrow. A number of options have been considered for panel membership and these are summarised in Table 2. Option 4 is the preferred option and it is recommended that the decision making panel is increased from two to four members.

	Option 1	Option 2	Option 3	Option 4
Panel Member 1	Head of Planning	Head of Planning	Head of Planning	Head of Planning
Panel Member 2	Cabinet Member Regeneration, Highways & Planning	Cabinet Member Regeneration, Highways & Planning	Cabinet Member Regeneration, Highways & Planning	Cabinet Member Regeneration, Highways & Planning
Panel Member 3	Head of Partnerships & Engagement	Cabinet Member Public Health, Culture & Leisure	Different Cabinet Member or Head of Service based on the NCIL priority theme / service area	Brent Councillor
Panel Member 4				Head of Partnerships & Engagement

5.11 **Option 4** requires four panel members who support and represent both the council and community interests (via the Partnerships and Engagement Team and local councillors) in the fair and transparent allocation of NCIL. This option also enables consistency and alignment to council objectives.

VI. Distribution of funds

5.12 Each CIL Neighbourhood is allocated 15% of CIL receipts generated within their boundaries. The amount of receipts is therefore directly related to the quantum and type of development that takes place within the CIL Neighbourhood. Current NCIL receipts available to commission are approximately £8.46m (December 2018) and are distributed as shown in **Table 3**:

Table 3 Current Distribution of NCIL Funds available to commission (Dec 2018)

Harlesden	Kilburn & Kensal Rise	Kingsbury & Kenton	Wembley	Willesden	Total
£585,537	£294,485	£288,528	£7.06m	£230,172	£8.46m

5.13 Feedback from the review focused on the perceived inequity in distribution. Whilst NCIL is intended by the Regulations to address the demands that development places on an area and incentivise new development, many felt that the effects of regeneration in, for example, Wembley are also felt in other areas that lead to it – e.g. around Harrow Road/Harlesden and the North Circular/Neasden. Other views were that regeneration should benefit the whole borough so the distribution of funds should benefit the whole borough more fairly. At the time of the review Harlesden had the least funds (£87k) but is one of the most deprived areas of the borough.

5.14 The options for distributing NCIL funds are outlined in **Table 4**. It is recommended that option four is the best mechanism for the future allocation of NCIL. This will be reviewed annually to ensure that this remains a suitable mechanism for distribution. Any change in the distribution model does not guarantee that project proposals to the value of funds available will be received or approved. In each option the Neighbourhood Plan allocation would remain at 25 per cent.

Table 4 Distribution options based on current NCIL receipts (rounding)

	Option 1	Option 2	Option 3	Option 4	Option 5
	Existing distribution	No distribution	Equal distribution	Wembley capped at 50% of remaining receipts (other areas equal)	Wembley capped at 50% of remaining receipts (other areas proportional)
Harlesden	£585,537	Bids accepted from across the borough	£1.69m	£1.06m	£1.77m
Kilburn & Kensal Rise	£294,485		£1.69m	£1.06m	£890,337
Kingsbury & Kenton	£288,528		£1.69m	£1.06m	£872,356
Wembley	£7.06m		£1.69m	£4.23m	£4.23m
Willesden	£230,172		£1.69m	£1.06m	£695,918
TOTAL	£8.46m	£8.46m	£8.46m	£8.46m	£8.46m

5.15 **Option 1** (Retain existing distribution). This would be unpopular in light of the review. A significant number of the focus groups and interviews saw the distribution of NCIL funds and concentration of money in Wembley as unfair. Wembley stakeholders were keen to retain a significant sum of NCIL as they are impacted the most by development in the area. However, based on current and future projections, the gap in NCIL funds available to Wembley and the remaining four CIL neighbourhoods is set to increase.

5.16 **Option 2** (No distribution). NCIL receipts could be used anywhere across the borough. Bidders could propose projects to access funds irrespective of where the funds were generated. This would be easiest method of distribution and would allow equal access to NCIL receipts across the borough as a whole.

Option 2 could also help mitigate any impact felt by a different community beyond the NCIL boundary. However greater monitoring would still be required to ensure that one part of the borough was not disproportionately allocated funding. The disadvantages of this option are that the areas more greatly affected by development will lose out on the total value of NCIL receipts that would have been allocated if the existing distribution model were retained.

- 5.17 **Option 3** (Equal Distribution). NCIL receipts would be redistributed equally across the five CIL Neighbourhoods. This would be appealing to areas that do not currently attract significant development. However this approach may disadvantage communities that are impacted most by development.
- 5.18 **Option 4** (Wembley 50% cap – other areas equal). Wembley’s NCIL fund would be capped at 50% of the total NCIL receipts generated in the borough. The remaining 50% would be divided equally between the remaining four CIL Neighbourhoods. This option would ensure that a greater proportion of NCIL Funds is allocated to the Wembley Neighbourhood where the majority of development currently takes place but also ensure that wider impacts of development are addressed elsewhere.
- 5.19 **Option 5** (Wembley 50% cap – other areas proportional). Wembley’s NCIL fund would be capped at 50% of the total NCIL receipts generated. The value of NCIL available in the remaining four CIL Neighbourhoods is set proportionally based on the amount of NCIL raised in their area. Based on current NCIL receipts the proportion would be Harlesden 41.86%, Kilburn 21.05%, Kingsbury 20.63% and Willesden 16.46%. This option would ensure that a greater proportion of CIL Funds is allocated to the Wembley Neighbourhood, however in the future, areas where there is less development will receive fewer NCIL funds.

VII. Capacity building, support and administration

- 5.20 Some comments were received on the support provided to help people through the NCIL process. Currently at least three workshops are held before each application round opens, and CVS Brent provide one to one advice to those who request it. However some of the comments received during consultation relate to the lack of awareness of the support options available. As the NCIL programme grows, there will inevitably be an increased need to provide support and a need for adequate resources to manage, administer and monitor the programme effectively.
- 5.21 An action plan will be developed to enhance capacity building and support, including:
- Embedding the NCIL programme as part of the Partnership & Engagements Team alongside other grant funding programmes
 - Improving awareness of the support offer
 - Simplifying the application forms and considering other ways for applicants to present proposals to the panel
 - Clarifying that if an individual or group is not a constituted body to receive funds, the council could retain the funds but deliver the project on their behalf

6. Financial Implications

- 6.1 The value of Neighbourhood CIL funds available is dependent on the number and value of CIL liable developments in each CIL Neighbourhood. As of 4 December 2018, approximately £8.46m is available to fund NCIL projects. This figure will change as new projects are approved and new developments become liable.

7. Legal Implications

- 7.1 The Planning Act 2008, and CIL Regulations 2010, provide for local authorities to apply the CIL to infrastructure to support development. The Neighbourhood element may be used to fund the provision, improvement, replacement, operation or maintenance of infrastructure, or anything else that is concerned with addressing the demands that development places on an area (Reg 59F).
- 7.2 CIL spend is governed by Part 7 of the CIL Regulations. For any financial year in which CIL receipts are received, a report outlining receipts and expenditure must be prepared and published on the council's website. (Reg 62).
- 7.3 Government Guidance (2014, as amended) states that the Council must engage the community where development has taken place and accordingly, agree with them how best to spend the funding. The use of neighbourhood funds should match the priorities expressed by the local communities.

8. Equality Implications

- 8.1 In compliance with the Equality Act 2010 and the Public Sector Equality Duty (PSED), the Council must, in the exercise of its functions, have "due regard" to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - Foster good relations between people who share a protected characteristic and those who do not.
- 8.2 The duty covers the following nine protected characteristics: age, disability, gender reassignment, marriage & civil partnership, pregnancy & maternity, race, religion or belief, sex and sexual orientation.
- 8.3 An Equality Analysis (EA) of the NCIL programme and recommendations has been completed. The overall assessment is that Brent's NCIL programme has a positive impact on equality. Expanding the support offer available will make the application process more accessible – particularly to those whose first language is not English and those who may have a disability. The distribution of NCIL will be monitored annually to ensure it does not negatively impact a particular group.

9. Consultation with Ward Members and Stakeholders

9.1 The Cabinet Member for Regeneration, Highways and Planning is a member of the NCIL shortlisting panel, and has been consulted throughout the process. All Members were invited to participate in an online survey as part of the review.

10. Human Resources / Property Implications (if appropriate)

10.1 None at this stage.

Report sign off:

AMAR DAVE

Strategic Director of Regeneration and Environment