

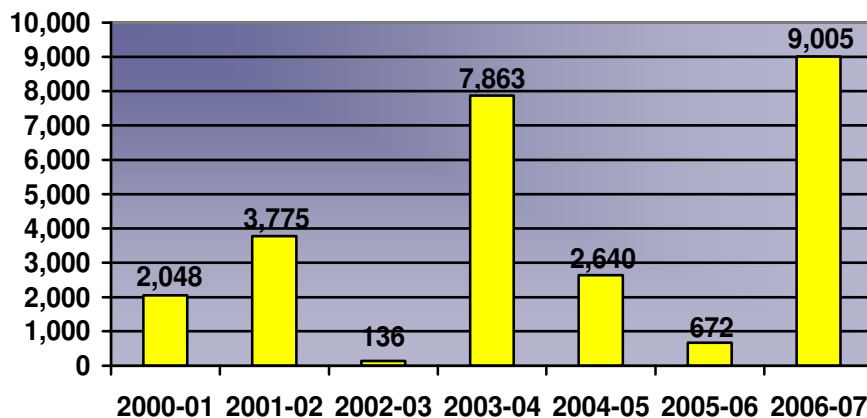
## Section 106 Year End Report 2006-07

### 1. Highlights of the Year: April 2006 to March 2007

2006-07 HIGHLIGHTS	
Value of Agreements Signed	£9m
Payments Received	£1.9m
S106 Money Spent	£3.5m
Balance at Year End	£6.1m

105 S106 agreements were signed in 2006-07 with a total current value of £9,004,824.07. This surpasses the previous highest level in 2003-04 of £7.8 million. Figure 1 below reflects the trend of growth over the last seven years:

**Figure 1: Value of S106 agreements per financial year (in £ 000's)**



The 105 agreements involved 338 planning obligations. 33 of the agreements had a financial value. Table 1 below shows the breakdown of all 338 planning obligations by obligation type and money receivable:

**Table 1: Number and Value of Obligations by Obligation Type**

Obligation Type	No of Obligations	Income Receivable
Affordable Housing - On Site	20	£0.00
Affordable Housing - RSL Schemes Only	16	£0.00
Car Club	11	£30,104.00
Community Facilities	8	£546,909.00

Obligation Type	No of Obligations	Income Receivable
Education	18	£4,337,647.00
Employment and Training	9	£289,820.00
Miscellaneous	107	£234,000.00
Monitoring Charge	10	£31,451.00
Parking Restriction	67	£0.00
Public Realm - On Site Improvements	1	£75,000.00
Public Realm - Parks and Open Spaces	17	£1,012,403.00
Public Realm - Streetscapes	5	£257,000.00
Public Transport	6	£1,390,490.00
Traffic and Highway	32	£800,000.00
Travel Plan	11	£0.00
<b>TOTAL</b>	<b>338</b>	<b>£9,004,824.00</b>

## 2. Notable Agreements

11 agreements had planning obligations with financial contributions worth more than £100,000 in total, this accounts for 94 per cent of total financial contributions negotiated during the year. These agreements are in relation to the following schemes:

**Table 2: Schemes with More Than £100k in Financial Value**

Legal Ref	Scheme Address	No of Obligations	Income Receivable
397/L/S106	Clapham Park	31	£2,900,000.00
136/L/S106B	1 Westminster Bridge Road	6	£1,178,310.00
453/L/S106	Stockwell Park and Robsart Village Estates	19	£989,009.00
422/L/S106	15 Stockwell Green and 78 Lingham Street	12	£810,000.00
437/L/S106	Freemans Site, Clapham Road	9	£613,361.00
394/L/S106	South Bank University, Wandsworth Road	19	£589,511.00
43/L/S106A	Former South London Hospital for Women, Clapham Common	3	£420,909.07
406/L/S106	53, 55, 57, 59 and 63 Old Town and Grafton Square	6	£385,145.00
452/L/S106	368-372 Coldharbour Lane	9	£243,950.00
450/L/S106	25-33 Macaulay Road	7	£235,000.00
389/L/S106	St George Wharf, Vauxhall Cross	5	£110,000.00
<b>TOTAL</b>		<b>126</b>	<b>£8,475,195.07</b>

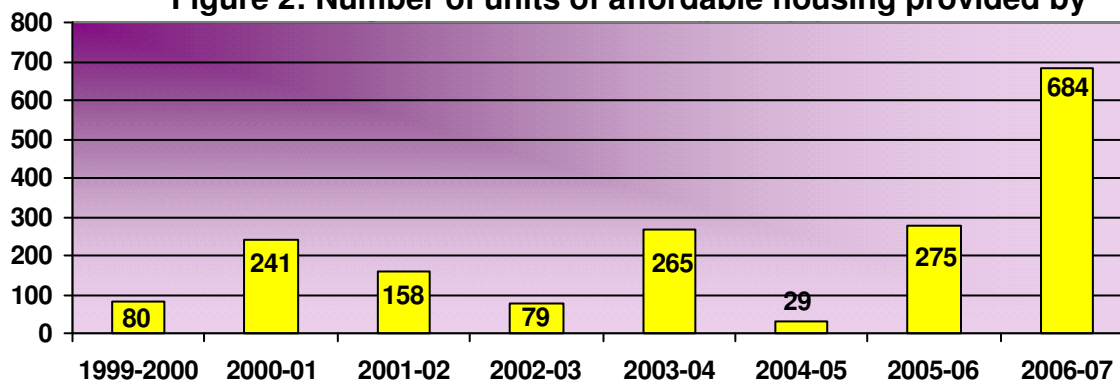
There were 13 agreements in 2006-07 aiming to deliver at least 684 new units of affordable housing. This is the highest ever number of affordable housing units negotiated from private developers, representing a three-fold increase from the previous year which was previously the highest number. Table 3 lists the schemes with on-site

affordable housing in 2006-07. Figure 4 shows the number of affordable housing units negotiated with private developers each year since 1999.

**Table 3: Schemes with Affordable Housing On-Site**

Legal Ref	Address	Percentage	No of affordable units	No of market units	Total no of units
401/L/S106	Inglewood	50%	41	42	83
387/L/S106	360-366 Coldharbour Lane	35%	21	39	60
389/L/S106A	St George Wharf	31%	92	182	274
394/L/S106	South Bank University	25%	54	169	223
396/L/S106	190-196 Kennington Park Road	40%	11	17	28
406/L/S106	53, 55, 57, 59 and 63 Old Town and Grafton Square	40%	68	102	170
419/L/S106	8 Moat Place	100%	14	0	14
422/L/S106	15 Stockwell Green and 78 Lingham Street	64%	185	105	290
43/L/S106A	Former South London Hospital for Women	26%	27	77	104
134/L/S106A	4-14b Union Rd & 342-344 Clapham Rd	28%	18	47	65
437/L/S106	Freemans Site	35%	90	170	260
450/L/S106	25-33 Macaulay Road	30%	15	36	51
452/L/S106	368-372 Coldharbour Lane	37%	48	107	155
<b>TOTAL</b>		<b>38%</b>	<b>684</b>	<b>1093</b>	<b>1777</b>

**Figure 2: Number of units of affordable housing provided by**



In July 2006, Interim Planning Guidance was approved setting out a formula for calculating contributions for additional school places that will be needed as a result of new developments in the Borough,. Since then, education contributions have become a significant provision in Section 106 agreements with education contributions constituting 48 per cent of all financial contributions negotiated in 2006-07. There were 13 agreements during the year that provided for education contributions. These are:

**Table 4: Schemes with Education Contributions**

Legal Ref	Scheme Address	Education Contributions
397/L/S106	Clapham Park	£2,250,000*
437/L/S106	Freemans Site, Clapham Road	£453,361
422/L/S106	15 Stockwell Green and 78 Lingham Street	£450,000
453/L/S106	Stockwell Park and Robsart Village Estates	£329,861
394/L/S106	South Bank University	£189,511
406/L/S106	53, 55, 57, 59 and 63 Old Town and Grafton Square	£185,145
452/L/S106	368-372 Coldharbour Lane	£178,000
450/L/S106	25-33 Macaulay Road	£177,000
443/L/S106	Claremont East Estate, Streatham Hill	£60,981
445/L/S106	50 Corry Drive	£24,131
447/L/S106	346-358 South Lambeth Road	£17,000
412/L/S106	54-56 Knatchbull Road	£12,256
409/L/S106	Herbert Morrison House, 154-160 Brixton Road	£10,401
<b>TOTAL</b>		<b>£4,337,647</b>

### 3. Payments Received

Total payments received from April 2006 was £1.97m, slightly lower than the figure for 2005-06 which was £1,998,801. Table 5 below breaks down the value of receipts by obligation type:

**Table 5: Receipts by Obligation Type**

Obligation Type	Receipt
Car Club	£8,500.00
Community Facilities	£620,909.07
Employment and Training	£100,000.00
Miscellaneous	£276,255.00
Monitoring Fees	£500.00
Public Realm - Parks and Open Spaces	£8,000.00
Public Realm - Revenue Payment	£385,530.00
Public Realm - Streetscapes	£51,500.00
Public Transport	£267,165.00
Traffic and Highway	£254,500.00
<b>TOTAL</b>	<b>£1,972,859.07</b>

\* The agreement with the Clapham Park developer on education contributions was made in June 2006 prior to the introduction of the interim guidance.

Notable payments received were:

- **£420,909.07** from Tesco for the former South London Hospital for Women, Clapham Common towards one or more of the following objectives:
  - (a) Provision of a public access IT Centre at Clapham Library and improvements to the library building; and/or,
  - (b) Offering internet access and software education and training facilities to local residents; and/or,
  - (c) Provision or improvement of public toilet facilities in the vicinity of site; and/or,
  - (d) Other works, projects, equipment, facilities or similar objectives within the vicinity of the site which the Council considers to be necessary and reasonable
- **£385,530** from British Airways London Eye in relation to its annual contribution towards "on-going measures" and community initiatives to mitigate the impact of the London attraction.
- **£200,000** in relation to the development at the former ABC Cinema & Car Park in Streatham High Road to be spent towards community projects in the local area.
- **£126,255** from Queensborough House for indexation payments which will be allocated for any of the projects currently funded by the S106 agreements at Queensborough House (57/L/S106A and 57/L/S106C) which might need additional funding.
- **£108,000** in relation to the development at 214-238 Norwood Road for various transport and highway obligations.
- **£100,000** from the development in County Hall Riverside Building which is the final payment from developers Shirayama Shokusan Co Ltd in relation to the employment and training obligation in the agreement signed back in 1993. This brings to a close a long and arduous pursuit by the Council.

#### 4. S106 Money Spent

The actual spend for the financial year was £3,568,318 against a planned budgeted spend of £4,850,768.03. This is an spend of 74 per cent against the target figure, and also represents an increase in expenditure of 16 per cent over the £3m total spend in 2004-05. It is the largest cash spend from Section 106 planning obligations in a single financial year. Table 3 compares actual and planned spend by obligation type:

**Table 3: Comparison of Actual and Planned Spend for 2006-07**

Obligation Type	Planned Spend 2006-07	Actual Drawdowns 2006-07	Variance	Percentage of Spend
Affordable Housing - Off Site Financial	£390,073.61	£0.00	£390,073.61	0%
Car Club	£6,500.00	£0.00	£6,500.00	0%
Community Facilities	£158,000.00	£5,000.00	£153,000.00	3%
Employment and Training	£260,732.50	£201,875.74	£58,856.76	77%
Miscellaneous	£171,065.44	£71,162.41	£99,903.03	42%
Public Realm - Parks and Open Spaces	£436,500.00	£382,372.91	£54,127.09	88%
Public Realm - Revenue Payment	£440,356.00	£331,419.58	£108,936.42	75%
Public Realm - Streetscapes	£1,629,489.72	£1,542,586.44	£86,903.28	95%
Public Transport	£729,165.00	£494,011.48	£235,153.52	68%
Traffic and Highway	£628,885.76	£539,889.44	£88,996.32	86%
<b>TOTAL</b>	<b>£ 4,850,768.03</b>	<b>£ 3,568,318.00</b>	<b>£ 1,282,450.03</b>	<b>74%</b>

Among the more notable draw downs are the following:

- **£1,070,000** for the Black Prince Road Area Improvement Scheme (BRASS). The £1.8m project is funded by 12 different S106 planning obligations providing lighting improvements around the Albert Embankment area and the enhancement of streetscape, parks, open spaces, and tunnels.
- **£181,000** for Pedlars Park to improve the local park, adding new play equipment, planting and hard and soft landscaping.
- **£141,000** on top of last year's initial expenditure for the Courtenay House Area Improvements Project to carry out reconstructive works on New Park Road between Brixton Hill and Streatham Place including footway reconstruction, de-cluttering, lighting improvements, road improvements and rationalisation of signage.
- **£137,000** to deliver improvements to public transport via the Cross River Tram to link Camden with Peckham and Brixton via Kings Cross and Waterloo, running along Kennington Road. The money has been used to fund Lambeth officer time in undertaking analysis and awareness raising surrounding the current Cross River consultation, including advertising and promotional materials.
- **£124,000** for local safety schemes in Solon Road, Sandemere Road, Fentiman Road and Effra Primary School with part-funding from the Lambeth Opportunity Fund to implement safety measures on local roads that fall outside the Borough Spending Plan accident reduction criteria set by Transport for London.

- **£331,420** for British Airways London Eye (BALE) On-going Measures to fund projects linked to visitor management and to mitigate other impact from the London attraction. The Delegated Authority Report authorising this expenditure was signed on 23 February 2007.
- **£201,718** for a range of Get SET employment and training projects.
- **£41,700** for Building Partnerships, another employment and training scheme. This project is the local labour into construction training and employment programme which Lambeth's Estate Skills Partnership Team (ESP) has been running since October 2002. The scheme targets Lambeth residents and focuses on the opportunities afforded by capital programmes in the Borough.

As can be seen in Table 3 in page 6, the underspend has mostly been in housing, community facilities and miscellaneous planning obligations:

- **Housing.** Housing has reported difficulty in spending money from affordable housing off-site financial contributions. In 2006-07, development was completed for 149-155 Coldharbour Lane, a scheme to provide 13 units of affordable housing for social rent. £372,881 of the total scheme cost was to be funded from two affordable housing off-site planning obligations (Legal Refs 01/L/S106 and 328/L/S106). However, the contract with Metropolitan Housing Trust had to be revised and this has delayed the preparation of a Delegated Authority Report to authorise this expenditure and the release of S106 funds. This matter should be resolved in the financial year 2007/08.
- **Community Facilities.** All the planned spend for £158k is in relation to the former ABC Cinema. The Expenditure Approval was submitted and then signed off by Planning only in Quarter 4. Release of S106 funds will occur in the financial year 2007/08.
- **Miscellaneous.** The underspend of nearly £100k is in relation to two projects Carlisle Lane South Improvements and Westminster Bridge Road Tunnel. Both projects are on-going and further expenditure will occur in the next financial year.

## 5. Balance at Year End

The balance of S106 moneys as at 31 March 2007 is £6,106,152.14. This includes interest accrued during the year totalling £179,523.70. The money will be brought forward to the following financial year 2007-08 to fund new and on-going schemes.

## 6. Organisational Highlights

The Section 106 Corporate Officers Group held regular meetings on a quarterly basis in 2006-07. However, attendance was limited to only a few spending departments. The nature of Section 106 implementation necessarily involves the participation of various Council departments and services. Table 6 below gives a breakdown of attendance by Council department.

**Table 6: S106 Corporate Officers Attendance in 2006-07**

Department	S106 Officer Meetings Held			
	12-05-2006	03-08-2006	24-10-2006	23-01-2007
Planning	4	3	3	2
Transport	1	1	1	1
Parks and Open Spaces	1	1	None	None
Environment Finance	1	2	1	1
Regeneration	None	1	1	1
Corporate Finance	None	1	1	1
Housing	1	None	None	None
Adults & Community Services	None	1	None	1
Children & Young People Services	None	None	None	None
Strategy & Corporate Services	None	None	None	None
<b>TOTAL</b>	<b>8</b>	<b>10</b>	<b>7</b>	<b>7</b>

In 2005-06, the Planning Service began work with Lambeth IT to develop an online database that can be accessed through the Council's intranet. In December 2006, the application finally became live and operational and was used in the production of the Quarter 3 Monitoring Report. Training has been provided to 17 participants, including 15 S106 project officers. A further roll-out of the application is planned during the financial year 2007-08.

In November 2006, the Overview & Scrutiny Committee received a report describing the Council's current approach to Section 106. The Overview and Scrutiny Committee also received evidence from the Audit Commission and local regeneration and community stakeholders on the negotiation, implementation, and application of resources raised from planning obligations. The Committee resolved to establish a Working Party/Commission to:

- a) Examine practice on planning obligations and issues relating to S106 agreements, and to enhance development of the SPD (to include but not be limited to areas such as transport, small developments, green space and public art),
- b) Consider and be ambitious about the use of existing and potential new tools to include:
  - A standard tariff on small developments



- Early consultation
- Engagement of smaller community groups
- Use of financial assessment along the lines of the Three Dragons Model
- Monitoring of peer group local planning authorities
- Encouragement of negotiations
- Role of the Local Strategic Partnership

A draft Supplementary Planning Document on Planning Obligations has been in preparation and has been circulated to various Council departments for comment. The draft SPD will be submitted to the Overview and Scrutiny Committee for comment first, before seeking Cabinet approval for public consultation, after the adoption of the Replacement Unitary Development Plan which has been pushed back to July 2007. In the meantime, internal consultation on key topic areas is continuing.

In February 2007, the Council submitted its response to government consultation on the Planning Gain Supplement (PGS), a proposed development levy for infrastructure needs based on the uplift in land value when planning permission is granted for development. The Council believes that the advantages of the present S106 system outweigh the disadvantages. The existing S106 system provides site-specific flexibility which is essential in Lambeth and is also useful in providing demonstrable benefits from a development to the local community and to sustainability objectives.

In March 2007, Lambeth Planning commissioned a peer review which was facilitated by the IDeA. In relation to Section 106 implementation, the report from the peer review noted the following points:

- The need to ensure greater transparency on Section 106 agreements for all stakeholders
- The need for Section 106 expenditure to be prioritised

These points are currently being considered in the preparation of the Planning Service Plan for 2007-08.