

Report title: CIL/S106 Report 2018/19

Wards: All

Portfolio: Councillor Matthew Bennett, Cabinet Member for Planning, Regeneration and Jobs

Report Authorised by: Emma Peters: Interim Strategic Director for Sustainable Growth and Opportunity

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Report summary

The report proposes to approve the CIL/S106 Report 2018/19 which summarises the highlights of the Council's performance in relation to the Community Infrastructure Levy and Section 106 during the financial year.

For CIL, the highlights for 2018/19 are as follows:

- £12.7m receipts for Lambeth CIL
- £3m receipts in Mayoral CIL
- £90m potential CIL to 31 March 2019
- £15.4m allocated to projects
- £5.7m drawn down

For S106, the highlights for 2018/19 are as follows:

- £6.8m S106 receipts
- £4.3m S106 drawdowns
- £19.6m potential S106 receipts from 87 new S106 agreements
- £41.4m remaining S106 balance at the end of 2018/19

Following approval, the CIL/S106 Report 2018/19 will be published on the Council's website.

Finance summary

There are no direct financial implications to the Authority from this report.

Recommendations

1. To approve the CIL/S106 Report for 2018/19.
2. To authorise its publication on the Council's website.

1. Context

- 1.1 Every year, the Council produces an annual review summarising the performance of Section 106 (S106) planning obligations during an entire financial year. Since 2014/15, the review has included the Community Infrastructure Levy (CIL).
- 1.2 CIL is a levy charge on development which allows the Council to raise funds for infrastructure like transport, schools, health facilities, and parks which are needed to support development. Lambeth's CIL Charging Schedule has been in effect since October 2014 while Mayoral CIL has also been in force in the whole of London since April 2012.
- 1.3 S106 agreements are legal agreements entered into between the local planning authority and developers to make development acceptable that would otherwise be unacceptable in planning terms. Planning permission may be granted to a development subject to a Section 106 agreement and this agreement may include a requirement for the developer to pay financial contributions to compensate for any loss or damage caused by the development, or to mitigate a development's wider impact.
- 1.4 Both CIL and S106 are an important resource to enable the council to achieve its three driving priorities as set out in Future Lambeth: Our Borough Plan 2016-2021. These priorities are:
- Inclusive growth
 - Reducing inequality
 - Strong and sustainable neighbourhoods

2. Proposal and Reasons

- 2.1 This report covers the period 1 April 2018 to 31 March 2019. It provides a summary of the Council's work for that period in relation to the Community Infrastructure Levy (CIL) and Section 106 (S106) agreements. The report is in two parts - the first part relates to CIL and the second part relates to S106.

CIL Highlights

- 2.2 For CIL, the highlights for 2018/19 are as follows in Figure 1:

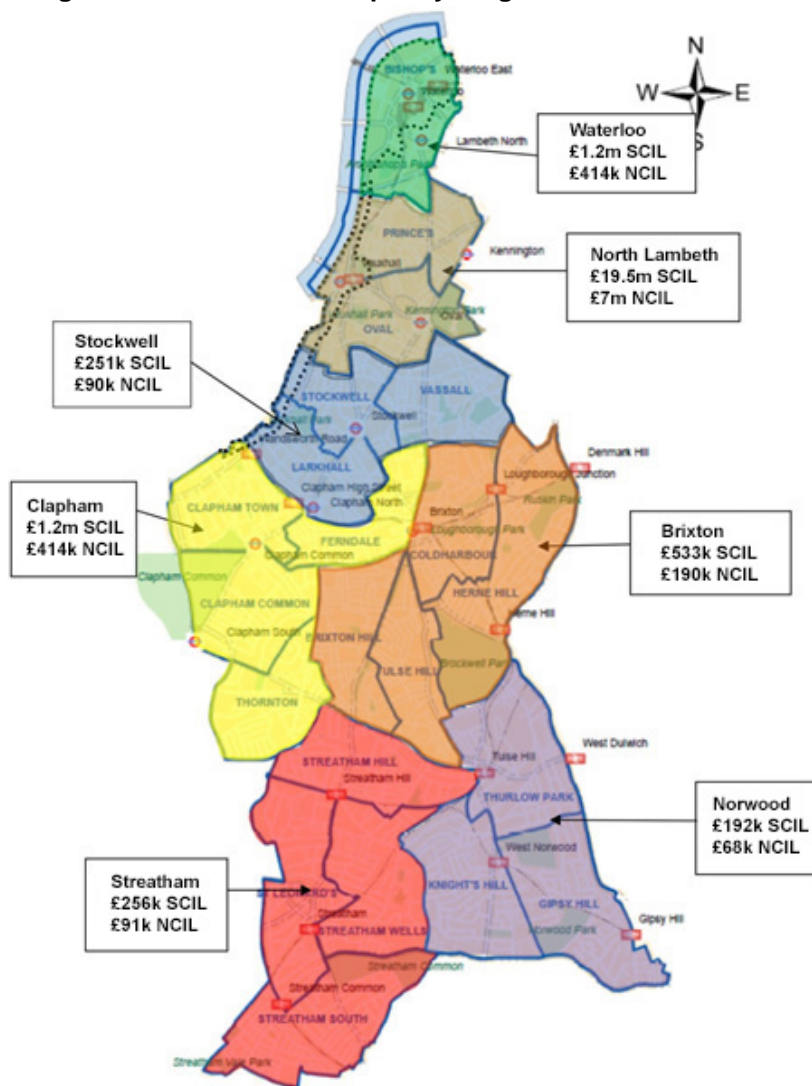
Figure 1: 2018/19 CIL highlights

CIL Highlights	2018/19	2017/18
▪ Lambeth CIL Receipts	12.7m	£2.8m
▪ Outstanding Demand Notices (Lambeth CIL) at yearend	4.3m	£506k
▪ Potential Lambeth CIL Receipts (Liability notices issued) at yearend	£90m	£57m
▪ Lambeth CIL Allocations	£15.4m	£10.4m

- 2.3 **CIL receipts.** In 2018/19, Lambeth received £12,730,450 towards Lambeth CIL and £2,947,340 for Mayoral CIL. This is higher than in 2017/18 when Lambeth collected £2,786,073 in payments towards Lambeth CIL and a further £1,896,390 for Mayoral CIL.

- 2.4 All the CIL receipts for both Lambeth CIL and Mayoral CIL in 2018/19 were collected from 72 developments compared to 123 for the year before. However, 65 developments or 90 per cent of these incurred total CIL liabilities of less than £100k. Three schemes in 2018/19 had a CIL liability of more than £1m. The CIL receipt from one development accounted for 60 per cent of all Lambeth CIL receipts in 2018/19.
- 2.5 Figure 2 below provides details of £33 million banked cumulative CIL receipts as at 31/03/2019. The receipts are broken down into 70 per cent Strategic CIL (SCIL) and 25 per cent Neighbourhood CIL (NCIL) for each of the seven Neighbourhood CIL areas in Lambeth.

Figure 2: Banked CIL receipts by Neighbourhood CIL area



- 2.6 **Outstanding CIL.** At the end of 31 March 2019, a total £4,336,701 in Lambeth CIL were outstanding from four cases that have been passed on to the Council's litigators Judge & Priestley. Enforcement action is on-going to recover these amounts. Details of the four cases are set out in Figure 3 below:

Figure 3: Outstanding CIL Liabilities as at 31 March 2019

Planning Ref	Site Address	CIL Liability
16/02493/FUL	2 Carpenter's Place; London; SW4 7TD	19,729.71
16/01010/VOC	52 Clarence Avenue; London; SW4 8JF	571.13
14/05245/FUL	Land Rear Of 52 Clarence Avenue; London; SW4	42,712.20
17/00605/FUL	44 Clapham Common South Side London SW4 9BU	4,273,687.96
	TOTAL	4,336,701.00

- 2.7 **Potential CIL.** CIL Liability Notices with a total value of £62m were issued to 127 chargeable developments in 2018/19. Of these, £49m was for Lambeth CIL and £13m was for Mayoral CIL. 33 of these 127 developments commenced in 2018/19. The remaining 94 developments that have not commenced have potential CIL receipts valued at £41.6m (£32.1m Lambeth CIL and £9.5m Mayoral CIL). Up to 31 March 2019, potential CIL liabilities from developments that have not commenced totalled £117m, of which nearly £90m was for Lambeth CIL.
- 2.8 **CIL relief.** In 2018/19, Lambeth provided £4.8 million in CIL Relief. Nearly £80k were related to relief for self-builders and extensions. The rest of the £4.7m relief was for social housing relief applied to seven schemes providing 232 affordable housing units with a total 20,037m² of residential floorspace. Three of the seven schemes provided 100% affordable housing.
- 2.9 **CIL allocations.** In 2018/19, a total £15.4m was allocated to projects as set out in Figure 4 below:

Figure 4: CIL allocations and drawdowns to 31 March 2019

	Allocation (£)	Expenditure (£)
Strategic CIL		
Brixton Market Gateway Brixton Rail Bridge	£66,257	£66,257
Windmill Education Centre	£320,485	£90,690
Waterloo City Hub Imax	£166,350	£166,272
Hubert Grove Footbridge	£850,000	
Highways Improvement	£4,432,139	£4,432,139
Further match funding for Loughborough Junction Works	£614,030	£146,957
Vauxhall Park	£988,688	
Relocating Lambeth Archives	£90,000	£26,062
Streatham Common Play Area	£180,000	£130,742
Streatham Common Play Kiosk	£95,000	£69,518
Brockwell Hall Capital Works	£23,422	£23,422
Young Lives Matter	£30,934	£30,934
Makerversity	£7,470	£7,470
Atlantic Road Public Realm	£10,903	£10,903
Brixton Station Public Realm	£5,707	£5,707
Brixton Works	£164,948	£164,948
Transforming Vauxhall	£50,383	£50,383
Viability Study on London Overground at Loughborough J.	£40,000	
Repairs to Grade 2 listed walls at St Johns Churchyard	£41,000	
Electric Vehicle Charging Points Pilot Programme	£50,000	£24,292
GPE - a 3 year delivery and infrastructure Study	£40,000	£28,200
Regenerating Brixton's Rec Quarter - Good Growth Fund	£820,000	
Clapham Park Phase 2 Primary Care Development	£1,272,000	
Development of Brixton Open Spaces Manual Projects	£3,602	£3,602
Domino Club	£32,043	£32,043
Brixton Townscape Heritage	£5,111	£5,111
Area Regeneration Infrastructure	£709,083	£537,087
Slade Gardens Comm Play Association - Comm Asset Transfer	£90,000	£50,000
Vehicles and Equipment for the Tree Maintenance Service	£300,000	
Southbank Hostile Vehicle Mitigation Project	£775,000	
Waterloo Roundabout / City Hub Redevelopment	£1,449,520	
Planning, Transport and Development Infrastructure projects	£329,452	£329,452
	£14,053,528	£6,432,191
Neighbourhood CIL		
CLIP Investment Programme - Air Quality	£45,000	£3,890
North Lambeth and Stockwell CLIPS - Parks Officer	£92,886	£29,758
Expansion of Project Smith Community Connectors	£30,000	£30,000
Binfield Road Market	£30,000	
Public Realm Improvements to Spurgeon Estate	£40,000	
Improving access to cycle storage in Estates	£80,000	
Grant Funding to Youth Organisations	£490,000	
Crowdfunding	£240,000	£16,250
Maintenance of Parks and Open Spaces	£269,494	£42,680
Community Disabled Go	£9,300	
Myatts Field Park Resilience Funding	£20,000	£20,000
	£1,346,680	£142,578
TOTAL	£15,400,208	£6,574,769

2.10 **CIL drawdowns.** The target for 2018/19 was to spend £3,929,325 from Lambeth CIL. At the end of March 2019, a total £5,668,772 was drawn down towards projects funded by Strategic CIL and Neighbourhood CIL and £181,405 towards administration. Figure 5 provides a variance analysis between target and actual spend figures for CIL in 2018/19 by service area. Note that CIL allocations can be forecast over a number of years. For example, the £120k CIL allocation for Housing was targeted to be spent in 2019/20 and 2020/21 not in 2018/19. The actual spend by Highways of over £4m in 2018/19 consisted primarily of the amount that was underspent in 2017/18. The target spend by Regeneration of around £1.8m includes projects where the CIL allocation was approved after April 2018. The actual spend by Policy & Partnership and Planning/Transport in 2018/19 was allocated after April 2018.

Figure 5: 2018/19 CIL variance analysis

Strategic CIL Service Area	CIL Allocation as at 01/04/2018 (£)	Target spend 2018/19 (£)	Actual spend 2018/19 (£)	Variance	Percentage
Refund Provision	133,293	133,293	-	(133,293)	0%
Commissioning	760,000	244,400	46,250	(198,150)	-428%
Environmental Services	75,000	57,000	28,182	(28,818)	-102%
Highways	5,282,139	355,000	4,033,373	3,678,373	+91%
Housing	120,000	-	-	-	0%
Leisure	90,000	90,000	-	(90,000)	0%
Parks	1,626,068	1,188,365	272,698	(915,667)	-336%
Regeneration	832,752	1,861,267	888,817	(972,450)	-109%
Policy & Partnership			70,000	70,000	+100%
Planning/Transport			329,452	329,452	+100%
Grand Total	8,919,252	3,929,325	5,668,772	1,739,447	+31%

2.11 **Statutory report.** Regulation 62 of the CIL Regulations 2010 as amended requires the charging authority to report on CIL receipts and expenditure after the end of a financial year. This report is set out in Appendix 1 and will be published in the Council's website in accordance with the Regulations.

2.12 **Target CIL receipts.** For 2019/20, the target is to collect £11,286,837 in CIL receipts. None of the larger schemes with more than £1m in CIL liability are expected to commence in 2018/19.

2.13 **Target CIL drawdowns.** The target for 2019/20 is to draw down a total £3,135,960 based on CIL allocations already approved for the following service areas in Figure 6:

Figure 6: Forecast CIL drawdowns 2019-20

CIL Service Area	CIL Allocation as at 01/04/2019 (£)	CIL Expenditure as at 01/04/2019 (£)	Forecast CIL Drawdowns 2019/20 (£)
Commissioning	760,000	46,250	245,000
Environmental Services	900,000	28,182	46,110
Housing	120,000	-	99,000
NHS	1,272,000	-	-
Parks	1,967,068	272,698	942,485
Policy & Partnership	119,300	70,000	49,300
Highways	5,282,139	4,432,139	150,000
Planning/Transport	369,452	329,452	40,000
Regeneration	4,610,249	1,396,048	1,564,065
Grand Total	15,400,208	6,574,769	3,135,960

S106 Highlights

2.14 For S106, the highlights for 2018/19 are as follows in Figure 7:

Figure 7: 2018/19 S106 highlights

S106 Highlights	2018/19	2017/18
▪ S106 Drawdowns	£4.3m	£7m
▪ S106 Payments Received	£6.8m	£15m
▪ Number of S106 Agreements Completed	87	84
▪ Value of S106 Agreements Signed	£19.6m	£25m
▪ S106 Balance at Period End	£41.4m	£39m

2.15 **S106 drawdowns.** A total £4,335,183 was drawn down towards S106 funded projects in 2018/19. This is 38 per cent lower than the total £7,025,126 that was drawn down the year before. It is also 31 per cent off the target drawdown of £6,292,203 that was set for the financial year. Figure 8 provides a variance analysis between actual drawdown and target drawdown figures for 2018/19 by service area – i.e. the service department responsible for delivering an S106 funded project. Figure 9 provides an analysis of S106 expenditure by covenant type. Figure 10 provides an analysis of S106 expenditure by ward.

Figure 8: 2018/19 S106 variance analysis

S106 Project Owners	Banked as at 31/03/2018 (£)	2018/19 Target Drawdown (£)	2018/19 Actual Drawdown (£)	Variance	Percentage
Commissioning			18,683	18,683	+100%
Education	2,872,151	1,433,275	41,232	(1,392,043)	- 3376%
Employment	2,250,300	122,919	674,162	551,243	+82%
Highways	9,189,920	2,605,324	1,615,394	(989,930)	-61%
Housing	1,906,719				
Leisure	915,418	221,553	105,238	(116,315)	-111%
Libraries	615,738	20,000	15,927	(4,073)	-26%
Parks	5,499,997	1,509,003	756,508	(752,495)	-99%
Regeneration	10,660,984	283,184	382,010	98,826	+26%
Transport	19,426	9,275	20,596	11,321	+55%
TfL	851,737				
VMG	1,354,748	87,669	675,702	588,033	+87%
TOTALS	36,137,137	6,292,203	4,335,183	(1,957,020)	-45%

Figure 9: 2018/19 S106 drawdowns by covenant type

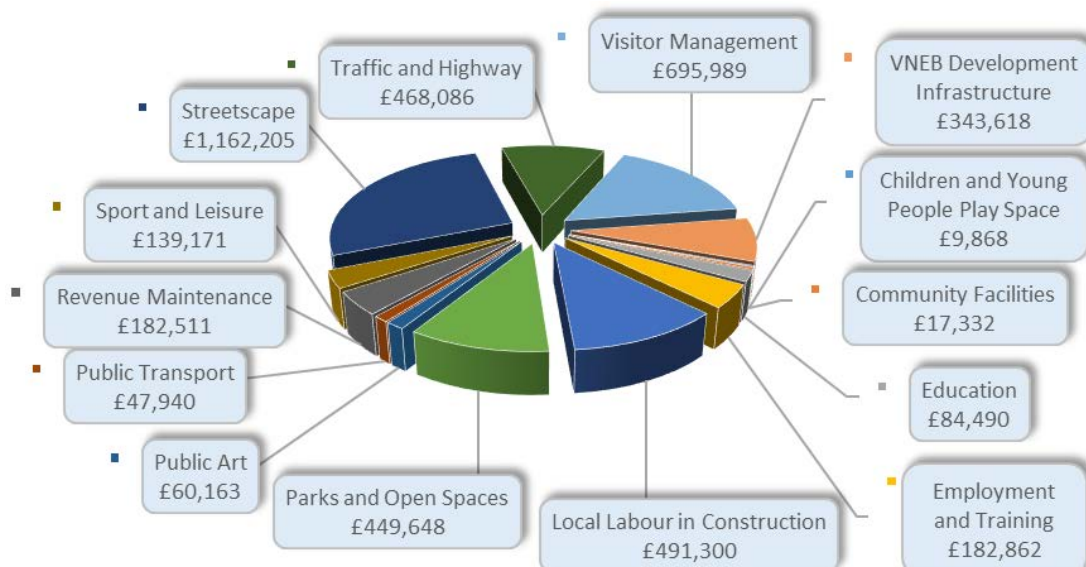
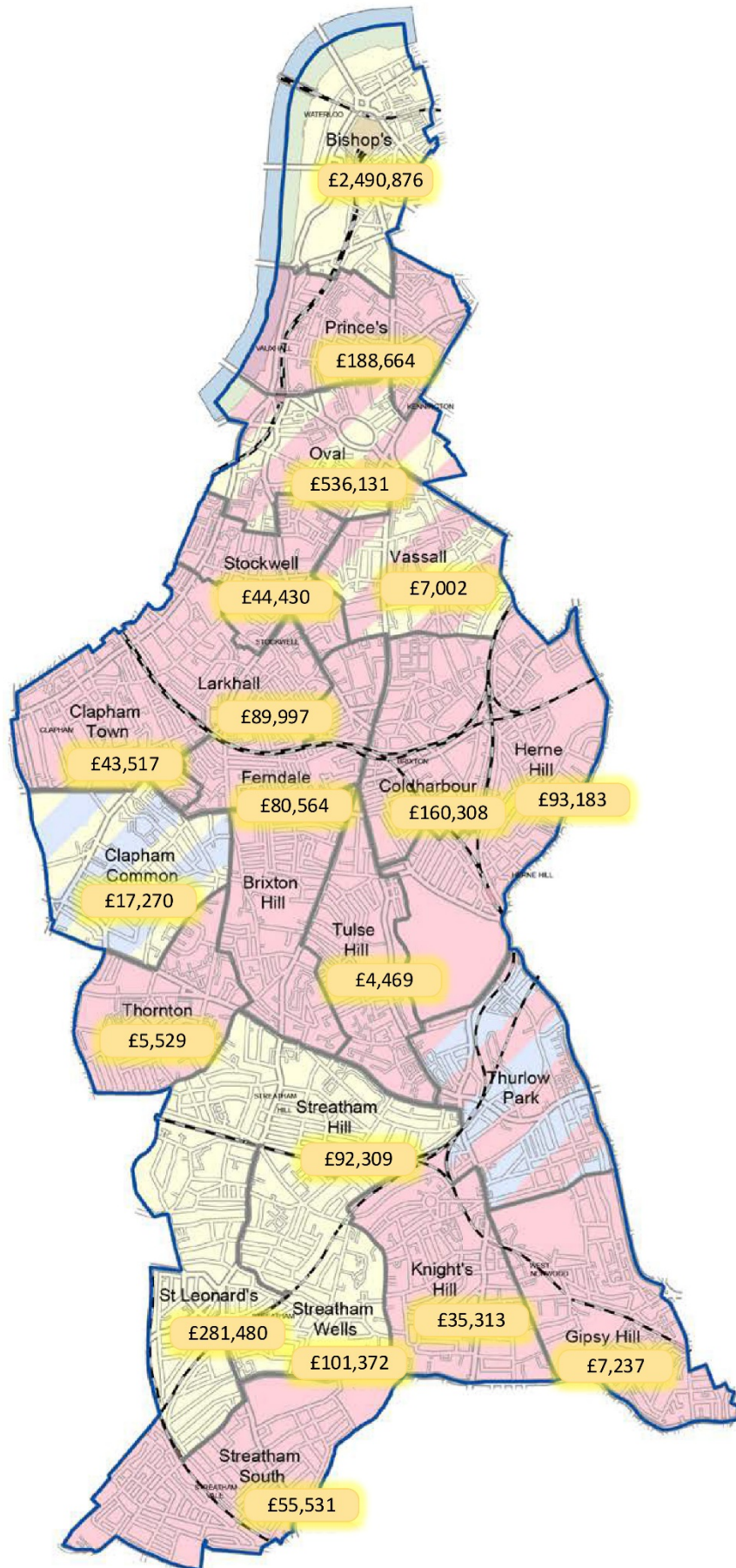
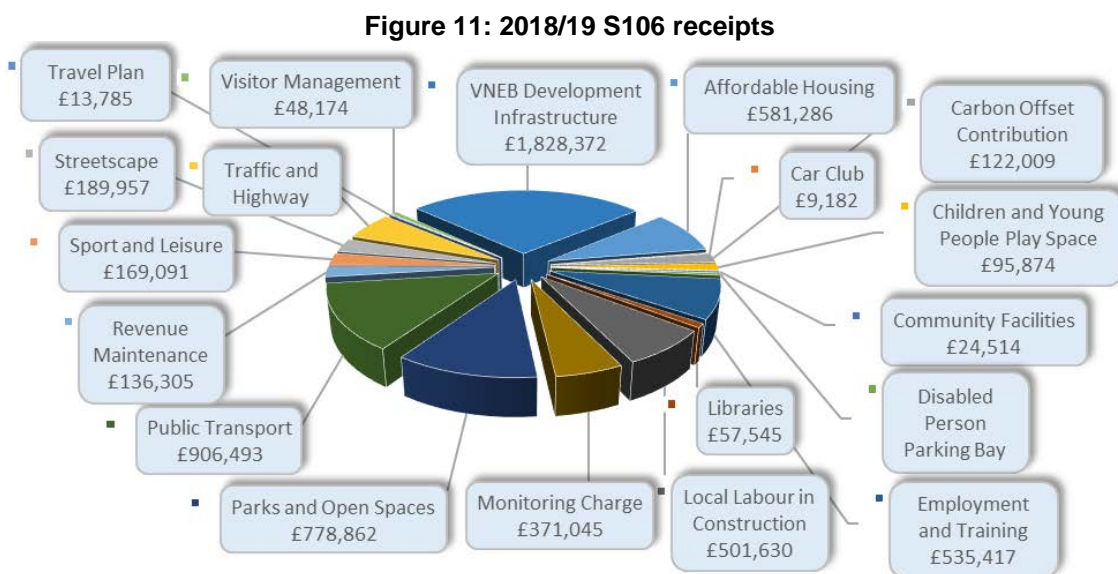


Figure 10: S106 drawdowns in 2018/19 by ward

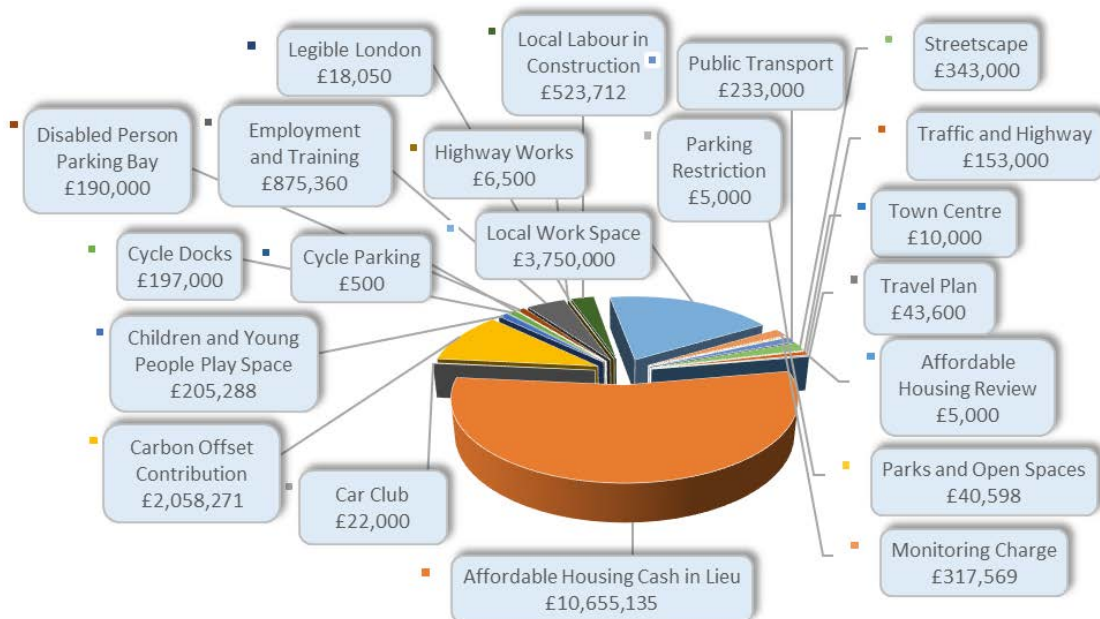


2.16 **S106 receipts.** The Council received a total of £6,786,928 in S106 contributions for 2018/19 mainly from schemes that commenced in previous years. Figure 11 below provides an analysis of S106 expenditure by covenant type.



2.17 **New S106 agreements.** 87 S106 agreements were signed in 2018/19, with potential financial contributions totalling £19,652,584. Figure 12 below sets out the potential S106 contributions from the new S106 agreements by covenant type.

Figure 12: Potential S106 contributions from new 2018/19 S106 agreements



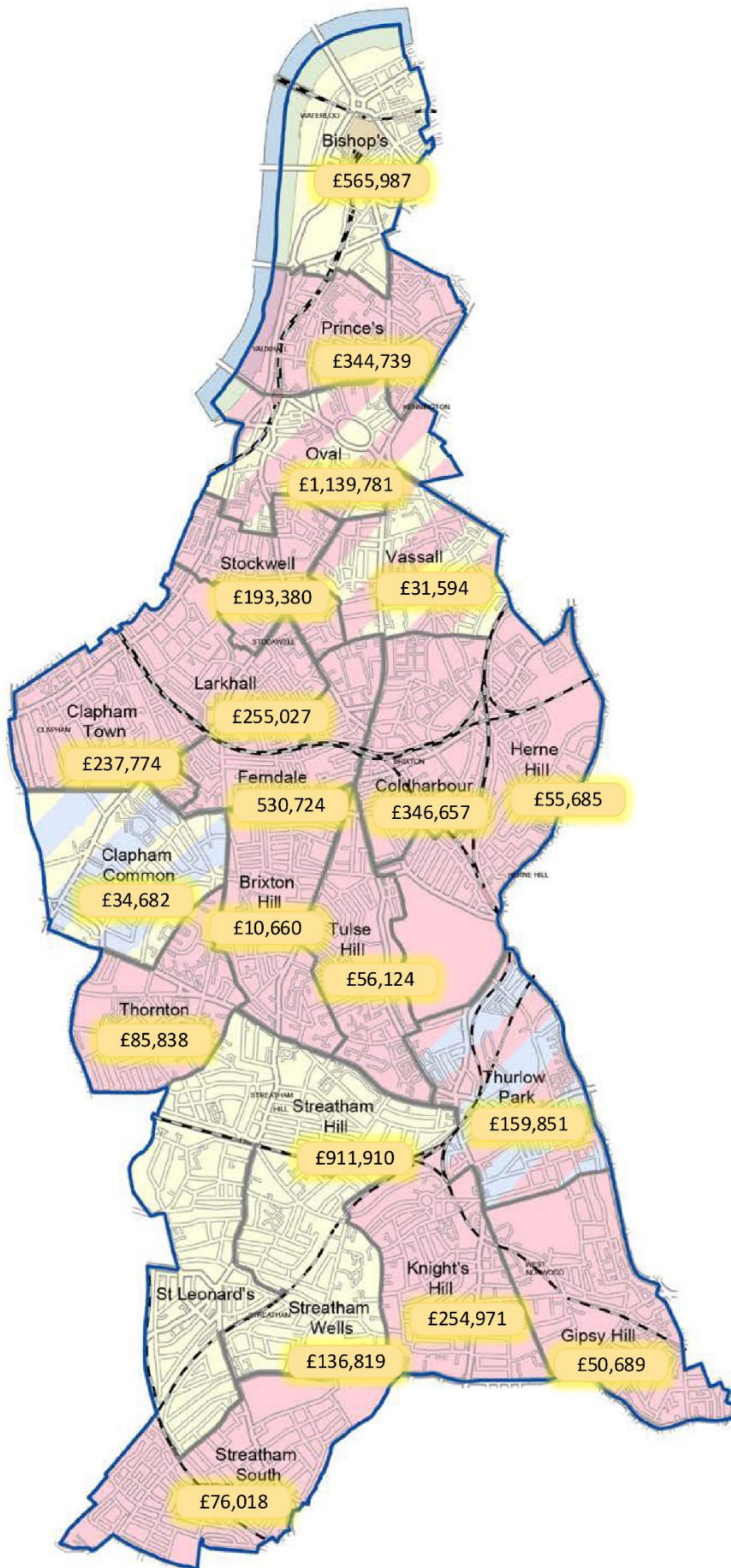
2.18 **S106 banked and non-banked.** At the end of March 2019, the total S106 bank balance stood at £41,434,096, including interest accrued. In addition to S106 receipts already banked, a further £22,110,491 are expected from developments that have commenced and are already on site. These are sums that are forthcoming with some certainty but triggers for payment of these contributions have not yet occurred. Potential S106 receipts are sums from developments that have not yet commenced. At the end of March 2019, potential S106 receipts total £50,290,182.

- 2.19 **Target S106 receipts.** For 2019/20, the target is to collect £4,962,045 in S106 contributions. At least £4,068,373 of these are expected from the on-going development at the Shell Centre and £893,672 are expected to come from other schemes where the triggers are likely to occur in 2019/20.
- 2.20 **Target S106 drawdowns.** For 2019/20, the target is to drawdown £5,478,910 based on S106 allocations already approved for the service areas set out in Figure 13. Figure 14 analyses the forecast drawdowns in 2019/20 by ward.

Figure 13: Forecast S106 drawdowns by S106 service area

S106 Service Area	Banked as at 31/03/2019 (£)	Unallocated as at 31/03/2019(£)	2019/20 (£)
Education	2,820,826	1,104,178	735,941
Employment	3,271,999	2,459,762	
Highways	1,329,928	657,098	1,084,307
Housing	2,174,618	1,873,442	213,674
Leisure	72,241	72,241	100,680
Libraries	677,205	399,468	274,869
Neighbourhoods Sustainability	145,277	145,277	
NHS	1,475,804	1,475,804	
Parks	6,449,385	2,804,200	2,857,999
Transport	6,814,948	1,423,346	22,953
Regeneration	12,486,868	8,228,690	188,487
TfL	1,669,610	1,652,655	
Visitor Management Group	924,972	565,065	
Grand Total	40,313,681	22,861,226	5,478,910

Figure 14: Forecast S106 drawdowns in 2019/20 by ward



3. Finance

- 3.1 There are no direct financial implications to the Authority from this report.
- 3.2 However, it should be noted that references in this report to receipts relate to monies actually received between the period April 2018 and March 2019. These amounts will differ from the invoiced amounts appearing on the general ledger for this same period as a customer may be invoiced in one period and the monies received in the subsequent period.

4. Legal and Democracy

- 4.1 Regulation 62 of the Community Infrastructure Levy Regulations 2010 requires the council as a CIL charging authority to prepare a report for any financial year (“the reported year”) in which—
- (a) it collects CIL, or CIL is collected on its behalf; or
 - (b) an amount of CIL collected by it or by another person on its behalf (whether in the reported year or any other) has not been spent.

5. Consultation and co-production

- 5.1 Not applicable.

6. Risk management

- 6.1 There are no associated risks in respect of this report.

7. Equalities impact assessment

- 7.1 Not applicable

8. Community safety

- 8.1 Not applicable.

9. Organisational implications

None

9.1 Environmental

None

9.2 **Staffing and accommodation**

None

9.3 **Procurement**

None

9.4 **Health**

None

10. Timetable for implementation

10.1 If approved, the CIL/S106 Report for 2018/19 will be immediately published in the Council's website.

Appendix 1

Lambeth CIL Income and Expenditure (01/04/2018 – 31/03/2019)

This report is produced in compliance with Regulation 62(4) of the Community Infrastructure Levy Regulations 2010 (as amended).

Regulation	Description	2018/19 (£)
Reg 62 (4)(a)	Total CIL receipts for the reported year	12,730,450.60
Reg 62 (4)(b)	Total CIL expenditure for the reported year	5,850,177.29
Reg 62 (4)(c)	Summary details of CIL expenditure during the reported year (other than in relation to CIL to which regulation 59E or 59F applied)	
Reg 62 (4)(c)(i)	The items of infrastructure to which CIL (including land payments) has been applied.	5,668,772.36*
Reg 62 (4)(c)(ii)	The amount of CIL expenditure on each item.	
Reg 62 (4)(c)(iii)	The amount of CIL applied to repay money borrowed, including any interest, with details of the infrastructure items which that money was used to provide including any interest, with details of the infrastructure items which that money was used to provide (wholly or in part)	NIL
Reg 62 (4)(c)(iv)	The amount of CIL applied to administrative expenses pursuant to regulation 61, and that amount expressed as a percentage of CIL collected in that year in accordance with that regulation.	181,404.93 (1.4%)
Reg 62 (4)(ca)	The amount of CIL passed to:	
Reg 62 (4)(ca)(i)	Any local council under regulation 59A or 59B	NIL
Reg 62 (4)(ca)(ii)	Any person under regulation 59(4)	NIL
Reg 62 (4)(cb)	Summary details of the receipt and expenditure of CIL to which regulation 59E or 59F applied during the reported year:	NIL
Reg 62 (4)(cb)(i)	The total CIL receipts that regulations 59E and 59F applied to.	
Reg 62 (4)(cb)(ii)	The items to which the CIL receipts to which regulations 59E and 59F applied have been applied; and	NIL
Reg 62 (4)(cb)(iii)	The amount of expenditure on each item;	NIL
Reg 62 (4)(cc)	Summary details of any notices served in accordance with regulation 59E including:	NIL
Reg 62 (4)(cc)(i)	The total value of CIL receipts requested from each local council;	NIL
Reg 62 (4)(cc)(ii)	Any funds not yet recovered from each local council at the end of the reported year;	NIL
Reg 62 (4)(d)	The total amount of	
Reg 62 (4)(d)(i)	CIL receipts for the reported year retained at the end of the reported year other than those to which regulation 59E or 59F applied;	6,880,273.31
Reg 62 (4)(d)(ii)	CIL receipts from previous years retained at the end of the reported year other than those to which regulation 59E or 59F applied;	19,142,558.83
Reg 62 (4)(d)(iii)	CIL receipts for the reported year to which regulation 59E or 59F applied retained at the end of the reported year;	NIL
Reg 62 (4)(d)(iv)	CIL receipts for previous years to which regulation 59E or 59F applied retained at the end of the reported year.	NIL
Reg 62 (4)(e)	In relation to any infrastructure payments accepted by the charging authority—	
Reg 62 (4)(e)(i)	The items of infrastructure to which the infrastructure payments relate,	NIL
Reg 62 (4)(e)(ii)	The amount of CIL to which each item of infrastructure relates.	NIL

* Reg 62 (4)(c)(i) items of infrastructure to which CIL has been applied:

Infrastructure	Amount (£)
Brixton Market Gateway Brixton Rail Bridge	53,120.66
Windmill Education Centre	85,092.63
Waterloo City Hub Imax	28,251.66
Highways Improvement	3,979,157.45
Loughborough Junction Works	115,929.03
Relocating Lambeth Archives	26,062.00
Streatham Common Play Area	130,742.00
Streatham Common Play Kiosk	69,518.00
Brockwell Hall Capital Works	14,392.05
Young Lives Matter	14,141.88
Electric Vehicle Charging Points Pilot Programme	24,292.00
GPE Infrastructure Study	28,200.00
Development of Brixton Open Spaces Manual Projects	3,602.00
Domino Club	32,043.00
Brixton Townscape Heritage	5,111.00
Area Regeneration Infrastructure	537,087.00
Slade Gardens Comm Play Association - Comm Asset Transfer	50,000.00
Planning, Transport and Development Infrastructure projects	329,452.00
	5,526,194.36

Neighbourhood CIL	Amount (£)
CLIP Air Quality Programme	3,890.00
North Lambeth and Stockwell CLIPS Parks Officer	29,758.00
Expansion of Project Smith Community Connectors	30,000.00
Crowdfunding	16,250.00
Maintenance of Parks and Open Spaces	42,680.00
Myatts Field Park Resilience Funding	20,000.00
	142,578.00