

 Brent	Cabinet 6 December 2021
	Report from the Strategic Director Regeneration and Environment
Brent Infrastructure Funding Statement 2020/21	

Wards Affected:	All - Excluding parts of Harlesden, Kensal Green, Stonebridge and Tokyngton where Old Oak and Park Royal Development Corporation is the Local Planning Authority.
Key or Non-Key Decision:	Key
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
No. of Appendices:	One: Appendix 1 Brent Infrastructure Funding Statement 2020/21
Background Papers:	None
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1 Purpose of the Report

1.1 This report introduces the Council's second Infrastructure Funding Statement (IFS), which has been prepared in line with the CIL Regulations (amended 2019).

1.2 It outlines:

- Performance on Brent's Community Infrastructure Levy (CIL) in relation to the previous financial year (2020/21);
- Performance on Section 106 (S106) planning obligations in relation to 2020/21;
- Amount of Section 278 Highways agreements entered into and for what purpose in relation to 2020/21; and
- 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 2020/21

2.2 To recommend that the Infrastructure Funding Statement be approved for publication.

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 This is the Council's second Annual Infrastructure Funding Statement (IFS) and it covers the financial year **2020/21**. It has been prepared in line with the Community Infrastructure Levy (Amendment) Regulations 2019 and covers income and expenditure relating to CIL, S106 obligations and s278 highways agreements.

3.3 It also, where possible, sets out future spending priorities on infrastructure in line with the growth identified in the draft Brent Local Plan, Borough Plan, Capital Pipeline and Draft Long Term Transport Strategy.

3.4 CIL is allocated in accordance with the capital programme governance arrangements, in line with the corporate strategies listed in the Council Plan, Black Community Action Plan, Poverty Commission Action Plan, Inclusive Growth Strategy, Climate & Ecological Emergency Strategy and Draft Long Term Transport Strategy. The Capital Pipeline, Local Plan and IDP are intrinsically linked to this with any project seeking a CIL allocation required to go to the Capital Programme Board. Any project seeking a CIL allocation of more than £250,000 is then required to go to Cabinet for final approval.

3.5 The borough CIL receipts can be broken down into three portions – the Strategic CIL, the Neighbourhood CIL and the Administration CIL. A Mayoral CIL of £60 per sqm is collected as well and passed on to TfL on a quarterly basis. The borough keeps 4% of this levy for administrative purposes. All London Boroughs are subject to this levy, with the money used to fund Crossrail 1 (the Elizabeth Line) and Crossrail 2.

3.6 Strategic CIL must be used to fund the improvement or replacement of infrastructure (e.g. education, transport facilities, medical facilities, schools, sporting and open space/recreation facilities) that supports growth in the borough. Whilst it cannot be used to resolve pre-existing deficiencies, it can secure improvements to existing infrastructure if it is shown to that this supports development and this request is eligible for CIL funding in line with CIL regulations.

3.7 CIL is a tool for local planning authorities to help deliver infrastructure to support the development of their area. The IFS is an annual requirement that reports to the Government, among other things, how the CIL has been spent in line with the regulations. Reporting on CIL in this way helps communities and developers

see how contributions have been spent ensuring a transparent and accountable system.

- 3.8 The Council also enters in to 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, and is spent on community infrastructure projects across the borough.
- 3.9 In September 2019 changes to the CIL Regulations included a requirement for local planning authorities to publish an Annual Infrastructure Funding Statement – the first of which was published in December 2020 – outlining how much CIL and s106 income it has received for the previous year, what it has been spent on and future spending priorities. The statement must be published each year by 31st December.
- 3.10 The IFS is a statement of spend as required by the regulations and not a statement on the allocation process of CIL and S106.
- 3.11 Since the Council starting 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 Monitoring Report. This is the second time to report on both planning obligations in a combined report. Reporting on planning obligations in this way allows our communities to have a better understanding of how developer contributions have been used to deliver infrastructure in Brent.

Summary of CIL performance in 2020/21

- 3.12 The Infrastructure Funding Statement is set out at Appendix 1 of this report.
- 3.13 Brent CIL is made up of Strategic CIL (SCIL), Neighbourhood CIL (NCIL) and CIL Admin. A summary of Brent CIL receipts, allocation and expenditure for 2020/21 is set out below:

Table 1: Total Brent CIL receipts

BCIL item	Total receipts
The total value of BCIL set out in all demand notices (issued when a planning permission is granted) issued in 2020/21	£11,293,559.33
The total amount of SCIL received	£12,883,218.86
The total amount of NCIL received	£2,416,309.91
The total amount of BCIL Admin received	£805,238.36
Total BCIL receipts received	£16,104,767.13

- 3.14 In 2020/21 SCIL was allocated to the following infrastructure items:

Table 2: Total SCIL allocated in 2020/21

Infrastructure project	SCIL Allocation	Ward
Northwick Park Highways Infrastructure Fund (HIF) Underwriting	£10,000,000*	Northwick Park
Onside Youth Zone	£2,150,000	Tokyngton
Total SCIL allocated	£12,150,000	

*£10 million has been allocated to underwrite the HIF towards a road to facilitate the development at Northwick Park however, we expect this to be repaid by the HIF. Until it is repaid in full, this £10 million cannot be reallocated and is considered 'allocated'.

3.15 In 2020/21 SCIL was spent on the following infrastructure items:

Table 3: Total SCIL expenditure in 2020/21

Infrastructure project	SCIL Expenditure	Ward
Wembley Two Way Working	£105,388.78	Tokyngton
Wembley North End Road	£2,487,673.03	Tokyngton
Olympic Way Public Realm Improvements	£6,163,929	Tokyngton
Morland Gardens Education Facility	£284,973.18	Stonebridge
Total SCIL expenditure	£9,041,963.99	

3.16 A summary of SCIL at the end of the reported year:

Table 4: SCIL at the end 2020/21

CIL Type	Total Unallocated	Total allocated	Total Unspent*
SCIL	£53,781,362.57	£41,340,000.09	£95,121,362.66

**Unspent is money which is yet to be allocated along with money that has been allocated and has yet to be drawn down by the projects to which it is allocated.*

Neighbourhood CIL performance in 2020/21

3.17 For the reported year **£2,416,309.91 of NCIL** was collected.

3.18 **£3,783,229.03** was spent on projects during the same period.

3.19 Through the NCIL bidding process undertaken in 2020/21, the Council approved 23 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 Appendix 2 of the Infrastructure Funding Statement.

Table 5: NCIL position at the end of 2020/21

CIL Type	Total Unallocated	Total allocated	Total Unspent*
NCIL	£6,459,751.80	£6,999,135.13	£13,458,886.93

**Unspent is money which is yet to be allocated along with money that has been allocated and has yet to be drawn down by the projects to which it is allocated.*

Summary of S106 performance in 2020/21

- 3.20 During the reported year, 22 S106 agreements were negotiated which are outlined in paragraph 3.3 of the IFS.

Table 6: S106 Receipts

S106 summary	Amount
The total amount of money to be provided under any planning obligations which were entered into during 2020/21	£3,166,581.41
The total amount of money under any planning obligations which was received during 2020/21	£1,606,137.07
The total amount of money under any planning obligations which was received before the reported year but has not been allocated	£6,640,646.55

Table 7: Summary of S106 allocation and expenditure

Name of project	S106 expenditure
The total amount of money (received under any planning obligations) which was allocated but not spent during the reported year	£1,377,336.31
The total amount of money (received under any planning obligations) which was spent by the authority (including transferring it to another person to spend)	£2,096,584.74

- 3.21 The total amount of money received (under any planning obligations) during any year which was retained at the end of 2020/21 is **£14,029,709.72**. Appendix 3 of the IFS shows the projects which had S106 money allocated to them in 2020/21.
- 3.22 For non-monetary contributions – 801 affordable housing units were secured with an average of 48% affordable units secured per scheme. The names of the schemes along with the number of affordable housing units secured are in Table 13 of the IFS.

Future spending priorities

- 3.23 The draft Local Plan outlines an ambitious strategy for 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. The Council Plan and other strategies also set out capital needs to meet the needs of our growing population.

- 3.24 The Council has an ambitious programme of capital expenditure, and Strategic CIL will be used to fund, in part or full, some of these items, which are linked to the Infrastructure Delivery Plan (IDP) and other Borough priorities. The Council will continue to focus the spending of CIL and S106 receipts on essential infrastructure to support the level of growth outlined. It will do this jointly with partners through effective and ongoing engagement ensuring key infrastructure is delivered at the right time and in the right place to support growth and development.
- 3.25 SCIL funds have matured over a number of years. Prudent financial practice and good future infrastructure planning demands that the fund is judiciously allocated over time. This allows for important infrastructure coming forward in the future to be funded. In view of this, the Council is currently updating its IDP to help with the future planning of infrastructure ensuring it aligns with the growth anticipated to come forward in the draft Local Plan. This provides transparency to residents, members, infrastructure providers and the wider development industry on the type of infrastructure required to support long-term growth and development of the borough.
- 3.26 It is important to highlight that although a significant amount of SCIL has been collected over the past couple of years, the Council has nevertheless secured a significant amount of infrastructure investment through other mechanisms. These include planning consents, infrastructure provided within developments and funding for infrastructure secured via s106 legal agreements. Infrastructure has also been secured through work that has been undertaken with partners such as the Department for Education and TfL.

Next steps

- 3.27 Following Cabinet, if agreed, the IFS will be published online at; <https://www.brent.gov.uk/services-for-residents/planning-and-building-control/planning-policy/community-infrastructure-levy-cil/>

Alternative Options Considered

- 3.28 The requirement to produce an Annual Infrastructure Funding Statement is set out in the amended CIL regulations (2019). The Council must prepare an IFS for 2020/21 and publish it online before 31st December 2021. For these reasons, no alternative options have been considered.

4 Financial Implications

- 4.1 No implications as a result of this report.

5 Legal Implications

- 5.1 The CIL Regulations (as amended, 2019) require local planning authorities to produce an Annual Infrastructure Funding Statement and publish it each year by 31st December. 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; and
- The total amount of CIL receipts, whenever collected, which were allocated but not spent during the reported year.

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

- The items of infrastructure on which CIL (including land payments) has been spent, and the amount of CIL spent on each item;
- 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); and
- 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.

5.3 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.

5.4 The Statement must address CIL collection and spend, infrastructure projects and S106 collection and spend.

6 Equality Implications

6.1 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.

7 Consultation with Ward Members and Stakeholders

7.1 Quarterly reporting on infrastructure priorities and projects as well as CIL and S106 expenditure and income has been provided to the Lead Member for Regeneration Property & Planning over the financial year, providing clear links back to decisions, which in turn help to deliver priorities and objectives of the draft Brent Local Plan and other Borough priorities.

7.2 The Lead Member was briefed on 15th October 2021 on this report and the Appendix, the Brent Infrastructure Funding Statement 2020/21.

8 Human Resources/Property Implications (if appropriate)

8.1 None.

Report sign off:

Alan Lunt
Strategic Director of Regeneration and Environment