



**Cabinet  
7 December 2020**

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

## **Annual Infrastructure Funding Statement 2019/20**

<b>Wards Affected:</b>	All, excluding parts of Harlesden, Kensal Green, Stonebridge and Tokyngton where Old Oak and Park Royal Development Corporation is the Local Planning Authority
<b>Key or Non-Key Decision:</b>	Key
<b>Open or Part/Full Exempt:</b>	Open
<b>No. of Appendices:</b>	One: Appendix 1 – Infrastructure Funding Statement
<b>Background Papers:</b>	None
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### **1 Purpose of the Report**

- 1.1 This report introduces the Council's first Infrastructure Funding Statement (IFS), which has been prepared in line with the Community Infrastructure Levy (CIL) Regulations (amended 2019).
- 1.2 It outlines:
- Performance on Brent's Community Infrastructure Levy (CIL) in relation to the previous financial year (2019/20);
  - Performance on Section 106 (s106) planning obligations in relation to 2019/20;
  - An indication of future spending priorities on infrastructure in line with the draft Brent Local Plan and associated Infrastructure Delivery Plan.

### **2 Recommendations**

- 2.1 To note the content of this report and Appendix 1 'Brent Infrastructure Funding Statement 2019/20'.

- 2.2 To approve the Infrastructure Funding Statement set out in Appendix 1 for publication on the Council's website by 31 December 2020.

### **3 Detail**

- 3.1 The Council has been collecting the borough's Community Infrastructure Levy (CIL) since July 2013. CIL is a levy applied to most developments granted planning permission that commence, and is for infrastructure to support the development of the area. CIL is also important in demonstrating to communities the benefits that new development can bring, including through key infrastructure projects, place-making and local improvements.
- 3.2 CIL receipts can be broken down into three distinctive portions – the Strategic CIL (SCIL), the Neighbourhood CIL (NCIL) and the Administration CIL. A Mayoral CIL is also collected. This is passed on to TfL on a quarterly basis and will be used to fund Crossrail 1 (the Elizabeth Line) and Crossrail 2.
- 3.3 The Council also enters into Section 106 agreements with developers - a mechanism which makes a development proposal acceptable in planning terms. S106 agreements are focused on site-specific mitigation of the impact of development such as securing affordable housing or requiring improvements to an access road. CIL, on the other hand, is designed to raise funds for infrastructure needed generally as a result of an increase in development in an area.
- 3.4 In September 2019 changes to the CIL Regulations came into effect which included a requirement for local planning authorities to publish an Annual Infrastructure Funding Statement – first of which is due before 31 December 2020 – outlining how much CIL and s106 income it has received for the previous year, what the income has been spent on and future spending priorities.
- 3.5 This is the Council's first Infrastructure Funding Statement and it covers the previous financial year **2019/20**.
- 3.6 Since the Council started collecting CIL in 2013, annual reports have been produced setting out the amount of CIL income, expenditure and retained receipts for the reported financial years. Monitoring of s106 income and spend is done through the annual Authority Monitoring Report. This is the first time Councils are required to report on both planning obligations and CIL in a combined report. Reporting in this way will give communities a better understanding of how developer contributions have been used/are being used to deliver infrastructure in Brent.

#### ***CIL performance in 2019/20***

- 3.7 The Infrastructure Funding Statement is set out at Appendix 1 of this report.
- 3.8 A summary of CIL receipts, allocation and expenditure for 2019/20 is set out below:

**Table 1: Total CIL receipts**

CIL item	Total receipts £
The total value of CIL set out in all demand notices (sent to those who have assumed liability to pay CIL) issued in 2019/20	19,420,740
The total amount of CIL receipts received	27,269,890
The total amount of CIL receipts collected before the reported year but have not been allocated	86,463,947
Total CIL spent on administration 2019/20	£745,780

3.9 In 2019/20 SCIL was allocated to the following infrastructure items:

**Table 2: Total SCIL allocated**

Infrastructure project	SCIL Allocation 2019/20 £	Wards
To the CCG for contribution towards the fit out of 3 medical centres in Alperton, South Kilburn and Wembley Park	3,500,000	Kilburn Alperton Tokyngton
United Colleges Group (College of North West London) new facility in Wembley	6,500,000	Tokyngton
Morland Gardens Education facility	15,200,000	Stonebridge
Park Royal Liveable Neighbourhood <i>(on hold due to TfL pause in programme but £ still allocated)</i>	1,100,000*	*to the OPDC (Brent's contribution)
<b>Total SCIL allocated</b>	<b>26,300,000</b>	

3.10 In 2019/20 SCIL was spent on the following infrastructure items:

**Table 3: Total SCIL expenditure**

Infrastructure project	SCIL Expenditure 2019/20 £	Ward
Wembley Two Way Working	1,582,355	Tokyngton
Wembley North End Road	663,774	Tokyngton
Olympic Way public realm improvements	1,054,154	Tokyngton
<b>Total SCIL expenditure</b>	<b>3,300,283</b>	

3.11 A summary of CIL at the end of the reported year

**Table 4: CIL at the end 2019/20**

<b>CIL (summary)</b>	
CIL <b>carried over</b> from the previous reported years	£84,027,462
CIL receipts <b>retained</b> at the end of 2019/20	<b>£105,253,906</b>

***Neighbourhood CIL performance in 2019/20***

3.12 For the reported year **£4,102,277 of NCIL** was collected.

3.13 **£1,913,155** was spent on projects during the same period.

3.14 Through the NCIL bidding process undertaken in 2019/20, the Council approved 94 projects for funding to deliver a variety of infrastructure projects across the borough. The projects and allocated NCIL amounts, along with NCIL spend are outlined in Table 6 of the IFS.

**Table 5: NCIL position at the end of 2019/20**

<b>Neighbourhood CIL (summary)</b>	
NCIL receipts <b>carried over</b> from the previous reported years	£12,186,862
NCIL receipts <b>retained</b> at the end of 2019/20	<b>£14,375,984</b>

***S106 performance in 2019/20***

3.15 During the reported year, 11 s106 agreements were negotiated, details of which are listed in paragraph 3.3 in the accompanying IFS.

**Table 6: S106 receipts**

<b>S106 summary</b>	<b>Amount</b>
The total amount of money <b>to be provided</b> under any planning obligations which were entered into during 2019/20	£2,008,818
The total amount of money under any planning obligations which was <b>received</b> during 2019/20	£1,683,719
The total amount of money under any planning obligations which was <b>received before the reported year</b> but has not been allocated	£4,684,464

3.16 A summary of S106 spend is below:

<b>Name of project</b>	<b>S106 expenditure</b>
TFL General Bus Improvements Project	£135,375
Brent Works 19-20 (Employment Support Initiatives)	£9,090

3.17 In relation to non-monetary contributions – 531 affordable housing units were secured. The names of the schemes along with the number of affordable housing secured are listed in Table 10 of the IFS. There are a number of other benefits secured via S106s such as employment and training plans, travel plans, affordable workspace, improvements to open spaces and tree planting.

3.18 The total amount of money received (under any planning obligations) during any year which was retained at the end of 2019/20 is **£15,025,126**. The IFS (Table 12) shows how much of this retained money has been allocated and spent during 2019/20.

#### ***Future spending priorities***

3.19 The draft Brent Local Plan outlines an ambitious strategy to accommodate development in the borough to 2041. Over this time, the borough will continue to see a significant increase in its population, similar to levels seen over the last 20 years. This will require a substantial amount of new homes, jobs and associated physical and social infrastructure.

3.20 The Council has an ambitious programme of capital expenditure, and future CIL and S106 spend will be used to fund, in part or full, some of these items, which are linked to the IDP.

3.21 At its meeting on 7 September 2020 Cabinet approved a governance strategy to support the allocation of SCIL spend on infrastructure projects to meet the growth identified in the Brent Local Plan and the infrastructure requirements in the IDP.

3.22 As part of these formal governance arrangements an Infrastructure Officer Working Group will be established to coordinate and update the projects identified in the IDP, the capital pipeline (and other programmes).

3.23 This will allow the Council to create a framework for prioritising infrastructure projects from the “live” IDP and capital pipeline to be taken forward as priority projects for funding through SCIL, linked to growth priorities. In turn, it will inform the process of bringing forward projects for funding in the short (1 year), medium (5 years) and long term (life of the Local Plan) linked to supporting development. Results of which will inform future annual Infrastructure Funding Statements.

- 3.24 Implementing the above will seek approval of short-term priorities and ideally medium projects, the latter to be reviewed in annual updates to the IDP, capital programme and other service area programmes.
- 3.25 The recently published for consultation Planning for the Future White Paper includes a proposal to replace s106 and CIL with a single infrastructure levy. The current system of securing planning obligations is working well in Brent, and across London, and it has been successful in delivering infrastructure. However, should the single infrastructure levy be introduced it is anticipated that the Council would still be required to report on income and expenditure from planning obligations received in any given year.

#### **4 Alternative Options Considered**

- 4.1 The requirement to produce an Annual Infrastructure Funding Statement is set out in the amended CIL regulations (2019).
- 4.2 The Council must prepare an Infrastructure Funding Statement for 2019/20 and publish it online before 31 December 2020.
- 4.3 For these reasons, no alternative options have been considered.

#### **5 Financial Implications**

- 5.1 Brent Council has been collecting the borough's Community Infrastructure Levy (CIL) since July 2013. The CIL Regulations (as amended, 2019) require local planning authorities to produce an Annual Infrastructure Funding Statement, this is the first report which must be produced by 31 December 2020.
- 5.2 This report sets out Brent's performance during the previous financial year 2019/20 on:
- Community Infrastructure Levy (CIL) in relation to the previous financial year (2019/20);
  - Section 106 planning obligations in relation to 2019/20; and
  - An indication of future spending priorities on infrastructure in line with the draft Brent Local Plan and associated Infrastructure Delivery Plan.
- 5.3 During 2019/20 financial year £26.3m was allocated to future infrastructure projects as set out in Table 2 above.
- 5.4 As at 31 March 2020, there is circa £89m of unspent SCIL receipts carried over to 2020/21. However, approximately £50m has been allocated towards schemes within the existing five year capital programme and pipeline schemes. £41m of the allocation is unspent, leaving £48m of the SCIL balance unallocated. The S106 receipts carried over as at 31 March 2020 is £15m, whilst NCIL is £14.3m.

## **6 Legal Implications**

6.1 The CIL Regulations (as amended, 2019) require local planning authorities to produce an Annual Infrastructure Funding Statement each year, the first of which must be produced by 31 December 2020. It will include:

- The total value of CIL set out in all demand notices issued in the reported year
- The total amount of CIL receipts for the reported year
- The total amount of CIL receipts, collected by the authority before the reported year but which have not been allocated
- The total amount of CIL receipts, collected by the authority before the reported year and which have been allocated in the reported year
- The total amount of CIL expenditure for the reported year
- The total amount of CIL receipts, whenever collected, which were allocated but not spent during the reported year.

6.2 In relation to CIL expenditure for the reported year, summary details of:

- i. The items of infrastructure on which CIL (including land payments) has been spent, and the amount of CIL spent on each item;
- ii. The amount of CIL spent on repaying money borrowed, including any interest, with details of the items of infrastructure which that money was used to provide (wholly or in part);
- iii. The amount of CIL spent on administrative expenses pursuant to regulation 61, and that amount expressed as a percentage of CIL collected in that year in accordance with that regulation.

6.3 In relation to CIL receipts, whenever collected, which were allocated but not spent during the reported year, summary details of the items of infrastructure on which CIL (including land payments) has been allocated, and the amount of CIL allocated to each item.

6.4 The Statement must address CIL collection and spend, infrastructure projects and S106 collection and spend. Authorities can also report on contributions (monetary or direct provision) received through section 278 highways agreements in infrastructure funding statements, to further improve transparency for communities.

## **7 Equality Implications**

7.1 The SCIL Governance Strategy will ensure a more robust, credible and accountable process is in place to prioritise infrastructure projects for SCIL funding. Projects approved for SCIL funding will be reported on in annual infrastructure statements. The infrastructure projects have been established as part of the evidence work to support the draft Local Plan which has been subject

to Equality Impact Assessment. This has informed the policies and projects including analysis of potential alternatives, to seek to reduce adverse impacts and wherever possible improve the outcomes for those with protected characteristics and the social, economic and environmental outcomes of the Plan.

## **8 Any Other Implications (HR, Property, Environmental Sustainability - where necessary)**

8.1 No implications at this stage.

## **9 Proposed Consultation with Ward Members and Stakeholders**

9.1 Quarterly reporting on infrastructure priorities and projects as well as CIL and S106 expenditure and income will be provided to the Cabinet Member for Regeneration Property & Planning, providing clear links back to decisions, which in turn help to deliver priorities and objectives of the Brent Local Plan.

**Report sign off:**

**ALAN LUNT**

Strategic Director of Regeneration and Environment