

## LONDON BOROUGH OF LAMBETH

### COMMUNITY INFRASTRUCTURE LEVY

#### TOPIC PAPER 6 – Affordable Housing and Section 106 Delivery over last 5 Years/ Projected CIL income over the next five years.

##### Introduction

This note sets out the Council's record of achieving affordable housing over the last five years, in parallel to Section 106 payments and value of Section Agreements into over the last five years. This information is provided as background evidence as set out in para 22 of CIL Guidance issued by CLG.

It also provides a comparison of actual S 106 income against projected CIL income over the next five years.

Figures have been sourced from previously published documents.

##### Affordable Housing and Housing Delivery

Affordable housing provision is often the key Section 106 delivery in terms of planning obligations, on a site by site by basis, and in terms of overall value. Table 1 gives the net affordable housing delivery with Lambeth over the last five years.

**Table 1 Net Affordable Housing Delivery**

	<b>Affordable Unit Completion (Net)</b>	<b>Total Unit Completion (Net)</b>	<b>Aff Dwellings as % of Net Units</b>	<b>Lambeth London Plan Target Total Completions</b>	<b>Lambeth Total Dwelling Completions as % of Target</b>
<b>2012/13</b>	269	623	43%	1,195	52%
<b>2011/12</b>	358	850	63%	1,195	71%
<b>2010/11</b>	694	1289	54%	1,100	117%
<b>2009/10</b>	420	1152	36%	1,100	105%
<b>2008/09</b>	567	1095	52%	1,100	99.5%
<b>Total</b>	<b>2,308</b>	<b>5,009</b>	<b>46%</b>	<b>5,690</b>	<b>88%</b>
Average per annum	462	1,002	46%	NA	NA

Source – adapted from London Housing Pipeline Report 2012/13

The affordable housing delivery performance over the last five years of 46% against the total completions over the last five years is broadly where the Council would expect to be in terms of the policy objectives contained in the LCF Core Strategy Policy S2 – Housing, from major development schemes of 10 units or more, or 0.1 hectares.

The financial value of the Affordable Housing provision based on a current, averaged size, two bed room unit purchased by a Registered Provider from a recent LB Lambeth sponsored scheme would be in the region of £140,000. One estimate of the value of affordable housing provision in Lambeth over the last five years would be therefore 2,308 units x £140,000, giving a figure of approximately £323 million in financial value.

Total dwelling completions are below the London Planned annual dwelling delivery targets. Performance over the last two years has dropped as a result of the recession. There was also a slight increase in Lambeth's Dwelling completion target on the adoption of July 2011 version of the London Plan. The current London Plan annual target is made up of 1,142 conventional supply, 9 non self contained units, and 46 vacant private sector units brought back into use. All Lambeth recorded completions in table 1, are conventional supply provision.

### Section 106 Financial Obligations

Lambeth has an established system for entering into legal agreements to secure payments for planning obligations. Table 2 provides a record of Section 106 payments received, and the value of Section 106 agreements in monetary potential receipt terms entered into within that year.

**Table 2: S 106 Receipts/ Value of Planning Obligations signed over last 5 years**

	<b>Section 106 Receipts within Year</b>	<b>Value of Planning Obligations in signed S 106 Agreements within year</b>	<b>Adjusted Value of Planning Obligations in Signed S106 Agreements within year</b>
2012/13	<b>£4,082,385</b>	£13,229,836	£8,584,534(1)
2011/12	<b>£5,233,974</b>	£8,155,451	£8,155,451
2010/11	<b>£3,204,690</b>	£8,506,808	£8,506,808
2009/10	<b>£4,201,960</b>	£3,991,695	£3,991,695
2008/09	<b>£5,456,415</b>	£30,547,491	£5,947,491(2)
<b>Total</b>	<b>£22,179,424</b>	£64,436,918	£35,105,979
Average per annum.	<b>£4,435,885</b>	£12,887,393	£7,021,196

Source – adapted from published LB Lambeth Section 106 Annual Reviews

Note 1 – excludes revenue payment of £20.6 million towards Doon Street Leisure Scheme, and £4 million off site Affordable House payment

Note 2 – excludes £44.6 million Affordable Housing payment.

The total Section 106 income on a per annum basis is fairly consistent, and averages £4.4 million per annum over the last five years. The values of Section 106 agreements entered into is larger, even when adjusted, when larger one off items are removed, averaging £7 million per annum. This is in part as there is a time lag between the granting of planning permission and implementation, with some schemes being implemented outside the five year period, if implemented at all.

### CIL Income Projections

Current projected Lambeth CIL income is set out in the Lambeth Infrastructure Delivery Plan (as amended November 2013). The figures are based on the proposed Lambeth CIL Rates as set out in the Draft Charging Schedule, on likely residential sites coming forward in terms of approved schemes and the current London Plan Strategic Housing Land Allocation Assessment as it applies to Lambeth. Targets for office floor space are identified within the Waterloo and Vauxhall Opportunity Areas. See Table 3.

**Table 3 Projected Lambeth CIL Income over next five years.**

PROJECTED CIL INCOME		2014-18			
	Area			Totals	Annual Income
Development type	Zone A	Zone B	Zone C		
Residential	£11,615,966	£2,636,275	£5,330,106	£19,582,347	£3,916,469
Office	£13,096,353	£-	£-	£13,096,353	£2,619,271
Annual Income	£4,942,464	£527,255	£1,066,021	<b>£6,535,740</b>	£1,307,148
Totals	£24,712,319	£2,636,275	£5,330,106	<b>£32,678,700</b>	£6,535,740

Source Lambeth CIL Infrastructure Delivery Plan (as amended November 2013)

Income under CIL on average over the next 5 years is projected to be £6.5 million. This is higher than similar average figure for Section 106 over the last five years. In a significant part this is explained by CIL capturing smaller residential schemes, which fall below the operational threshold of sites capable of providing 10 residential units or 0.1 Hectares, where most pooled Section 106 requirements kick in, and are currently largely excluded from most Section 106 charges.

## **Main issues of note arising**

- The level of affordable housing delivery across the borough is in broad alignment with the Borough's Affordable Housing objectives at 2,308 dwellings or 46%
- Lambeth's overall dwelling outcome performance of 5,009 is at 88% of the London Plan Target(s) applicable over the five year period.
- There is significant value to the borough in terms of Affordable Housing output, which at 2,308 units over years.
- The value of Section 106 receipts is relatively small in value terms in comparison to the value of affordable housing secured through planning obligations.
- Projected CIL Income over the next five years per annum is projected to be slightly higher than previous Section 106 income, but not significantly so, and includes a wider catchment of smaller residential units.