

Section 106 Year End Report 2009/10



White Hart Dock (left), Glasshouse Walk Car Club Bay (top right photo) and Tyers Street (lower right photo) were among the projects funded by Section 106 contributions in 2009/10.

1. Highlights of the Year: April 2009 to March 2010

2009/10 HIGHLIGHTS	
Value of Agreements Signed	£4m
Payments Received	£4.2m
S106 Money Spent	£1.45m
Balance at Year End	£14.2m

- 1.1 35 S106 agreements were signed in 2009/10 with a total net value of £3,991,694.57 in planning obligations involving financial contributions. This is significantly lower than in previous years.
- 1.2 The 35 agreements involved 223 new planning obligations. 18 of the agreements involved financial contributions from developers. Table 1 below shows the breakdown of all 223 planning obligations by obligation type and financial value:

Table 1: Number and Value of Obligations by Obligation Type

Obligation Type	No of Obligations	Obligation Value
Affordable Housing - Off Site Financial	1	10,000.00
Affordable Housing - On Site	6	NIL
Affordable Housing - RSL Schemes Only	2	NIL
Car Club	8	58,930.00
Children and Young People Play Space	2	49,439.50
Community Safety	1	NIL
Education	3	488,327.98
Employment and Training	7	128,887.35
Health	4	179,415.50
Libraries	7	62,796.11
Local Labour in Construction	12	307,977.48
Miscellaneous	36	2,000.00
Monitoring Charge	26	75,400.83
Parking Restriction	18	NIL
Public Art	8	298,271.00
Public Realm - Parks and Open Spaces	9	622,000.20
Public Realm - Revenue Payment	6	45,076.37
Public Realm - Streetscapes	8	164,840.00
Public Transport	4	360,000.00
Renewable Energy	9	NIL

Obligation Type	No of Obligations	Obligation Value
Sport and Leisure	8	274,280.12
Sustainable Design and Construction	5	NIL
Traffic and Highway	22	856,052.13
Travel Plan	11	8,000.00
TOTAL	223	£ 3,991,694.57

2. Notable Agreements

2.1 Eleven agreements had planning obligations with financial contributions worth more than £100,000 in total. This accounts for 95 per cent of total new 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	Obligation Value
578/L/S106	Parliament House, 81 Black Prince Road	17	993,000.00
399/L/S278A	1 Westminster Bridge Road	4	430,624.13
570/L/S106	116-120 Coldharbour Lane	16	423,068.96
567/L/S106	General Lying-in Hospital	17	400,309.00
573/L/S106	Mary Seacole House	18	396,487.00
387/L/S106A	360-366 Coldharbour Lane	13	352,424.22
586/L/S106	Fenstanton Primary School	1	270,000.00
572/L/S106	Clapham Leisure Centre	16	162,895.00
561/L/S106A	118-120 Westminster Bridge Road	12	138,981.25
584/L/S106	1-12 Cutcombe Road	9	130,378.00
568/L/S106	East of Hammelton Green	11	117,075.91
TOTAL		134	£ 3,815,243.47

2.2 There were four agreements in 2009/10 aiming to deliver at least 91 new units of affordable housing, which is slightly lower than what was achieved last year or in previous years. Table 3 lists the schemes with on-site affordable housing in 2009/10.

Table 3: Schemes with Affordable Housing On-Site

Legal Ref	Address	Date Signed	Ward	No of affordable units	No of market units	Total no of units	Affordable housing units %	Affordable habitable rooms %
578/L/S106	Parliament House, 81 Black Prince Rd	28-Aug-09	Prince's	28	73	101	28%	34%
573/L/S106	Mary Seacole House	03-Sep-09	Ferndale	n/a	n/a	n/a	n/a	n/a
572/L/S106	Clapham Leisure Centre	03-Sep-09	Clapham Town	44	19	63	70%	75%
387/L/S106A	360-366 Coldharbour Lane	22-Dec-09	Coldharbour	19	44	63	30%	32%
TOTAL				91	136	227	40%	47%

2.3 There were three agreements during the year that provided for education contributions. These are:

Table 4: Schemes with Education Contributions

Legal Ref	Scheme Address	Education Contributions
578/L/S106	Parliament House, 81 Black Prince Road	191,000.00
570/L/S106	116-120 Coldharbour Lane	184,328.82
387/L/S106A	360-366 Coldharbour Lane	112,999.16
TOTAL		£ 488,327.98

3. Payments Received

3.1 Total payments received from April 2009 were £4.2m, lower than last year but still higher than other previous years. Table 5 below breaks down the value of receipts by obligation type:

Table 5: Receipts by Obligation Type

Obligation Type	Receipt
Car Club	38,998.00
Children and Young People Play Space	207,478.00
Education	1,609,608.00
Employment and Training	47,000.00
Health	121,000.00
Local Labour in Construction	75,000.00
Monitoring	36,310.14
Public Art	81,080.00
Public Realm - Parks and Open Spaces	468,248.00
Public Realm - Streetscapes	10,500.00
Public Transport	603,190.00
Traffic and Highway	415,428.00
Travel Plan	1,000.00
Visitor Management	490,620.00
TOTAL	£4,205,460.14

3.2 Notable payments received were:

- **£629,188** from the Bellway Homes Ltd developers of the former Lambeth Hospital site for car club, play space, community facilities, education, public art, parks and open space. The development is now complete.
- **£520,861** from Community Trust Housing, developers of the scheme at Stockwell Park and Robsart Village Estates for education, parks and open spaces and for the first time a health contribution.

- **£497,022** from the Malbray Ltd developers of 1 Westminster Bridge Road, now the Park Plaza Westminster Bridge. The payment was the last tranche of a £994,044 contribution towards public transport improvements.
- **£490,620** from the London Eye for its annual contribution towards "on-going measures" and community initiatives to mitigate the impact of the London attraction.
- **£450,000** from City & Provincial, owners of the development at 15 Stockwell Green and 78 Lingham Street, towards the provision of primary and secondary school places.
- **£238,000** from Places for People Homes Ltd, the developers of 368-372 Coldharbour Lane which has now commenced implementation. The payment is for education, traffic management, car club and parks and open space.
- **£232,621** from Fairview Homes, owners of the former St Saviours College site for car club, education, play space, footway upgrades and improvements to cycle infrastructure.
- **£202,300** from the Riverbank Park Plaza in settlement of the sums that remained outstanding from the S106 agreement at the former Queensborough House. The payment includes the Council's legal costs in pursuing this debt.

4. S106 Money Spent

4.1 Total expenditure of S106 financial contributions in 2009/10 was £1,453,368.43. Among the more notable draw downs are the following:

- **£531,340** from London Eye to fund projects linked to visitor management and to mitigate other impact from the visitor attraction.



Emma Cons. With £155,153.79 of S106 funds from the Addington Street development and a further £475,000 from TfL, the Emma Cons scheme has vastly improved the pedestrian environment while providing a gateway into The Cut.

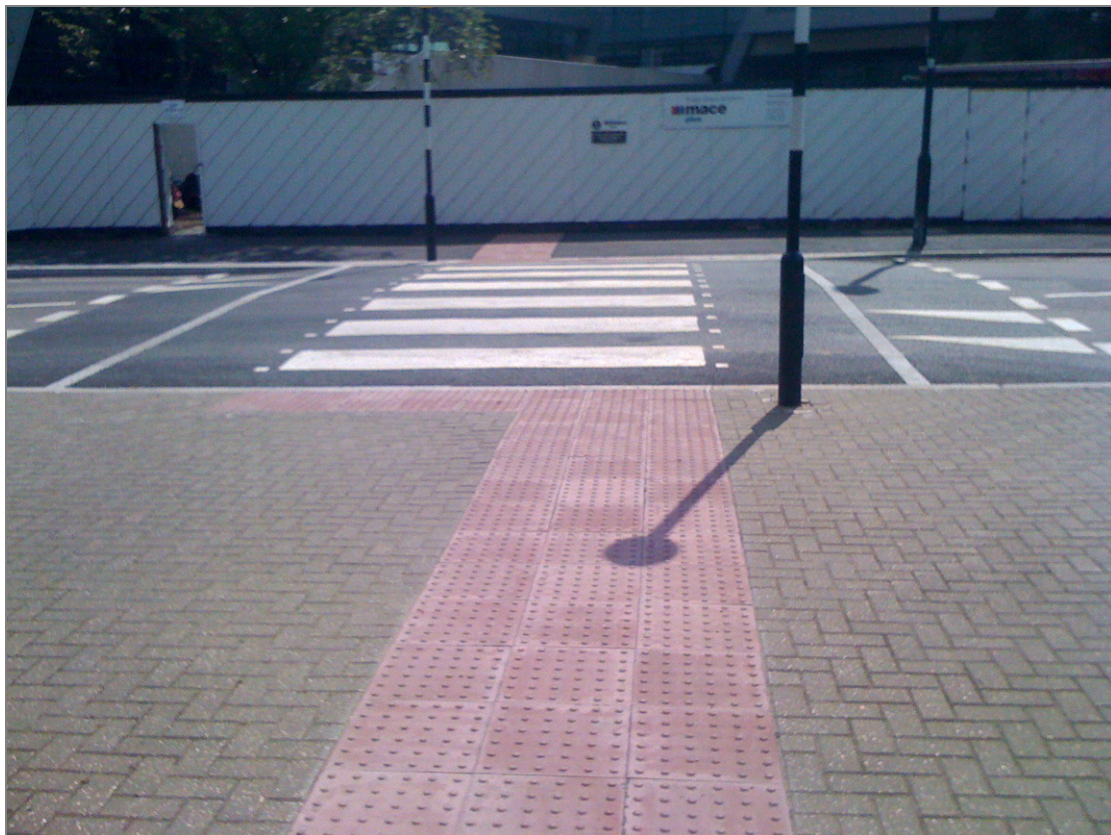
- **£155,154** towards the implementation of a shared surface treatment at Emma Cons/The Cut Junction. The project also included narrowing of the carriageway on all four arms of the junction and the introduction of much needed straight across, signalised pedestrian facilities.
- **£58,650** for the refurbishment of White Hart Dock in front of the Berkeley Homes development and the Riverside Plaza Hotel at Albert Embankment. The public art work, consisting of a series of timber archways, is meant to highlight the existence of the draw dock running parallel to the main road along the riverbank. It was unveiled at a launch ceremony in October 2009. Further complementary works are being delivered as part of the improvements for Black Prince Road and Salamanca Street.



Vauxhall Public Art. A boat was toured around the streets of Vauxhall as part of the launch of the public artwork at White Hart Dock in Albert Embankment. The launch featured local street tours, boat carving, and a steam bending demonstration. *(Photo courtesy of Handspring Design.)*

- **£49,370** to engage urban designers to develop a community engagement scheme and gather various baseline information and traffic data in relation to the Clapham Gateway project. The scheme is now included in TfL's Major Schemes programme, with TfL allocating £170,000 for the scheme in 2010/11 and approximately £2.5 million for construction costs in 2011/12, with additional funding from the remainder of the off-site highways contribution from the nearby Old Town and Grafton Square development

- **£48,425** from the public transport contribution from 1 Westminster Bridge Road, now the Park Plaza Westminster Bridge, toward project management services to develop the Lower Marsh Area-Based Scheme. A design competition was launched recently and the project is now set to appoint cost and design consultants who will undertake the development of a strategic design brief.
- **£45,000** towards a package of environmental improvement works at Tulse Hill station, including re-tiling and re-painting of the station underpass, access and cosmetic improvements to booking hall and stairways to platforms and enhanced lighting. Further improvements to the pedestrian walkway leading to Norwood Road are also planned
- **£41,759** towards the Shakespeare Road Safety Scheme which aims to lower vehicle speeds, reduce collisions, improve road safety and address the future requirements of the Shakespeare Road Academy, both in terms of mitigation of new development impact and to provide pupil safety. The implementation of traffic calming, along with the introduction of zebra crossing facilities, footway extensions and informal crossings at the Coldharbour Lane junction, is now complete. The footway extension at Loughborough Park and other associated road safety and environmental improvements including an area wide 20mph zone and access improvements to the pedestrian underpass will be completed in 2010/11.



Safety First. A new zebra crossing and footway improvements along Shakespeare Road funded by the transport and highways contribution from the proposed school at the former Shakespeare Depot site at Loughborough Park.

4.2 The actual spend for the financial year was £1,453,368 against the first spend profile of £4,289,311 at the start of 2009/10 and a revised spend profile of £1,726,450 after a review in mid-year. The total spend is similar to last year's performance but is still a significant underspend of 66% against the first profiled target and 15% against the second target. Table 6 compares actual and planned spend by obligation type:

Table 6: Comparison of Actual and Planned Spend for 2009/10

Obligation Type	Previous Spend Profile 2009/10	Revised Spend Profile 2009/10	Actual Drawdowns 2009/10	Variance - Previous Spend Profile		Variance - Revised Spend Profile	
Affordable Housing - Off Site Financial	£295,216.09			(295,216)	0%	NIL	0%
Car Club	£31,198.06	£16,321.17	£16,321.17	(14,877)	52%	NIL	100%
Children and Young People Play Space				NIL	0%	NIL	0%
Community Facilities	£70,933.00	£26,460.00	£ 34,949.86	(35,983)	49%	8,490	132%
Education	£166,813.85			(166,814)	0%	NIL	0%
Employment and Training	£220,666.17	£108,756.07	£ 73,109.03	(147,557)	33%	(35,647)	67%
Health				NIL	0%	NIL	0%
Local Labour in Construction	£40,371.50			(40,372)	0%	NIL	0%
Miscellaneous	£267,260.97	£238,468.79	£ 343,609.62	76,349	129%	105,141	144%
Public Art				NIL	0%	NIL	0%
Public Realm - Parks and Open Spaces	£81,515.14	£10,609.65	£ 7,048.61	(74,467)	9%	(3,561)	66%
Public Realm - Streetscapes	£378,701.30	£115,330.12	£ 83,115.79	(295,586)	22%	(32,214)	72%
Public Transport	£650,403.36	£185,641.84	£ 166,116.78	(484,287)	26%	(19,525)	89%
Sport and Leisure				NIL	0%	NIL	0%
Traffic and Highway	£1,522,166.95	£417,084.91	£ 197,757.57	(1,324,409)	13%	(219,327)	47%
Travel Plan				NIL	0%	NIL	0%
Visitor Management	£564,065.00	£607,778.00	£ 531,340.00	(32,725)	94%	(76,438)	87%
TOTAL	£ 4,289,311.39	£ 1,726,450.55	£ 1,453,368.43	(2,835,943)	34%	(273,082)	84%

5. Spend Profile Analysis and Balance at Year End

5.1 As noted above S106 expenditure was approximately a third (34%) of what was profiled as the target expenditure at the start of the year. There were a number of reasons for this:

(a) Delay due to consultation on application of funds: This significantly affected a £600,000 profiled spend under Traffic and Highways, against the Westminster Bridge Road Improvement project, out of a 1.1 million pound expenditure spread across two years into 2010/11. Issues were raised by stakeholders, regarding the scope and specification of the works, which caused delay to the

project starting. The scope and specification have now been confirmed with all parties, and work is programmed to start on site in 2010/11.

- (b) Re-allocation of S106 Funding when other funding was made available:** Some £140,000 of general employment and training money was released from the *Lambeth as Employer of Choice Project* when alternative funding became available. An alternative application of resources was raised via the Lambeth First “Worklessness” Theme Group, but no firm commitment for alternative expenditure occurred in 2009/10. This issue is expected to be addressed in 2010/11.
- (c) Unrealistic Expenditure Profiling:** A number of projects had unrealistic expenditure profiles when original profiles were identified by Service Departments. These did not take into account S106 Expenditure Approval and/or statutory consents, not being in place, at the start of the year, which meant expenditure was never likely to occur as profiled. The education profile, as well as parts of public realm, and traffic and highways proposed profiles also suffered from this. The major part of this was picked up on the revised expenditure profile that occurred at the end of Quarter 3, and is sought to be addressed in future years by highlighting the requirement for S106 expenditure approvals, and other statutory consents when identifying S106 profiles.
- (d) Slippage & Lack of Prioritisation of S106 Expenditure:** A further set of projects slipped in implementation timescales as a result of procurement issues, delays on site, insufficient staff resource allocation to manage them, and lack of progress monitoring. To some extent S106 projects may be viewed as having less pressure to achieve expenditure in line with identified profile spend, compared to other time limited capital expenditure, where there are deadlines or expenditure that will be clawed back by the funder, central government, which Service Departments are required to prioritise. S106 expenditure is generally not time limited, except in a limited number of agreements where claw back clauses exist.

Better integration of S106 expenditure with the Council’s Capital programme, which operates a process of monthly capital monitoring, as opposed to S106 quarterly reporting is being sought to be put in place in 2010/11. This will increase monitoring and improve identifying blockages in S106 expenditure.

- 5.2 The balance of S106 moneys as of 31 March 2010 was £14,237,205.52. This includes interest accrued during the year totalling £61,305.18. The money will be brought forward to the following financial year 2010/11 to fund new and on-going schemes.

6. Organisational Highlights

The Section 106 Corporate Officers Group met on a quarterly basis in 2009/10. Attendance from service departments involved in S 106 expenditure has improved significantly in comparison to previous years. The nature of Section 106 implementation necessarily involves the participation of various Council departments and services. Table 7 below gives a breakdown of attendance by Council department.

Table 7: S106 Corporate Officers Attendance in 2009/10

Department	S106 Officer Meetings Held			
	18-05-2009	04-08-2009	29-10-2009	28-01-2010
Planning	4	3	4	3
Transport	None	3	2	2
Public Realm Finance	None	None	1	1
Parks and Open Spaces	1	1	1	1
ACS Finance	1	1	1	1
Children & Young People Services	1	1	None	2
Housing Partnerships	1	1	None	1
Employment, Learning and Skills	1	1	1	None
Corporate Finance	1	2	None	1
Legal Services	1	1	2	None
Lambeth IT	1	None	1	1
TOTAL	12	14	13	13