

CABINET MEMBER DELEGATED DECISION: 20 JANUARY 2022

Report title: Neighbourhood Community Infrastructure Levy – Community Connections Fund

Wards: Bishop's, Princes, Oval, Stockwell, Vassal, Larkhall, Brixton Hill, Tulse Hill, Herne Hill, Coldharbour

Portfolio: Deputy Leader of the Council (Planning, Investment and New Homes), Councillor

Matthew Bennett

Report Authorised by: Eleanor Purser and Sara Waller, Strategic Directors for Sustainable Growth

and Opportunity

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REPORT SUMMARY

This report seeks the allocation of up to £4,000,000 from Lambeth's Neighbourhood Community Infrastructure Levy (NCIL) to create the Community Connections Fund. The fund will enable localised projects in the Neighbourhood Areas of North Lambeth, Waterloo, Brixton, and Stockwell, to deliver projects that both respond to the ambitions of the Borough Plan, aligned to local priorities. These priorities are outlined in the Cabinet decision of 5 July 2021, 'Developer Contributions and NCIL Delivery Framework'. Key to the fund will be the close working with the community, to build capacity and to enable local leadership of projects.

The use of NCIL must be compliant with planning regulations set out in the national Planning Practice Guidance. The regulations place a duty on the charging authority to balance neighbourhood wishes with wider requirement to ensure growth and relief of cumulative impacts from developments are managed across the borough. These requirements will need to be reflected in the criteria for the Community Connections Fund and upheld through the investment made in projects.

FINANCE SUMMARY

This report recommends a maximum spend of £4,000,000 on projects to be agreed within the identified Neighbourhood Areas up to March 2025. This will be funded from NCIL monies that the Council expects to have available in that time period.

RECOMMENDATIONS

- 1. To allocate up to £4,000,000 from Neighbourhood Community Infrastructure Levy (NCIL) to create the Community Connections Fund and enable projects across the Neighbourhood Areas listed. The fund will be delivered in phases, starting with a £1m allocation that will launch in 2021-22.
- 2. To delegate authority to the Co-Strategic Directors of Sustainable Growth and Opportunity, in consultation with the Deputy Leader of the Council (Planning, Investment and New Homes), to agree the details of the grant funding process (including the grant fund evaluation criteria and process).
- 3. To delegate authority to the Co-Strategic Directors of Sustainable Growth and Opportunity, in consultation with the Cabinet Member for Planning, Investment and New Homes, to agree funding awards up to the value of £0.5m.

1. CONTEXT

1.1 In 2020, a detailed review was undertaken of developer contribution income and projections, including S106, CIL and NCIL. As part of that work, extensive analysis was undertaken to identify community priorities, and to identify where these priorities were and weren't funded through allocations within the Council's Capital Investment Programme. This work informed the 5th July Cabinet paper 'Developer Contributions and NCIL Delivery Framework', which sets out the current income, project income, and projected expenditure of CIL, NCIL and Section 106 across the borough.

Developer Contributions – regulations and guidance

- 1.2 CIL is a planning charge, introduced by the Planning Act 2008, as a tool for local authorities in England and Wales to help deliver infrastructure including transport, schools, health facilities and parks, which are needed to support the development of their area. It came into force through the CIL regulations 2010. The main rationale for CIL is to help finance the wider infrastructure needed to support ongoing development (existing and future), rather than to mitigate or manage the local impact of the individual developments. CIL is required to be spent strictly towards "the provision, improvement, replacement, operation or maintenance of infrastructure."
- 1.3 The Localism Act 2011 laid the ground for the introduction of measures that would require CIL charging authorities to allocate a "meaningful proportion" of levy receipts to help neighbourhood communities accommodate the impact of new development. In 2013, provision was made in the Community Infrastructure Levy (CIL) Regulations that a proportion of the levy collected may be spent to address "the demands that development places" on a local area. This proportion which is called Neighbourhood CIL may be spent on non-infrastructure items. The amended regulations established the 'meaningful proportion' for the Neighbourhood element, as being 15% for areas without a Neighbourhood Plan and 25% for areas with a Neighbourhood Plan. The regulation does not determine what a local area constitutes.
- 1.4 The national Planning Practice Guidance (PPG) sets out how the government expects local authorities to approach the spending of the neighbourhood portion. Where there is no parish or town council, as is the case in Lambeth, the guidance provides that the local authority must consult with the community, on how best to spend 15% of the CIL collected from developments. This 15% of local CIL receipts is capped each year at £100 (indexed from the year of the adoption of CIL) per Council tax dwelling located in the neighbourhood area. If the neighbourhood area has a neighbourhood plan in place, the allocation for Neighbourhood CIL rises to 25% without the cap. The regulations also place a duty on the charging authority to balance neighbourhood wishes with wider requirement to ensure growth and relief of cumulative impacts from developments are managed across the borough.

Community Connections

- 1.5 In the 2020 review, a key gap in the Council's response to community priorities was identified as being community connections, to enable investment that can bring people together to build their capacity and resilience, develop connections, and improve a range of outcomes for the borough's residents and businesses.
- 1.6 Within the 5 July Cabinet paper is the commitment to invest £4m in a Community Connections Fund. This report sets out the details of the Fund's purpose, the approach to delivery, and governance.

- 1.7 To balance the spend of developer contributions across the borough, responding to needs and where there is a particular need to mitigate the pressures arising from growth, it is proposed that the Fund will focus on two areas, which were:
 - Area 1: North Lambeth & Waterloo the areas where the community tensions arising from development are greatest due to the scale of growth experienced and forecast in coming years.
 - Area 2: Stockwell and Brixton areas with greatest need based on evidence of socioeconomic indicators (such as levels of unemployment, health inequality, and community safety outcomes).
- 1.8 The £4m will be committed to areas above and the impact and success will be evaluated. If further NCIL income is accrued, then further investment in the Community Connections Fund and extending the eligible neighbourhood areas can be considered.
- 1.9 The Fund will support the Borough Plan ambitions whilst being flexible to the needs, challenges and opportunities identified by communities in their neighbourhoods. The Borough Plan ambitions are as follows:
 - Communities that are thriving and connected
 - Sustainable growth: a growing economy that everyone benefits from
 - People have support to live well and independently as they can

Also, the Borough Plan Goals:

- Lambeth is a place people want to live, work and invest; and
- Be passionate about equality, strengthening diversity, delivering inclusion
- 1.10 Benchmarking has been conducted to inform the approach to the funding, looking at the approaches that have been delivered in several other local authorities in London. The key findings from the benchmarking can be summarised as follows:
 - A common feature of the funding is to invest in community-based projects that have clear evidence of local need and that respond to the Borough's strategic objectives.
 - Funding can be allocated to projects led by a community-based organisation, or by a public sector body, such as the council, NHS, or a college. Whoever leads the project should have clear evidence of community support (e.g. surveys, petitions, and/ or letters of community support).
 - Phased rounds of funding can allow time to build the profile of the fund in communities, as
 well as giving time to organisations to develop their ideas, rather than limited the fund to one
 opportunity to apply. Phasing also allows for ongoing evaluation and learning from the
 process and commissioned projects; and
 - Decisions should be weighted to support greatest evidence of impact, responding to Borough Plan priorities and evidence of need.

2. PROPOSAL AND REASONS

- 2.1 The Community Connections Fund will be up to £4m in total, focussed on the Neighbourhood Areas of North Lambeth, Waterloo, Stockwell and Brixton. It provides the opportunity to work with locally developed proposals that will support the resilience of their communities for example, helping connect people, creating opportunities, the space and capacity to work together and responding to the specific needs and opportunities in each area of the borough.
- 2.2 It also presents the opportunity to work collaboratively with communities and continuing to develop the neighbourhood working principles that the Council is leading, facilitating partnerships and collective working between council services and across sectors to be the greatest sum of our parts.
- 2.3 The focus on building community resilience and capacity to deliver outcomes is aided by the nature of NCIL, which can be used as capital and/or revenue. This creates the opportunity for flexible uses of the Fund for much needed activities meaning it can be more than only bricks and mortar.
- 2.4 Proposals will also support one or more of the Borough Plan Ambitions to relate investment back to the LBL's strategic priorities, which is itself guided by clear analysis of need in our communities.
- 2.5 The scope of the fund is otherwise very open so that proposals can be respond to localised community needs and/or opportunities as long as they respond to the core purpose of the fund, relate to Borough Plan outcomes, and meet the evaluation criteria.
- 2.6 For the first round of funding, which will total £1m, a two-tier grant fund is proposed to balance the need to support smaller scale proposals led by organisations in the community with opportunities for larger investments are identified that can deliver greater scale of impact. This will be supported by capacity building and facilitation by a new group of Neighbourhood Connectors.

Funding	Funding	Scope of	Key principles of the fund		
stream	Round 1	this			
		funding			
Small Grant Fund	£0.25m	Supporting grants between £10,000 to £50,000.	 An application process will be developed that is proportionate to the scale, lighter touch by nature – e.g., a shorter application form. To ensure that proposals meet the core eligibility and evaluation criteria of the Fund, an Expression of Interest will be required prior to submitting their full application. This is the point at which officers will be able to shortlist projects that meet core criteria – such as clear and explicit evidence of community support (e.g. from local community leaders, petitions, surveys, Ward Members, or the Business Improvement 		

Impact projects	£ 0.6m	Supporting grants of £50k to circa £200,000.	District), focus on borough plan outcomes, rationale of need, and a focus on deliverability. Such a fund is likely to generate significant interest. It is important to shortlist at this stage so demand can be managed by council officers. • Capacity building support will be made available to ideas that have a clear purpose, respond well to a local need and borough plan objective, but need development to bring them to a position where the council has comfort of the initiative's deliverability. • The application process will require more detailed Expression of Interest and full application stages. • Project proposals will be expected to provide greater scale of outcomes aligned to the Borough Plan and other council strategies, as well as being required to provide clear evidence of their deliverability. • Evidence of community support will be a required to pass the EOI stage of the process.
Capacity building and	£0.15m	Capacity building	3 Neighbourhood Connectors:
facilitating		support and	Direct support to organisations in the
community		facilitating	small grants process who have a strong
networks,		local	idea that needs further development to
		connections in the	ensure confidence of deliverability.
		community	Also enabling connections where value
		between	can be added by connections to other
		partners	activity or investment in the
		and / or	neighbourhood.
		initiatives.	
TOTAL	£1m	· · · · · · · · · · · · · · · · · · ·	

2.7 Capacity building and facilitating local networks: The proposed allocation of £0.2m include three Neighbourhood Connectors on a fixed term basis, to support the first phase of the project and embed practice (within the initial £1m allocation commitment).

Neighbourhood Connectors

- The intent is that the officers will build strong relationships and networks in local areas
 within the four Neighbourhood Areas in scope), which will give them insight into activity in
 the area across the public, voluntary, and private sectors. This in turn can lead to
 coordination of activity, ensuring that new investments clearly connect with what is already
 available and can explicitly add value.
- In particular, the officers will need to reflect on the evidence base for the Neighbourhood Areas and work with community-based organisations, providing guidance on how their projects can respond to identified needs, the aspirations of the Borough Plan, as well as helping to knit proposals to other activities and partnerships in the local area.
- The Neighbourhood Connectors will provide support to the project manager of the Community Connections Fund to coordinate the evaluation of proposals, utilising their knowledge of local neighbourhoods and networks. This will include evidence of community need recorded via the Lambeth Made Communities Forums and Lambeth Forum Network.
- A capacity building offer will be developed by the officers that can be offered to
 organisations that submit bids for funding, that have the seed of a project or idea that can
 add value to the local area, but where the proposal and/or the organisations formal
 governance needs more development (e.g., having an established account, formally
 recognised status such as Charitable Status). Officers can choose to provide this support
 to organisations unsuccessful at the EOI or final evaluation stage.
- 2.8 Evidence of need and ongoing engagement will guide the evaluation of proposals.
 - Annual resident surveys: The Council's resident surveys take place each May. The Council
 aims to regularly use residents' surveys and existing networks to identify local community
 priorities. The survey also has the advantage of being statistically representative sampling.
 - Lambeth Made Safer (LMS) Communities and neighbourhood working: The Council has
 committed to regular and facilitated dialogue and action with our communities about how to
 build community resilience and improved safety through the LMS Communities forums. In
 parallel, through our neighbourhood working pilots we are emphasising the need to design
 and deliver services and projects in neighbourhoods by pooling the detailed knowledge of
 our front-line staff and our VSC partners.
 - Annual Neighbourhood reviews. Ward councillors together with any BIDs in the neighbourhood area, would undertake an annual review of developer contribution spend, and any changes in local priority emerging from the resident data.
 - The above sources will be used to produce an annual State of the Borough report, which
 will provide a more detailed insight on community priorities both borough-wide and broken
 down by neighbourhood areas. This will be produced corporately and will help to inform
 corporate policy, strategy and decision making across the Council and partnership working.

2.9 Governance:

- The Community Connections Fund will be guided by a funding board made up of a group
 of Members and council officers, who will set the specific parameters around the funding
 such as the application process and evaluation criteria.
- The board will meet to determine funding allocations and recommend funding awards. It
 will be comprised of Cabinet Members, senior officers, and technical advice including
 finance, legal, and NCIL policy compliance. They will recommend which applications
 should be approved via delegated decisions (as set out in the recommendations).
- The board will be able to guide where bids need further development or capacity building, and where connections to other investment or projects could add value to the proposal.

2.10 Criteria for evaluating proposals

- Outcomes: Responding to the core purpose to build connections within and between communities, building resilience and capacity in communities, and delivering outcomes in response to the Borough Plan ambitions and challenges.
- **Evidence of local need:** Meeting identified social, economic or environmental needs (via quantitative and/ or qualitative evidence).
- Evidence of community support: E.g. letters of support from the community, which should evidence engagement with Ward Members and where applicable the local Business Improvement District.
- **Partnerships**: Evidence that bids are building or strengthening local partnerships and building capacity and resilience of the organisation.

· Deliverability:

- Evidence of resources, capacity and capability to deliver (proportionate to the scale or complexity of the project)
- Delivery must commence within one year of receiving the grant agreement for capital works, within six months for revenue expenditure.
- Evidence will be required to provide confidence that the project can be delivered within the funding requested.

Add value and maximise impact:

- Evidence how the funding will add value to other investment or activity in the neighbourhood and actively connect to other investments and activity where appropriate.
- Avoid duplication by considering added value of other grant funds of existing programmes and council investment should be avoided. Neighbourhood

Connectors can support identification of connections with other grant funds available from the council. E.g. The Social Value Fund, Lambeth Youth Opportunities Fund, and Digital Inclusion Fund.

• Compliance: with NCIL regulations and other grant agreement conditions.

2.11 Funding Eligibility:

- This funding can't support 'core business' and must support the fund's stated aims. Bidders may be guided by the council to engage with other local organistations, partnership, or where applicable the neighbourhood working pilots in a given location.
- Applications can be made by the following organisations based in the borough:
 - Not for profits and social enterprises
 - Unincorporated community groups (we would encourage these organisations to work with the Integrate Agency CIC who will provide support to become incorporated)
 - Council led projects where there is clear and explicit evidence of community support
 - Education providers including schools
 - Local business partnerships (whilst being cognisant of state aid rules)
 - Non-council led initiatives will be supported to connect into other local initiatives underway and may require further officer support in capacity building.

2.12 Timescales:

- The aim is to launch the first round of funding to the wider community in 2021-22 financial year.
- An application window of one month will be given for the EOI stage.
- Final bids would be given a further four weeks to submit their applications.

2. FINANCE

- This report recommends a maximum spend of £4,000,000 on projects to be agreed within the identified Neighbourhood Areas up to March 2025. This will be funded from NCIL monies that the Council expects to have available in that time period.
- There is an existing commitment to spend £5m of NCIL monies on Employment and Skills initiatives. This decision therefore increases the commitment to £9m
- As of July 2021 the Council has £415k NCIL monies banked and unallocated to contribute towards these projects.
- As the programmes last until March 2025, it is reasonable to expect that sufficient sums of NCIL will be generated in the intervening period to fund both this programme and the £5m allocation to Employment and Skills already made.

However, as the amount currently available is less than the proposed spend, once the
projects to be funded have been identified, timing of expenditure will need to be planned
in line with the expected profile of monies being received. If this is not possible then the
Council would need to finance the spend with borrowing in the short-term which would
impact on wider revenue budgets.

3. LEGAL AND DEMOCRACY

- The Community Infrastructure Levy Regulations 2010 (the 2010 Regulations) provide the framework for how CIL can be spent. This report is concerned with the expenditure of the local or neighbourhood element of CIL and is referred to as NCIL.
- Regulation 59 of the 2010 Regulations allows the council to spend 15% of CIL receipts or 25% where a Neighbourhood Plan has been adopted on (a) the provision, improvement, replacement, operation or maintenance of infrastructure; or (b) anything else that is concerned with addressing the demands that development places on an area.
- The 2010 Regulations do not prescribe how NCIL should be spent. The council has a
 wide discretion but it must have regard to government guidance. The most recent
 guidance is set out in National Planning Practice Guidance which was most recently
 updated on 16 November 2020.
- The law does not prescribe a specific process for agreeing how the neighbourhood portion should be spent. Charging authorities should use existing community consultation and engagement processes. Paragraph 5 of this report sets out what consultation has taken place in accordance with the regulations and guidance.
- This proposed key decision was entered in the Forward Plan on the 22nd November 2021 and the necessary 28 clear days' notice has been given. In addition, the Council's Constitution requires the report to be published on the website for five clear days before the proposed decision is approved by the Cabinet Member. Any representations received during this period must be considered by the decision-maker before the decision is taken. A further period of five clear days the call-in period must then elapse before the decision is enacted. If the decision is called-in during this period, it cannot be enacted until the call-in has been considered and resolved.

4. CONSULTATION AND CO-PRODUCTION

• As outlined in the 5 July 2021 Cabinet paper on "Developer Contributions and NCIL Delivery Framework", the allocation of NCIL has been informed through detailed analysis of the four completed CLIPs since 2017 – namely Stockwell, Norwood, North Lambeth and Waterloo. CLIPs for Clapham, Brixton and Streatham had not been completed. The engagement process from the four completed CLIPs had asked residents to identify priority projects for neighbourhood investment. The priorities across the areas were very similar. From this analysis, ten common project types were identified which informed allocations for the Capital Investment Programme and NCIL that has been approved by the Cabinet for the next five years.

5. RISK MANAGEMENT

 The allocation of funds from NCIL is based on funding already received and funding which is forecasted to be received over the coming years. If development in the borough does not take place at the rate forecasted, there may not be sufficient NCIL available to cover this allocation and other allocations which are intended to be made.

- To mitigate this, the forecasts have been calculated in a deliberately cautious manner to account for fluctuations in the development pipeline, not least as a result of the economic impact of COVID-19. Additionally the receipts from CIL and NCIL are monitored and reported on a quarterly basis which allows income to be tracked against the forecast. If the NCIL income levels fall consistently below the forecast, steps will be taken to look at scaling back the programmes or finding alternative funding sources.
- The main risks that impede on the successful delivery of this procurement and contract are:

Item	Risk	Likelihood	Impact	Score	Control Measures
1	Insufficient NCIL is received over the next three years to cover the proposed level of expenditure	2	4	8	The timing of the funded programmes will need to be managed to ensure that sufficient NCIL has been received before spend is committed.
2	Insufficient "shovel ready" projects to spend the level of resource being committed	1	2	2	Any unspent allocation would be returned to the NCIL balance.

6. EQUALITIES IMPACT ASSESSMENT

- The full Equalities Impact Assessment carried out in 2013 for the adoption of Lambeth's CIL
 Charging Schedule and other associated policy documents continues to be relevant and
 accurate. That report states: "The infrastructure and services that CIL will provide will
 enhance accessibility and liveability of all sectors of society, including all equality groups."
- Individual projects progressed using this NCIL allocation will be subject to an Equalities Impact Assessment

7. COMMUNITY SAFETY

 Community safety issues will be factored into any design commissions. Investment in the built environment helps to build stronger and safer communities by increasing the sense of belonging to a neighbourhood, increasing overall satisfaction with the local area, and decreasing perceptions of anti-social behaviour.

8. ORGANISATIONAL IMPLICATIONS

• NONE.

9. ENVIRONMENTAL

The Fund can support environmental aims, as long as it responds to a local need and the
aspirations of the Borough Plan, and future decisions will individually detail health
implications.

Health

• The Fund can support health and wellbeing outcomes, as long as it responds to a local need and the aspirations of the Borough Plan, and future decisions will individually detail health implications.

Corporate Parenting

· Not applicable.

Staffing and accommodation

• Upto 5% of the £4m allocation of NCIL for the Community Connections Fund will be available to provide project management capacity to manage the process, evaluation and monitoring.

Responsible Procurement

• Bids to the Community Connections Fund will need to show potential for alignment to the council's commitments on responsible procurement, such as supporting local employment, skills, supply chains, and environmental goals.

10. TIMETABLE FOR IMPLEMENTATION

 The table below details the stages and deadlines for implementing the recommendation of this report:

Activity	Proposed Date
Date published on Forward Plan	22 November 2021
Publication on Decisions online	12 January 2022
Decision Date	20 January 2022
Implementation of Decision	March 2022

AUDIT TRAIL				
Consultation				
Name/Position	Lambeth directorate / department or partner	Date Sent	Date Received	Comments in paragraph:
Councillor Matthew Bennett	Deputy Leader of the Council (Planning, Investment and New Homes)	29 October 2021	3 November 2021	
Councillor Claire Holland	Leader of the Council	29 October 2021	3 November 2021	
Councillor Jacqui Dyer	Deputy Leader of the Council (Jobs, Skills and Community Safety)	29 October 2021	3 November 2021	
Eleanor Purser and Sara Waller, Co- Strategic Director	Sustainable Growth and Opportunity	4 August 2021	6 August 2021	
Matthew Gaynor, Assistant Director	Finance and Investment	2 August 2021	6 August 2021	
Peter Flockhart, Legal Services	Legal and Governance	2 August 2021	6 August 2021	
David Rose, Democratic Services	Legal and Governance	2 August 2021	12 August 2021	
Benny Clutario, CIL/S106 Manager	Economy, Culture and Skills	2 August 2021	4 August 2021	
Chloe Bernard-Grahame, Senior Officer	Corporate Strategy (Neighbourhood Working)	2 August 2021	4 August 2021	
Vanessa Wilson, Programme Director	Resident Services (Neighbourhood Working)	2 August 2021	4 August 2021	

REPORT HISTORY			
Original discussion with Cabinet Member	3 November 2021		
Report deadline	n/a		
Date final report sent	n/a		
Part II Exempt from Disclosure/confidential	No		
accompanying report?	NO 		
Key decision report	Yes		
Date first appeared on forward plan	22 November 2021		
Key decision reasons	2. Expenditure over £500,000		
	Co-operative Local Investment Plans (CLIPs):		
	Delivery Framework and Refining Allocation Criteria -		
	Cabinet Report, January 2017		
Background information			
	South Bank and Waterloo Neighbourhood Plan:		
	https://www.lambeth.gov.uk/sites/default/files/pl South		
	Bank_and_Waterloo_Neighbourhood_Development		
	<u>Plan.pdf</u>		

	Cabinet Report (5 th July 2021) – Developer Contributions and NCIL Delivery Framework https://moderngov.lambeth.gov.uk/documents/s12975 https://moderngov.lambeth.gov.uk/documents/s12975 https://moderngov.lambeth.gov.uk/documents/s12975 https://moderngov.lambeth.gov.uk/documents/s12975 specifications https://moderngov.lambeth.gov.uk/documents/s12975 specifications specification
	Financial Planning and Medium Term Strategy Report 2020/21 to 2024/25 – inclusive of 5 year Capital Investment Programme https://moderngov.lambeth.gov.uk/ieDecisionDetails.aspx?ID=6632
Appendices	Equality Impact Assessment - Appendix 1 - Developer Contributions and Neighbourhood CIL Delivery Framework EIA.pdf (lambeth.gov.uk)

APPROVAL BY CABINET MEMBER OR OFFICER IN ACCORDANCE WITH SCHEME OF DELEGATION

I confirm I have consulted Finance, Legal, and Democratic Services, and taken account of their advice and comments in completing the report for approval:

Signature:	Date:	-
Post: Matthew Dibben Assistant Director – Neighbourhood Rege Partnerships	eneration and	
I confirm I have consulted the relevant required), and approve the above reco	Cabinet Members, including the Leader of mmendations:	of the Council (if
Signature:	Date:	_
Post: Councillor Matthew Bennett Deputy Leader of the Council (Planning, I	nvestment and New Homes)	
Any declarations of interest (or exemp	tions granted): None	
Any conflicts of interest: None		
Any dispensations: None		