

## **London Borough of Enfield**

### **Portfolio Report**

**Report of:** [Sarah Cary]

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**Subject:** [Enfield Neighbourhood Fund - Process for awarding funding]

**Cabinet Member:** [Cllr Nesil Caliskan]

**Executive Director:** [Sarah Cary]

**Ward:** [All]

**Key Decision:** [5236]

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### **Purpose of Report**

1. This report seeks approval of the allocation process on the spending of the neighbourhood element of the Enfield Community Infrastructure Levy (NCIL), particularly in relation to how projects will be identified, prioritised and authorised. The process developed has been created to ensure that the selection process and allocation of funds to agreed projects is open, transparent, cost effective and sufficiently accountable.

### **Proposal(s)**

2. Cabinet Member for Strategic Planning/Leader of the Council is asked to:
  - agree the allocation of NCIL funding (£1.4 million) equally divided in two rounds between adding value and innovation to council services and sponsoring locally led community projects, either individually or in consortia. The projects sponsored will support the delivery of the Enfield Council Plan and contribute to the achievement of the 27 recommendations from the Enfield Poverty and Inequality Commission Report;
  - agree on the eligibility and detailed evaluation criteria against which projects will be assessed (see appendix 1); and
  - initiate two annual bidding rounds that will take place between January and March 2021 and between January and March 2022, where bids will be assessed, and funding awarded to successful applicants.

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

3. The funding will provide support to the achievement of 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.
4. The 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 Enfield's residents.

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

5. The approach to the spending and allocation of NCIL funding set out in this report has been developed to support the overarching priorities set out in the Enfield Council Plan.

Good homes in well-connected neighbourhoods:

6. NCIL income will be used to effectively plan and coordinate the delivery of infrastructure and service provision to meet the demands arising from new development.

Sustain strong and healthy communities:

7. NCIL income will be spent in a way that supports development and the creation of sustainable and healthy communities, as set out in the Enfield Council Plan, especially in terms of the provision of new infrastructure and supporting services.

Build our local economy to create a thriving place:

8. NCIL income will make a significant positive contribution to infrastructure investment and place-making in the borough.

### **Background**

9. The Community Infrastructure Levy (CIL) is a tariff-based charge on most new developments, such as homes, retail and commercial developments, in the borough. The money raised through the levy is used to fund a wide range of infrastructure that is needed as a result of development. The levy is divided into three parts:
  - **Strategic:** 80% of the funds are ringfenced to be spent on major infrastructure projects process (as agreed by Cabinet in KD 5029).
  - **Neighbourhood:** 15% of the funds (or up to 25% in a neighbourhood planning area, where a neighbourhood plan has been adopted) must

be spent on local projects that have considered the views of communities in which development has taken place. Receipts can be spent on a broader range of projects (as cited in paragraph 11 below) provided that they support development of its area. However, the money does not have to be spent in the same area as the development (as long as to do so would still support development of its area).

- **Administration:** 5% of the funds is ringfenced to cover administrative costs (e.g. staffing).

10. Since its introduction in 2016, Enfield has raised over £8 million of CIL funding towards the delivery of infrastructure projects. However, the neighbourhood portion of the funds has not yet been spent (just over £1.4 million) and remains available to spend on local community-focussed projects.

**Table 1: Enfield CIL income (2016/17 – 2019/20) \***

Year	Received in year	Strategic (80%)	Neighbourhood (15%)	Administration (5%)
2016/17	£207,305	£165,844	£31,096	£10,365
2017/18	£502,859	£402,287	£75,429	£25,143
2018/19	£6,398,498	£5,118,799	£959,775	£319,925
2019/20	£2,279,710	£1,823,768	£341,956	£113,985
Total (NCIL):			£1,408,256	

\* The rates on which the charge is based are set out in the adopted Enfield CIL Charging Schedule.

\*\* Figures rounded up to nearest hundred

11. NCIL can be spent on both capital and revenue projects. This includes, but is not limited to:

- community events (e.g. festivals, concerts and galas);
- libraries and youth facilities;
- cultural spaces and meanwhile uses;
- habitat creation and restoration (e.g. wildlife corridors);
- climate change mitigation and adaptation (e.g. sustainable urban drainage systems);
- public realm works (e.g. street furniture, cycle lanes, public art and lighting);
- skills and training hubs (e.g. digital technology);
- security measures to reduce crime and anti-social behaviour (e.g. CCTV); and
- on-going maintenance and management of assets.

12. In February 2020, Cabinet/Full Council (KD 5029) agreed to:

- delegate authority to approve the consultation/allocation of NCIL funding and the priorities on how it is spent to the Cabinet Member for Strategic Planning;
  - allocate NCIL funding each year (from April 2020) and distribute it on a borough-wide basis; and
  - align the NCIL spending priorities to the 27 recommendations as set out in the commission report (see appendix 1).
13. NCIL funding (known as the “Enfield Neighbourhood Fund”) will be made available to support local projects that align with the priorities set out in the commission report and the Enfield Council Plan. Projects will need to demonstrate compliance with the eligibility and assessment criteria set out in the application form (see appendix 1).
14. Projects will be scored against the weighting criteria set out in part B of the application form. As a minimum, projects will need to address at least one of the priorities (27 recommendations) set out in the commission report. These recommendations are aligned with those set out in the Enfield Council Plan and have emerged from extensive consultations with the local community and stakeholders. Project bids will also need to:
- offer value for money;
  - address the demands that development places on an area (as per the Community Infrastructure Levy Regulations 2010, (as amended) (“the CIL Regulations”);
  - contribute to the priorities of the council, as set out in wider programmes; and;
  - be one-off projects that do not require additional revenue funding in their delivery or operation.
15. The application form also requests additional information on the financing and delivery of projects and associated key risks. These will not be scored but will enable a better understanding of the proposals and facilitate the bidding process.
16. All projects bids received will be logged and then circulated with evaluation sheets to the ‘assessment panel’. This panel will be made up of officers from each of the four directorates (People, Place, Resources and Chief Executive), who will score the bids and through a chaired moderation session agree the scores based on standardised criteria (see appendix 1). The chair of the Strategic Infrastructure Board (Executive Director for Place) will then present the panel’s recommendations to the Executive Management Team.
17. All unsuccessful bids will receive feedback on why their bid was not selected. The final awards will be agreed with the Leader of the Council as portfolio holder and successful projects notified. Details of the projects to receive funding will be published on our website.
18. As this is a new funding programme, we acknowledge that some projects will not have advanced beyond early feasibility stage and will require further investigation and development.

19. The allocation of the funding will require periodic review and annual reporting through the Infrastructure Delivery Statement (including collection of receipts and expenditure). Funds will be pooled from receipts collected from NCIL into a rolling pot, with a minimum spend of £400k per year from April 2022 onwards (based on the forecast allocation over the 2020/2021 and 2021/2022 financial periods) which could increase in future years as a result of new development. Future projections beyond the current capital programme will be dependent on the outcome of the government's planning reforms.

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

20. Up to £1.4 million will be made available through the Enfield Neighbourhood Fund to support the delivery of local projects, split into two bidding rounds:
- Year 1: From 4 January to 28 February 2021.
  - Year 2: From January to March 2022.
21. The funding allocation will be split between council activities (e.g. service departments) and community-led projects (e.g. voluntary groups, charities and elected members) to ensure a fair, robust and transparent approach to decisions funding. Any unallocated funding from the first bidding round will be carried over to the second bidding round.
22. There will be no specific limit on the amount of funding available per project. However, we anticipate that awards will typically range from £10,000 to £60,000 depending on the size and scale of the project.

**Table 2: Funding Allocations**

<b>Financial year</b>	<b>Total available</b>	<b>Percentage split</b>	<b>When</b>	<b>Timing</b>
Round one: 2020/2021	£700,000	<ul style="list-style-type: none"> <li>• 50% (£350,000) will be used to fund community-engaged projects through council-led activities on behalf of residents</li> <li>• 50% (£350,000) will be allocated towards small-scale, community-led projects</li> </ul>	8-week bidding window (early 2021)*	Projects to start in 2021
Round two: 2021/2022	£700,000	<ul style="list-style-type: none"> <li>• 50% (£350,000) will be used to fund community-focussed projects through council-led activities on behalf of residents</li> <li>• 50% (£350,000) will be used towards community-led projects</li> </ul>	8-week bidding window (early 2022)*	Projects to start in 2022

\*8 weeks is suggested as a minimum consultation period to allow stakeholders adequate time to prepare and nominate project bids, especially given the demands of the coronavirus pandemic.

23. There will be no appeals process associated with the funding programme but unsuccessful bidders in round 1 will be able to resubmit amended or new proposals in round 2.
24. Once the two bidding rounds have been completed, we will review the allocation and distribution of the fund in the light of any subsequent changes to the regulations and other circumstances (e.g. impact of covid-19) to ensure that the bidding process remains fair and transparent.

### **Safeguarding Implications**

25. Allocation of NCIL funding does not have any safeguarding implications but implementing the projects through this process will need to be considered from a safeguarding perspective.

### **Public Health Implications**

26. Better and more effective coordination of infrastructure delivery and financing is vital to the future health and wellbeing of the borough. NCIL income will be used to address the impact of development (e.g. carbon offsetting) and secure adequate provision of infrastructure (including health and education facilities, green-grid connections and community facilities) to support the future needs of the borough.

### **Equalities Impact on the Proposal**

27. We have a public sector duty under the Equality Act 2010 to have due regard to:
  - tackle discrimination and victimisation of persons that share the characteristics as protected under the act: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation;
  - advance equality of opportunity between people who share those protected characteristics and people who do not; and
  - foster good relations between people who share those characteristics and people who do not.
28. Corporate advice has been sought with regards to equalities and an agreement has been reached that an equalities impact assessment of the NCIL is not relevant or proportionate in this instance. However, we will need to consider the needs of these diverse groups when engaging with them in the process and prioritising NCIL spending so that our decisions do not unduly or disproportionately affect the access of some groups more than others.

### **Environmental & Climate Change Considerations**

29. None identified at this stage. However, projects will need to demonstrate how they will contribute to the priorities of the council set out in the Enfield Council Plan, including action on climate change.

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

30. Several risks have been identified:

<b>Risk category</b>	<b>Risks</b>
Reputational: Cabinet agreed to establish the funding from April 2020 onwards (KD 5029)	NCIL has never been spent and any further delays to the release of funding risks reputational damage.
Community engagement and accountability	Neighbourhoods and stakeholders will not be given the opportunity to influence how the funds are spent

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

31. Several risks have been identified:

<b>Key risk</b>	<b>Action to mitigate</b>
Uncertainty over future NCIL receipts/forecasting due to the covid-19 pandemic and proposed planning reforms	The level and timing of NCIL funding will, depend on the nature and scale of the development, the number of implemented planning permissions, build-out rates and phasing etc.

### **Financial Implications**

32. NCIL will be allocated through the capital programme over the next two financial years (2020/2021 and 2021/2022) as follows:

<b>Amount of funding*</b>	<b>Purpose</b>	<b>Note</b>
Up to £1.4 million (see table 1)	Funding has been ringfenced to spend on projects	Receipts remain unspent. The size of the fund could decrease in future years.

33. It is the responsibility of the section 151 officer (Director of Finance) to ensure that decisions relating to the expenditure of Enfield's NCIL accords with the annual budget. NCIL will be used as a resource to help finance the capital programme based on priorities set out in the Enfield Council Plan in line with the regulations.

### **Property Implications**

34. This report does not of itself commit the council to any expenditure on its property portfolio. Any related proposals with cost implications would need to be subject to separate reports and full financial appraisal.

### **Legal Implications**

35. Although the CIL regulations do not prescribe a specific process on agreeing how NCIL funding should be spent, the council is required to engage with local communities where development has taken place and agree with them how best to spend such funding, utilising existing consultation and engagement processes (e.g. neighbourhood groups, business networks and councillors) where possible.
36. However, in doing so, the council will need to comply with the CIL regulations to ensure that any funding supports the development of its area.

### **Workforce Implications**

37. Corporate Strategy Services will help stakeholders prepare and submit bids and build capacity within organisations. Officers will be required to set up online workshops and one-to-one appointments to support organisations and other interested parties during the bidding process. Social media will also be used to publicise the bidding process.
38. 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.
39. An annual report will be provided as part of the Infrastructure Funding Statement. The latest statement showing how the money raised through the levy will be spent is available to view at;

<https://new.enfield.gov.uk/services/planning/infrastructure-funding-statement>.

### **Options Considered**

40. As the governance/decision-making process has already been agreed at cabinet level, the options on how the funding could be allocated are fairly limited (e.g. restricting bids to specific groups, reducing the number of bidding rounds and allocating more or less funding to mainstream services or local community groups).

### **Conclusions**

41. 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'.
42. The approach set out in this document sets out a transparent and accountable process through which projects can be identified and funded



in line with the CIL regulations. The aim of the programme is to facilitate the delivery of community-based projects via local talent and professionals in consultation with local groups and residents.

43. The proposed thresholds (see table 2) will reduce overhead costs and ensure that projects can have meaningful impact at the neighbourhood level.

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### **Background Papers**

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

### **Appendix 1: Enfield Infrastructure Fund application form**

This document sets out a template of the proposed application form, setting out instructions to applications on how to submit bids under this fund (to be read separately).