

## London Borough of Enfield

**[Cabinet]**

**Meeting Date** 14<sup>th</sup> December 2022

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**Subject:** Update to current Strategic Community Infrastructure Levy  
Spending Priorities

**Cabinet Member:** Cllr Caliskan  
**Executive Director:** Joanne Drew

**Key Decision:** KD 5549

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### **Purpose of Report**

1. The purpose of the report is to seek approval for the draft spending priorities for the strategic portion of the Enfield Community Infrastructure Levy (CIL). The spending priorities guide the allocation and spend of the strategic portion of the Enfield Community Infrastructure levy.

### **Proposal(s)**

2. To approve the changes to the current four Strategic spending priorities published in the Infrastructure Funding Statement (IFS) 20/21(see Appendix 01) that apply to the Strategic CIL portion of the Enfield Community Infrastructure Levy.
3. To approve the draft spending priorities set out below which will guide future allocations and spend of the Strategic portion of the Enfield Community Infrastructure Levy:
  - a) Investment in green and blue infrastructure across the borough.
  - b) Investment in health, sport and leisure infrastructure across the borough.
  - c) Investment in public realm and environmental improvements across the borough, but especially in areas of regeneration and locations of commercial and industrial activity.
  - d) Upgrades to the cultural and community facilities across the borough.
  - e) Investment in sustainable transport infrastructure across the borough
  - f) Investment in education facilities to support skills development and job training.

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

4. The Council collects the Community Infrastructure Levy (CIL) from liable developments in its area, the collection of the levy includes both Enfield CIL (LBE CIL) and Mayoral CIL(MCIL). The review of spending priorities applies only to the strategic portion of Enfield CIL as the council does not have input on how MCIL receipts are spent. MCIL receipts are transferred to Transport for London (TFL) with 4% of receipts retained by the Council and must be used to offset the costs to the Council of administering Mayoral CIL (MCIL admin).
5. The Enfield Community Infrastructure Levy (LBE CIL) is collected and apportioned into three funding pots, as set out in the Community Infrastructure Levy Regulations 2010 (as amended):
  - Strategic CIL (SCIL) (80%)
  - Neighbourhood CIL (NCIL) (15%); and,
  - Administrative CIL (CIL Admin) (5%)
6. Neighbourhood CIL (NCIL) is allocated to the Councils Neighbourhood Fund, with the allocation criteria and spending priorities for the neighbourhood portion set independently to that of Strategic CIL. The administrative portion (CIL Admin) of CIL receipts must only be used to offset the costs to the council to administer CIL in its area.
7. The IFS 20/21 sets out four spending priorities for Strategic CIL (SCIL) spending over three financial years up to and including 23/24. However, as set out in the KD 5029 (see appendix 2), spending priorities can be reviewed on an annual basis.
8. The decision to review the current spending priorities has been informed by the changes that have occurred in the fiscal, economic and political environment since the current priorities were originally set. The current spending priorities are highly focussed geographically and there is an ambition to make a difference for all communities living within the borough. In addition, the Council Plan 2020-2022 is under review with revised priorities proposed, informed by the current Labour administration's Manifesto commitments.

## **Relevance to the Council Plan**

9. The Council Plan (2020-2022) is currently under review, the draft spending priorities have been considered against the Labour administration's Manifesto and the Capital Programme. Applications for Strategic CIL (SCIL) funding will be asked to demonstrate how they align to the most current approved Council Plan.

## **Background**

### **What Infrastructure can the Strategic Community Infrastructure Levy support:**

10. The income generated through the Enfield Community Infrastructure Levy (LBE CIL) is to mitigate the impact of development in a charging authorities' area.
11. The Community Infrastructure Levy Regulations 2010 (as amended) sets out under Regulation 59 (1) that a charging authority must apply Strategic CIL to funding (the provision, improvement, replacement, operation or maintenance of) infrastructure to support the development of its area. The Planning Act 2008 definition of infrastructure sets the parameters of what can be funded through the Strategic portion of Enfield Community Infrastructure Levy. The Planning Act 2008 sets out under Section 216(2) that infrastructure includes:
  - roads and other transport facilities;
  - flood defences;
  - schools and other educational facilities;
  - medical facilities;
  - sporting and recreational facilities; and
  - open spaces.
12. Strategic CIL (SCIL) cannot be used to fund the delivery of affordable housing or revenue funding of projects.
13. The review of the current spending priorities guided by the Labour administration's Manifesto, Capital Programme and the Planning Act 2008 definition of Infrastructure have informed the expansion of the SCIL spending priorities, as well as the broadening of the geographical locations considered for future SCIL funding applications coming forward.

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

14. This report seeks approval to revise the current four Strategic CIL (SCIL) spending priorities, to supersede these with six revised spending priorities that broaden the type of and location of where Strategic CIL funding can be allocated against eligible projects to support the delivery of Council led infrastructure projects and reduce Council borrowing.
15. There are currently four spending priorities, which guide how Strategic CIL (SCIL) should be allocated against strategic infrastructure projects for the borough through the financial years 21/22 to 23/24, however these priorities can be revised on an annual basis. The current Strategic CIL (SCIL) spending priorities are heavily focussed on town centres and are:
  - Public realm and environmental improvements within the borough's town centres.
  - Major upgrades to the cultural facilities within the borough's main town centres.
  - Sustainable transport links to town centres and key gateways.

- Community facilities within estate regeneration sites and major town centres.

16. Applications received for Strategic CIL (SCIL) funding are required to align with one or more of the current spending priorities set out above. Project applications are also assessed against the Council Plan (2020-2022), the Capital Programme, the Draft Infrastructure Delivery Plan and the Core Strategy 2010 – 2025. Project Managers are asked to consider how projects also align to other council strategies such as the Blue and Green Strategy, the Cultural Strategy, Housing and Growth Strategy 2020 – 2030 or Climate Action Plan 2020.

17. Under the current spending priorities funding has been allocated to four strategic projects to the value of £5.8million (see table 01). The Strategic CIL (SCIL) allocations have supported the reduction in borrowing by the council against these projects.

<b>Table 01: SCIL and S106 Allocations</b>			
<b>Project Name</b>	<b>Project Location</b>	<b>SCIL Allocation</b>	<b>S106 Allocation</b>
<b>Enfield Town Liveable Neighbourhoods</b>	Enfield Town	£3,999,529	£500,471
<b>Exeter Road Public Realm Improvements</b>	Exeter Road	£1,019,973	£894,200
<b>Dugdale Centre</b>	Enfield Town	£821,000	N/A
<b>Totals</b>		<b>£5,840,502</b>	<b>£1,394,671</b>

18. Strategic CIL (SCIL) and S106 funds have been used together to support project delivery, as set out in table 01. The Enfield Town Liveable Neighbourhoods application was able to unlock S106 funds in the first instance with the remainder of the funding request supported through SCIL. While the Exeter Road Public Realm Improvements secured both S106 and SCIL, the S106 funds were used wholly towards the delivery of Affordable Housing which SCIL cannot be used to support.

### **Safeguarding Implications**

19. There are no notable workforce implications arising from this report.

### **Public Health Implications**

20. Better and more effective coordination of infrastructure delivery and financing is vital to the future health and wellbeing of the borough and mitigating against climate change. The current spending priorities are geographically limited with a focus on town centres. The broadening of the SCIL spending priorities will enable a wider range of Council led infrastructure projects to apply for SCIL funding. This should benefit a wider range of communities

across the borough with the delivery of infrastructure to mitigate against the impact of development in its area, this will include infrastructure such as green spaces, health and leisure facilities, environmental projects, improvements to industrial and regeneration areas.

### **Equalities Impact of the Proposal**

21. Local authorities have a responsibility to meet the public-sector duty of the 2019 Equality Act. The act gives people the right not to be treated less favourably because of any of the protected characteristics. We need to consider the needs of these diverse groups when prioritising and spending Strategic CIL (SCIL) income so that our decisions do not unduly or disproportionately affect access by some groups more than others.
22. An Equality Impact Assessment (see appendix 3) has been completed to identify mitigation measures that may be required. We considered the proposal would not disadvantage people who share one of the different nine protected characteristics as defined by the Equality Act 2010 compared to those who do not have those characteristics. There are expected to be benefits from the new spending priorities by addressing existing inequalities in the borough.

### **Environmental and Climate Change Considerations**

23. The proposed amendments to the Strategic CIL (SCIL) spending priorities aim to support the Council in its plans to deliver blue and green infrastructure across the borough and encourage applications to come forward to mitigate against climate change and improve biodiversity in the borough.
24. The proposed amendments will ensure the Council can continue to deliver the Council's climate action commitments to be a carbon neutral borough by 2040. This includes supporting the changes required of the borough's energy system and supporting infrastructure to achieve carbon neutrality targets and increasing the council's resilience against climate change effects.
25. Road-based emissions make-up 40% of the borough's carbon emissions footprint, with key strategies identified to reduce emissions being mode-shift to sustainable transport and decarbonisation of vehicles through electric vehicle infrastructure. Further, wider environmental improvements across the borough can offer opportunity to contribute to wider carbon reductions with opportunities to further secure emission reductions also relating to the built environment and energy systems. The proposed amendments are important to ensure the Council can continue to deliver against commitments.
26. As reported by the IPCC, the effects of change are now unavoidable, and we must be prepared for climate hazards including a future with extreme weather, heat waves and flooding events. Delivering on the Blue Green Infrastructure Strategy and Climate Action Plan is critical at making Enfield a resilient borough, of which this proposal supports.

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

27. At present there is a risk that Council led infrastructure projects that are ready for delivery cannot access Strategic CIL (SCIL) monies to support project delivery and reduce council borrowing because they do not meet the current Strategic CIL (SCIL) spending criteria although they align with the Council Plan (2020-2022) and other strategy documents such as the Blue and Green Strategy.
28. The proposed changes to the Strategic CIL (SCIL) spending priorities aim to address the above risk by enabling a broader range of applications for infrastructure projects to come forward for Strategic CIL (SCIL).

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

<b>Key risk</b>	<b>Action to mitigate</b>
Broadening the range of spending priorities could increase applications for SCIL funding exceeding what is available for allocation. At present allocations are made on a first come first basis, benefiting those ready to apply at the start of each financial year.	To mitigate this risk, a system will be set up to consider all potential SCIL spending projects across the entire funding year, rather than on a first come first served basis.

## **Financial Implications**

29. Strategic CIL (SCIL) receipts can only be spent on capital projects, although associated revenue spending to maintain those capital items is also permissible. The draft Strategic CIL (SCIL) priorities have been set out to align with the Capital Programme and informed by the current Labour administration's Manifesto commitments. Strategic CIL (SCIL) will be used as a resource to help finance the borough's capital programme in line with the Community Infrastructure regulations.
30. Enfield's CIL will be integrated with the medium-term financial strategy and budget setting process and formally allocated through the capital programme (before the end of each financial year).
31. The Strategic portion of the Community Infrastructure levy will depend on the overall amount of borough Enfield CIL (LBE CIL) collected, which is determined by the nature and scale of the development, the number of implemented planning permissions, build-out rates, and the phasing of development etc within the borough. Due to the uncertainty over forecasting, the total amount of Enfield CIL funding and the strategic portion will be based on the total receipts collected from the previous financial year and any unspent receipts from previous financial years.

## **Legal Implications**

32. CIL monies can only be spent on infrastructure, as defined in the Planning Act 2008 (as amended), apart from the neighbourhood portion (15% of CIL monies if there is no adopted neighbourhood plan) which may also be spent on, in addition to infrastructure, anything else that is concerned with addressing the demands that development places on an area.
33. The revised Strategic CIL (SCIL) spending priorities have been broadened to align with the wide-ranging infrastructure needs in the borough. Project applications seeking SCIL funding must demonstrate in the application and assessment process that they align with the SCIL spending priorities, the definition of infrastructure under the Planning Act 2008 and Regulation 59(1) of the Community Infrastructure Levy Regulations 2010 to ensure that SCIL is used to fund (the provision, improvement, replacement, operation or maintenance of) infrastructure to support the development of its area.

## **Workforce Implications**

34. There are no notable workforce implications arising from this report.

## **Property Implications**

35. This report does not of itself directly have any property implications. However, any related proposals envisaged by this report that come forward and do have property implications these would need to be subject to separate reports, full financial appraisal, and approval via established processes (e.g. PPRs) and bodies (e.g. Property Board).

## **Other Implications**

36. Procurement Implications are set out below.
37. The proposals to update on current Strategic Community Infrastructure Levy Spending Priorities do not in themselves have any direct implications on Procurement.
38. The Council has a Sustainable and Ethical Procurement Policy that was approved at Cabinet February 2022. Services need to ensure that all procurement activity (specifically over the threshold) is aligned to this policy, specifically those related to supporting social value and delivering Council objectives and plan.

## **Options Considered**

39. The option to do nothing and retain the existing four spending priorities for Strategic CIL (SCIL) has been considered. Following the first year of allocation and spend against these agreed priorities it has been noted that the focus on Town Centres places significant limitations on other infrastructure projects that could benefit from SCIL funding.

## Conclusions

40. It is the recommendation that the proposed changes to the Strategic CIL (SCIL) spending priorities are approved and introduced by 29 December 2022. The approval of the draft SCIL spending priorities will support the Council to better mitigate against the impact of development led growth in its area by enabling SCIL income to be allocated to the broader range spending priorities. These include improvements to existing infrastructure and the delivery of new infrastructure that will help the Council to also tackle inequalities and the climate emergency in its area.

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Date of report

## Appendices

Appendix 1: The Infrastructure Funding Statement 20/21

Appendix 2: KD 5029 New decision-making arrangements to spend the Enfield community infrastructure levy and section 106 agreements

Appendix 3: Equality Impact Assessment on Strategic CIL spending priorities

## Background Papers

The following documents have been relied on in the preparation of this report:

The Infrastructure Funding Statement 20/21

KD 5029 New decision-making arrangements to spend the Enfield community infrastructure levy and section 106 agreements

The Enfield Labour Manifesto 2022