



Cabinet
12th January 2021

**Report from the Strategic Director of
Regeneration & Environment**

**Northwick Park, One Public Estate –Spine/Access Road CIL
Allocation**

Wards Affected:	Northwick Park
Key or Non-Key Decision:	Key
Open or Part/Fully Exempt:	Part Exempt – Appendix 2 is exempt as it contains the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Act 1972, namely: “Information relating to the financial or business affairs of any particular person (including the authority holding that information)”
No. of Appendices:	Two: Appendix 1: Plan of the proposed road Appendix 2 (exempt): Updated Northwick Park HIF Cashflow
Background Papers:	None
Contact Officer(s):	Stacey Hislop Project Manager Stacey.hislop@brent.gov.uk Tel: 02089373360 Nick Ljustina Operational Director – Property & Assets nick.ljustina@Brent.gov.uk Tel: 020 8937 5025

1.0 Purpose of the Report

1.1 The purpose of this report is to seek approval for the allocation of £10m in Community Infrastructure Levy (CIL) funding for the Northwick Park OPE Spine/Access road construction. This will firstly cash-flow and secondly underwrite the Housing Infrastructure Fund (HIF) grant secured for the project.

2.0 Recommendation(s)

That Cabinet:

2.1 Delegate authority to the Strategic Director of Regeneration & Environment in consultation with the Lead Member for Environment, the Lead Member for Planning, Property and Regeneration and the Director of Finance to allocate £10m of Community Infrastructure Levy funding to allow the construction of the new OPE Spine/Access road at Northwick Park.

3.0 Detail

3.1 Brent received grant funding from the One Public Estate Office (OPE), to lead a consortium of land owning public sector partners in examining the potential regeneration of adjacent landholdings at Northwick Park. The other partners are London Northwest NHS Health Authority (LNWNHS), The University of Westminster and Network Homes Ltd.

3.2 The partners have dissolved boundaries of individual ownership and worked collaboratively to produce proposals with a far greater vision than could be achieved individually. Supported by development and planning consultants, the partners prepared a feasibility/capacity study which led to the submission of three planning applications in 2020. These being;

- Masterplan for the OPE redline area – submitted by all OPE partners
- Detailed application for the new spine / access road – submitted by all OPE partners
- Detailed application for phase 1 of the housing proposals – submitted by Network Homes

3.3 The four partners executed a Memorandum of Understanding (MoU) in August 2017. This outlines common and individual objectives for the project, principles of collaboration, governance and partnership values. Now that Housing Infrastructure Fund (HIF) grant funding of £10m has been secured, an infrastructure collaboration agreement is in progress to satisfy the conditions of the grant and to give a legal framework for partners to progress the proposals. This will include, but not be limited to; details of permissions of works to be carried out, land ownership and rights requirements, funding arrangements and all other responsibilities.

3.4 In order to deliver the road project for which the grant funding was received, a professional team has been assembled. Cost analysis has been carried out and detailed design work has started. The four partners having discussed the road project with Transport for London, (TfL) have decided that they would like the Brent highways team to deliver the works and it will need to be tendered and procured.

3.5 To ensure timely progression of the road design, procurement, delivery and completion it is proposed that £10m of CIL – equalling the amount securing by the HIF grant - is allocated to the project to cash flow it through to completion. The CIL would be replenished by the HIF grant during the project programme period to a net effect of £0.

However, if difficulties were encountered meeting the HIF conditionality, which includes but is not limited to; timing, planning and restrictions on title, then it is proposed that this CIL allocation would also underwrite the delivery of project

to ensure its completion and the delivery of the wider programme goals it unlocks.

- 3.6 A plan of the proposed road within the masterplan area is included at Appendix 1.

4.0 Financial Implications

- 4.1 The Housing infrastructure Fund (HIF) grant agreement was executed in December 2019. £10m will be made available to Brent through drawdowns from the GLA against a programme of activities (Appendix 2). It is envisaged that costs for the road works project will be met by this grant.

- 4.2 The Infrastructure collaboration agreement allows, that in the event of overrun of cost that exceeds the £10m grant allocation, for the first additional £1m to be met by Network Homes, University of Westminster and London Northwest NHS Health Authority split equally between the parties.

- 4.3 If the £1m of additional funding capacity is reached, Brent will be required to commit £0.5m to fund the additional overrun generated by the project from a separate SCIL allocation. However, It is anticipated that the total project cost will be contained within the HIF grant amount.

- 4.4 The terms of the HIF funding award stipulates that the grant is “claim based”, meaning that the council will be required to incur infrastructure costs in advance of grant income being received. This will create timing differences between the HIF grant draw down and the programme cost milestones meaning the project will need to be temporarily cash flowed.

- 4.5 For the duration of the project, any balance of grant not yet reimbursed to the council as at the end of the financial year will need to be accrued in the balance sheet and held as a HIF debtor balance until paid. Based on the cash flow in appendix 2 the peak cash flow requirement for Brent is estimated to be £3.3m in Sep 2021 lasting for approx. 1 month.

- 4.6 Furthermore, it is also proposed that a £10m SCIL allocation is earmarked to underwrite the project if the terms of the HIF cannot be met.

- 4.7 The HIF grant was conditionality given to Brent based on conditions that were agreed pre-COVID 19. It is anticipated that the conditions will still be met, and those that are need updating can be varied with permission from the GLA and MCHLG. However, it is proposed that in the event the HIF grant falls away, this SCIL allocation would underwrite the delivery of project to ensure its completion and the delivery of the wider programme goals it unlocks.

- 4.8 The wider development set out in the submitted masterplan is expected to generate new CIL receipts in the order of £19M.

5.0 Legal Implications

- 5.1 CIL is to be raised for the purpose of “supporting development by funding the provision, improvement, replacement, operation or maintenance of

infrastructure". The operation and maintenance of infrastructure can be funded from this CIL as a revenue source and it is not a pre-condition that the provision of such infrastructure should have been funded by CIL receipts. It is, therefore, possible to apply CIL receipts in funding a very wide range of facilities.

- 5.2 Section 216(2) of the Planning Act 2008 provides that the CIL receipts can be applied towards (amongst other things) the construction of roads. Local authorities must spend the levy on infrastructure needed to support the development of their area, and it is up to the authority what infrastructure is needed.

6.0 Equality Implications

- 6.1 The Council must, in the exercise of its functions, have due regard to the need to:

- (a) eliminate discrimination, harassment and victimisation
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it,

pursuant to s149 Equality Act 2010. This is known as the Public Sector Equality Duty.

- 6.2 The Public Sector Equality Duty covers the following nine protected characteristics: age, disability, marriage and civil partnership, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

- 6.3 The purpose of the duty is to enquire into whether a proposed decision disproportionately affects people with a protected characteristic. In other words, the indirect discriminatory effects of a proposed decision. Due regard is the regard that is appropriate in all the circumstances.

- 6.4 The proposals in this report have been subject to screening and officers believe that there are no adverse equality implications.

7.0 Consultation with Ward Members and Stakeholders

- 7.1 Officers from Brent, Network, the University of Westminster and London Northwest Health Authority held a series of public consultations - to discuss the planning applications and general work the OPE project has been doing. These were on 25, 26, 27 and 29 June 2019 for the first consultation and 8, 9, 10, and 12 October 2019 for the second consultation,

- 7.2 Ward councillors were met with and consulted on the following dates

22 November 2018

21 June 2019

8 October 2019 (Councillor McClennan did not attend)

28 November 2019 (Councillor McClennan only)

20 October 2020

8.0 Human Resources/Property Implications (if appropriate)

- 8.1 Brent's Highways team will be commissioned by the OPE partners to manage the road delivery project, from design, through procurement and to construction completion.

9.0 Public Services (Social Value) Act 2012

- 9.1 The Council is under duty pursuant to the Public Services (Social Value) Act 2012 ("the Social Value Act") to consider how services being procured might improve the economic, social and environmental well-being of its area; how, in conducting the procurement process, the Council might act with a view to securing that improvement; and whether the Council should undertake consultation. This duty does not strictly apply to the proposed contract as it is not a services contract. Nevertheless, Officers will have had regard to considerations contained in the Social Value Act in relation to the procurement of the works contract for the access road.

Related Documents:

- HIF Grant Agreement Cabinet paper - 13 August 2018
- Northwick Park, One Public Estate – Update, Infrastructure Collaboration Agreement and Spine/Access Road Construction Cabinet paper - 6 November 2020

Report sign off:

Alan Lunt

Strategic Director of Regeneration &
Environment