

**Camden Council
Regeneration and Planning**

Community Infrastructure Levy and Section 106 Annual Report 2016/17



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1. Introduction

1.1 Purpose of report and key headlines

Welcome to the 2016/17 Annual Report covering income and expenditure relating to the Community Infrastructure Levy (CIL) and Section 106 (s106) agreements. We use s106 agreements and CIL to mitigate the impacts of development and maximise the benefits and opportunities from growth, including through contributions from developers towards infrastructure, employment opportunities and much-needed affordable homes.

This year has seen high levels of s106 income and spending, along with significant sums collected via the Camden Community Infrastructure Levy (CIL), and good progress made in the spending of 'Local CIL' funds following from the launch of a new spending system in August 2016.

Section 2 of this report sets out progress in the collection and spending of Camden CIL and the first year's progress of our new 'Local CIL' spending processes. Section 3 sets out this year's s106 income and expenditure and the current position relating to planned expenditure.

Key headlines from the report include:

- £9.8m received in Camden CIL, of which 75% (minus an admin fee) will go towards highways and schools works across the borough in line with the Medium Term Financial Strategy.
- The launch of a new ward member-led spending system for the local proportion (25%) of CIL in August 2016, with £300,000 in 'local CIL' funds spent by the end of March 2017.
- For the first time Section 106 expenditure has been higher than income: £23.8m was received whilst £27.2m was spent. This reflects progress on delivering major long term projects that are funded by s106, as well as a continuing focus on delivering s106 spending to maximise benefits for Camden.
- A total of £72.3m in planned future Section 106 expenditure.

We are committed to making the best possible use of available funds, using CIL and s106 funds holistically to deliver wider benefits for our communities and the environment. This will become increasingly important as public sector funding cuts place pressures on wider council budgets.

1.2 The Community Infrastructure Levy and Section 106 agreements

Camden adopted its **Community Infrastructure Levy (CIL)** on the 1st April 2015. The Levy is used to fund more general (rather than site specific) infrastructure that is needed to support growth, both at a strategic and local level.

Section 106 agreements are used to mitigate the impacts of development and ensure that Camden's planning policy requirements are fully met. Section 106 obligations include:

- Site specific financial contributions such as highways works, employment contributions and open space contributions (where accepted in lieu of on-site provision).
- Provision of affordable housing.
- Non-financial obligations, including requirements such as Car Free development, Construction Management Plans and Travel Plans.

With the introduction of CIL we expect that new s106 income will reduce over time as CIL receipts increase, and as project spending continues this is leading to a reducing s106 balance in some areas. Meanwhile, CIL budgets for strategic and local projects have significantly increased, allowing us to continue to invest in the infrastructure needed to support growth in Camden.

1.3 Managing CIL and Section 106 agreements in Camden

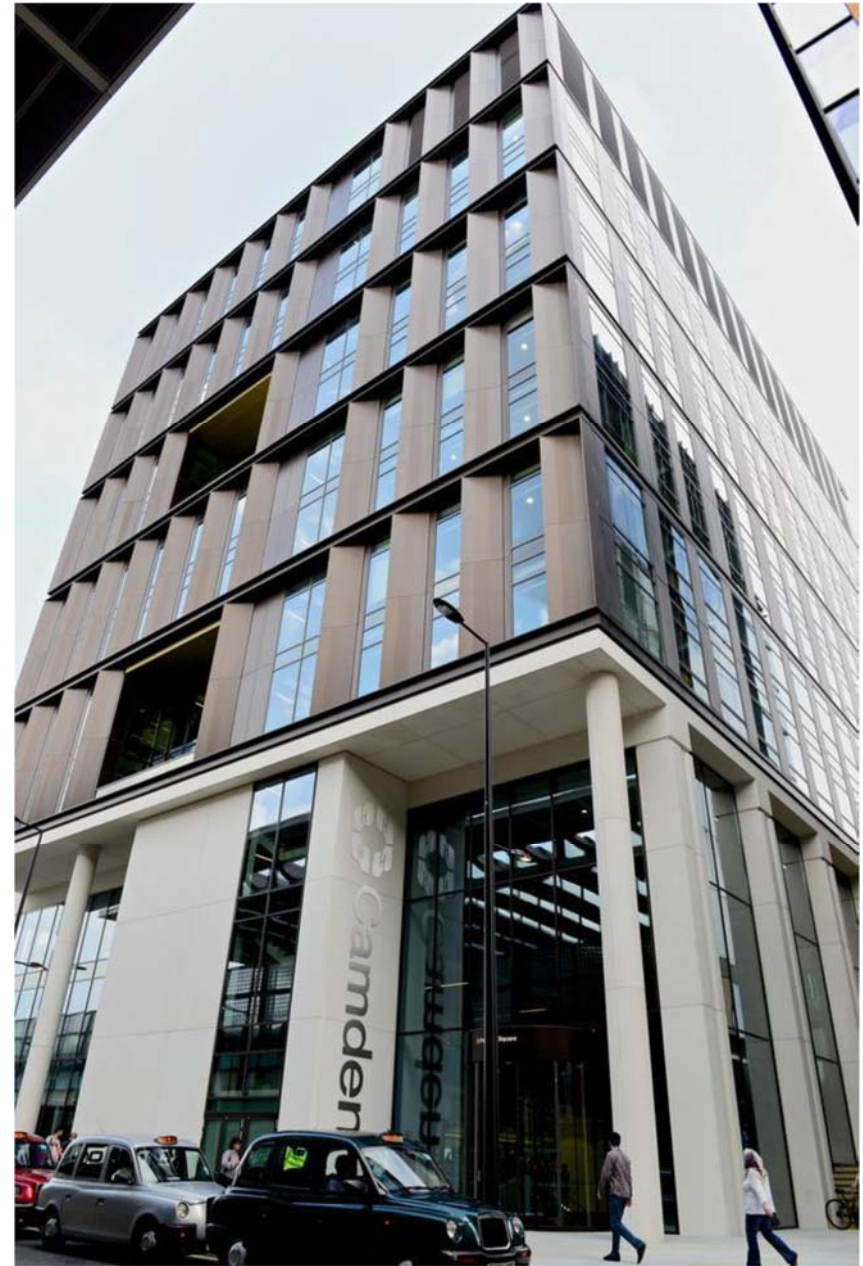
Following on from the introduction of Camden CIL charging during April 2015, we have continued to develop mechanisms to administer Camden CIL, in particular with the introduction of our new 'Local CIL' spending system in August 2016, which is discussed in Section 2.2 of this report.

Alongside this, we have continued to look at how we can use new software to manage and communicate information regarding s106 agreements, CIL and infrastructure projects. This has included ongoing work on our financial reporting to align with Camden's Finance department, and associated corrections to some records where required.

This report and other information about s106 agreements and CIL are available at:

- www.camden.gov.uk/s106
- www.camden.gov.uk/cil

If you have any comments or suggestions about the report, please email cil@camden.gov.uk or planningobligations@camden.gov.uk.



2. Community Infrastructure Levy (CIL) update 2016/17

There are two community infrastructure levies collected in Camden – Mayoral CIL (which is used to fund Crossrail) and Camden CIL, which will be used to fund infrastructure across Camden. Sections 2.1 and 2.2 below focus on the collection and spending of Camden CIL, with Section 2.3 summarising the current position in relation to Mayoral CIL.

2.1 Camden CIL income 2016/17

Camden CIL collection has been underway since April 2015, and income this year has again exceeded predictions, with approximately **£9.8 million** of Camden CIL received in 2016/17. This high level of Camden CIL collected is mainly due to significant receipts from developments in Belsize, Frognal & Fitzjohns and Hampstead Town wards. The three largest payments received in 2016/17 are set out below, and in themselves totalled over £6.1m:

- Kings College London Hampstead Residence, Kidderpore Avenue (application 2015/3936/P): £4.8 million.
- Village Close Garages, Belsize Lane (application 2016/1437/P): £679,000
- 41 Frognal (application 2016/2676/P) £677,000.

A detailed breakdown of CIL payments received in 2016/17 (by development) is available online at www.camden.gov.uk/cil.

A map showing the locations where this was collected can be viewed at: <https://opendata.camden.gov.uk/Planning/Planning-Permissions-Liable-And-Paying-A-Camden-CI/g84h-6cvu>.

2.2 Spending Camden CIL

Following the deduction of an administration fee, 75% of Camden CIL collected will be spent on strategic infrastructure projects ('strategic CIL'), with the remaining 25% to be spent in the local area ('local CIL').

A 5% administration fee (£493,000) was removed and spent on the management, staffing, administration, IT and legal costs involved in:

- the collection of the CIL
- the setting up of new systems for the spending of CIL funds
- the ongoing management of CIL spending, in particular work to support the local CIL spending system. This work has included liaison with ward members, other council services and project managers; programme management; and the assessment and processing of individual local CIL allocations.

Strategic CIL

In September 2014 the Cabinet agreed the Medium Term Financial Strategy which committed £22 million of Camden's CIL towards highway and school improvements until 2020 through the Council's Capital Spending Programme.

Of the c.£7m strategic CIL collected in 2016/17 approximately £3 million has been allocated to the highways projects set out in Appendix 1 to this report. The remaining strategic CIL that was collected in 2016/17 will be rolled forward to help fund the delivery of schools and highways projects in the Capital Spending Programme in 2017/18. This spending will be reported in next year's annual report.

On 15th July 2016 the Cabinet Member for Regeneration Transport and Planning agreed an update to the Strategic CIL spending list, which sets out how strategic CIL funds will be spent in future. The update reflects the short term allocations made in the Medium Term Financial strategy as well as updating infrastructure projects that could be funded by strategic CIL in the medium-long term. The updated list is available online at www.camden.gov.uk/cil.

Local CIL

On 15th July 2016, the Cabinet Member for Regeneration Transport and Planning agreed the operational principles for a local spending system together with local ward priority lists, which will be used to guide future spending and allocation decisions. This new local CIL spending system was launched in August 2016.

The priority lists and supporting operational guidance can be viewed on the Council's [Camden CIL spending web page](#).

Approximately £2.4m in local CIL funds was collected in the year 2016/17. Reflecting the concentration of CIL income mentioned in Section 2.1, local CIL income has been focussed in a few wards, in particular Belsize, Frognal and Fitzjohns and Hampstead Town.

Good progress has been made in the allocation and spending of local CIL funds since August 2016, with nearly £300,000 spent between August 2016 and the end of the financial year.

| Table 1 Camden Local CIL collected and spent 2016-2017 | | | | | |
|--|--------------------------------------|-------------------|---------------------|-----------------|--------------------------------------|
| Ward | Available 1 st April 2016 | Collected | Allocated (unspent) | Spent | Available 1 st April 2017 |
| Belsize | £0 | £264,829 | £0 | £0 | £264,829 |
| Bloomsbury | £0 | £31,253 | £0 | £0 | £31,253 |
| Camden Town with Primrose Hill | £179,428 | £32,619 | £0 | £159,293 | £52,754 |
| Cantelowes | £0 | £15,645 | £0 | £0 | £15,645 |
| Fortune Green | £0 | £7,333 | £0 | £0 | £7,333 |
| Frognal & Fitzjohns | £293,471 | £1,400,000 | £0 | £0 | £1,693,471 |
| Gospel Oak | £0 | £0 | £0 | £0 | £0 |
| Hampstead Town | £335,286 | £437,646 | £0 | £62,850 | £710,082 |
| Haverstock | £0 | £10,123 | £0 | £0 | £10,123 |
| Highgate | £0 | £0 | £0 | £0 | £0 |
| Holborn & Covent Garden | £82,311 | £3,775 | £0 | £71,590 | £14,496 |
| Kentish Town | £10,339 | £159,848 | £0 | £0 | £170,187 |
| Kilburn | £0 | £9,214 | £0 | £0 | £9,214 |
| Kings Cross | £22,786 | £20,854 | £0 | £0 | £43,640 |
| Regents Park | £0 | £25,098 | £0 | £0 | £25,098 |
| St Pancras & Somers Town | £0 | £40,280 | £0 | £0 | £40,280 |
| Swiss Cottage | £0 | £750 | £0 | £0 | £750 |
| West Hampstead | £0 | £6,646 | £0 | £0 | £6,646 |
| Total | £923,621 | £2,465,913 | £0 | £293,733 | £3,095,801 |

Local CIL: projects funded 2016/17

A range of community projects received local CIL funding in 2016/17:

| Table 2. Local CIL projects funded 2016 – 2017 | |
|--|----------|
| Keats Community Library 5th Year Revival | £12,850 |
| Burgh House Renaissance Appeal | £50,000 |
| Primrose Hill Community Library | £159,293 |
| Dragon Hall Upgrade of Lighting and Air Conditioning | £10,000 |
| Dragon Hall Under 5s Drop In | £13,230 |
| Dragon Hall After School Clubs | £16,027 |
| Befriending Older People Milman Street | £20,000 |
| Under 5s Creative Play and Arts Bedford House | £12,333 |

Project Summary: Primrose Hill Library

Over £159,000 was transferred to cover two years' running costs at the library. This provides funding to support the ongoing functioning of the library and will cover:

- Property related running costs such as maintenance and utilities
- Personnel costs
- Library stock and office costs including IT
- Events expenses

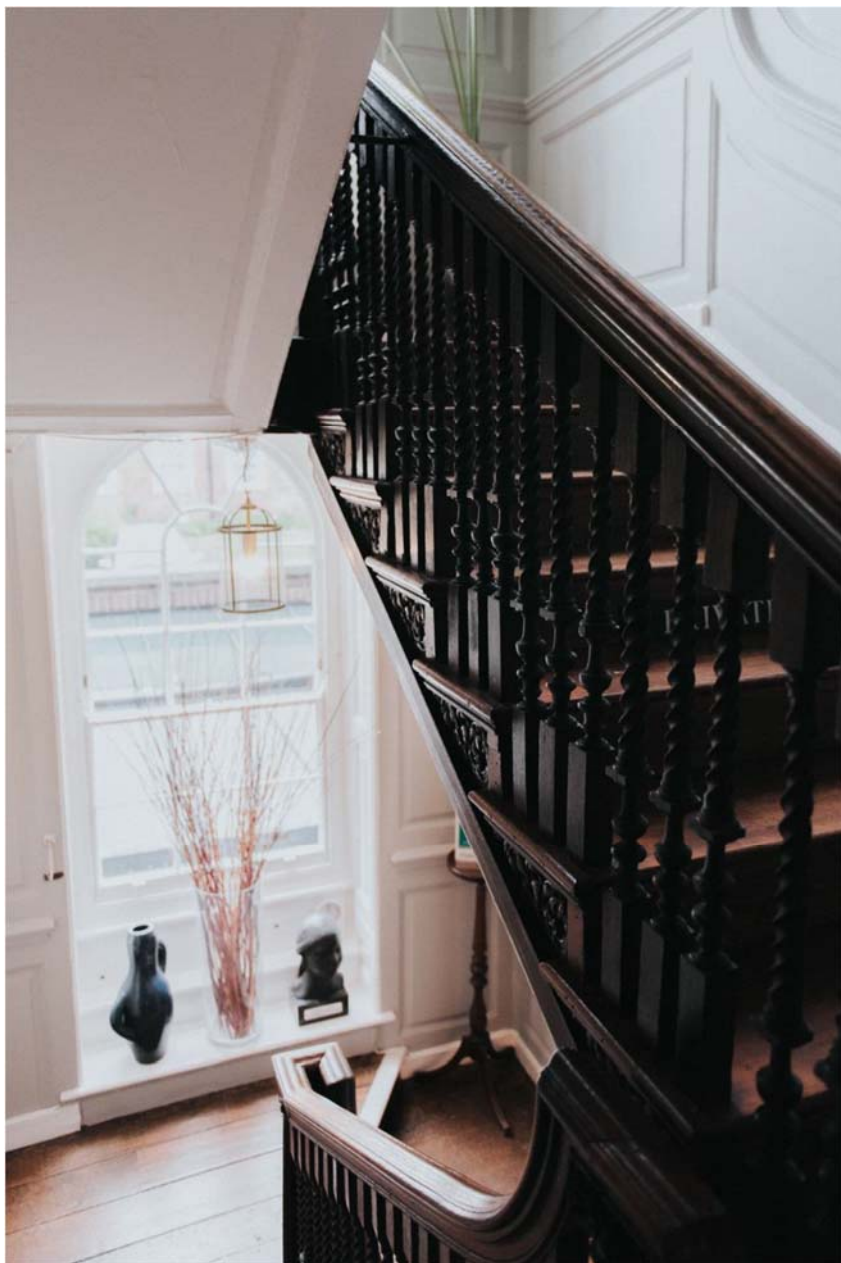
Project summary: Burgh House Renaissance Appeal

A £50,000 contribution was used to help fund the restoration of Burgh House Museum (total project cost £120,000). The Museum is free to access, supplies free and subsidised events and activities for the local community, and provides spaces for children's' groups and learning activities. The Renaissance Appeal project involves essential improvement works to the Museum and includes the following improvements:

- Works to secure and rebuild the gate piers and ironwork
- Replacement of collapsed fencing to the front of the house
- Rewiring to all floors
- New IT equipment and storage spaces
- Upgraded toilets
- Staircase repairs



Above: Before and after - gate piers at Burgh House
Below: refurbished staircase at Burgh House



Project summary: Holborn and Covent Garden community activities

Over £70,000 was transferred to community organisations in Holborn and Covent Garden to deliver improved facilities and services in the ward:

- Approximately £39,000 was passed to Dragon Hall for an upgrade to the air conditioning and lighting (£10,000), to fund under 5s drop in classes for one year (c.£13,000) and deliver after school club sessions (c.£16,000).
- £20,000 was used towards one year's running costs (staffing and equipment) for the Befriending Older People project, which is run by the Holborn Community Association within Millman Street Community Centre.
- Approximately £12,000 was passed to fund an Under 5's Creative Play and Arts Programme for one year at Bedford House Community Centre. The programme will run all year for three years with space for 30 children.



Dragon Hall: Local CIL funds have been used to support under 5s drop in classes and after school club sessions

Future Local CIL spending

It should also be noted that a number of funding allocations have also been agreed since the end of the financial year, which will result in additional spending of local CIL during 2017/18. Approved allocations since the close of the 2016/17 financial year include:

- Royal Free hospital: works to create a Dementia Friendly Ward, Hampstead Town (£65,974, recently drawn down)
- Feasibility Study for Argyle Street Community Centre, KCBNA, Kings Cross (£43,000)
- Hampstead Community Centre: Renovations, Hampstead Town (£50,000)
- Edith Neville School: families first programme (£35,000)
- Seven Dials Renaissance Study On-line, Holborn & Covent Garden (£6,570)
- Collingham Gardens Nursery - £5,000 for refurbishment / repairs of structures in gardens
- Brook & Cranleigh Houses: Window boxes and planting, St Pancras & Somers Town (£3,318)
- Kentish Town Thameslink Platform Planting, Kentish Town (£800).

Details of all approved allocations are provided on our website at: www.camden.gov.uk/CIL.

An annual review of the local CIL spending system is being carried out to consider any changes to the local CIL spending system as a result of a year's experience of implementing the new system. It will consider potential measures to improve communication and engagement on local CIL, and potential measures to support the identification and delivery of local projects in wards with particularly high local CIL sums available. A workshop with ward members is also being scheduled for late November 2017 to allow members to discuss, ask questions and comment on the current system.

As it is a ward member led system, the Local CIL spending system will be suspended from 31st January 2018 prior to the local elections, and will start up again following the elections in May 2018.

2.3 Mayor of London Community Infrastructure Levy

Camden has been collecting a CIL on behalf of the Mayor of London since April 2012. £3.9 million Mayoral CIL was collected during the 2016/17 financial year. These funds were transferred to Transport for London on a quarterly basis and will be used to help fund Crossrail. 96% of the collected funds were transferred to TfL with a fee of approx. £156 K, (4%) being retained by Camden to cover staffing, administration and legal costs incurred in collecting this CIL, and submitting it to TfL on a regular basis.

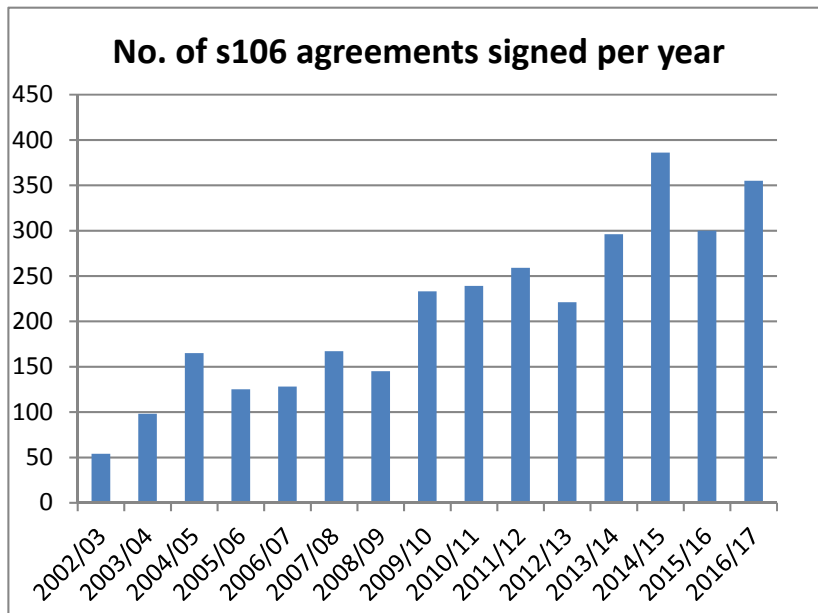


Tottenham Court Road - proposed Crossrail station entrance at Dean Street

3. Section 106 update 2016/17

3.1 Section 106 agreements signed

In 2016/17 **355 s106 agreements were negotiated** (including Council scheme “shadow” agreements). This is consistent with the annual average (mean) observed over the previous three years (327 per annum). The number approved is significantly above the historic trend, reflecting continuing high levels of development activity in Camden and the increased number of s106 agreements requiring measures such as construction management plans, in order to mitigate the impacts of development.



Developments with notable s106 agreements signed this year include:

- King's College London, Kidderpore Avenue, NW3 7SU (2015/3936/P): Redevelopment of the site to provide 156 residential units
- 140-146 Camden Street, NW1 9PF (2014/7908/P): Redevelopment of the site to provide 52 residential units along with 2,026sqm of flexible commercial (office) floorspace
- 254 Kilburn High Road, NW6 2BS (2015/2775/P): Redevelopment of the site to provide 60 residential units along with 955 sqm of commercial space (Classes B1 and B8).

The s106 agreements and other documents for each application can be viewed online on Camden's [planning applications search page](#).

3.2 Financial contributions received

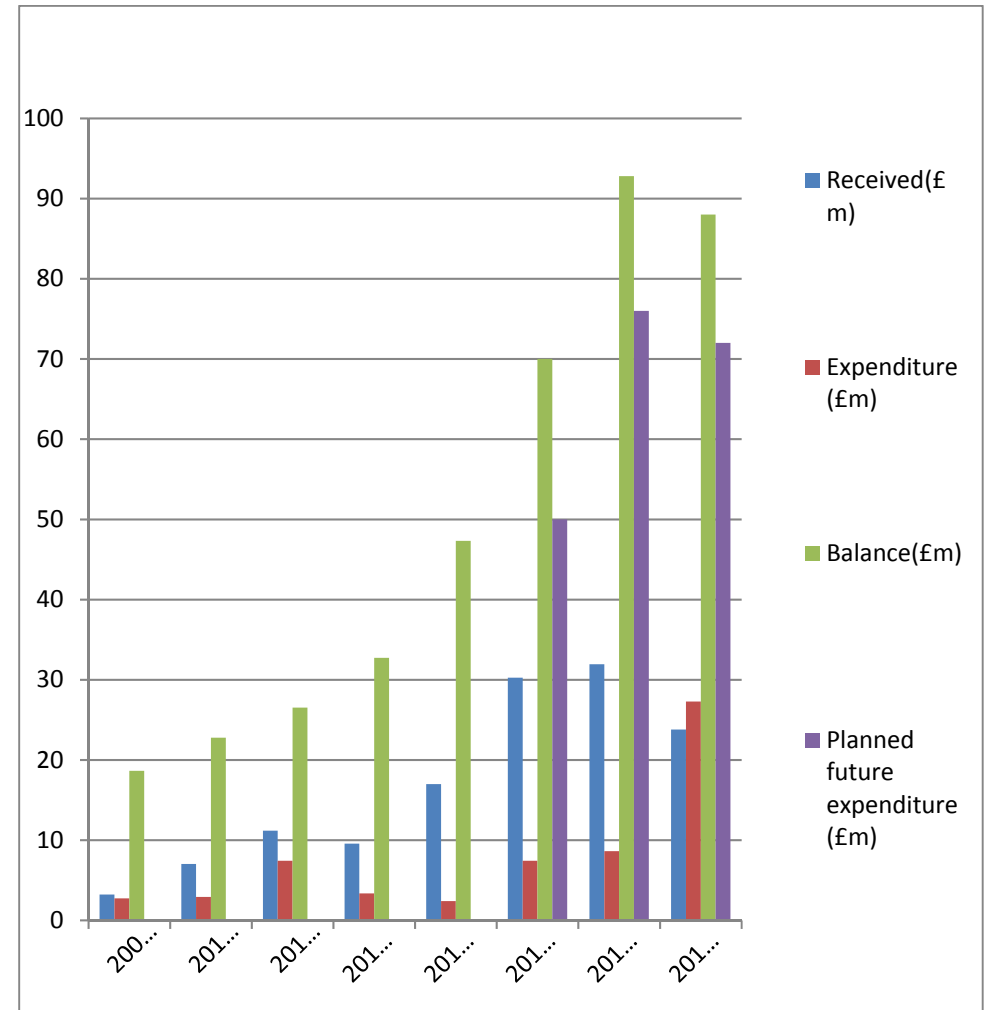
A total of **£23.8 million** was received in Section 106 financial contributions during the 2016/17 financial year – a slight reduction from the two previous financial years, but nevertheless significant in its own terms, and well above historic income levels.

The graph and table below demonstrate how s106 income has significantly increased in recent years. In the last three years alone we have received a total of **£86m**, with £30m received in 2014/15, £32.m in 2015/16 and £24m last year).

| Year | Received in year £000s | Expenditure £000s |
|----------------|---------------------------|----------------------|
| 2001/02 | £ 1,222 | £ 595 |
| 2002/03 | £ 3,238 | £ 426 |
| 2003/04 | £ 804 | £ 1,412 |
| 2004/05 | £ 2,264 | £ 1,693 |
| 2005/06 | £ 1,566 | £ 915 |
| 2006/07 | £ 3,007 | £ 1,582 |
| 2007/08 | £ 8,689 | £ 628 |
| 2008/09 | £ 3,547 | £ 1,291 |
| 2009/10 | £ 3,216 | £ 2,730 |
| 2010/11 | £ 7,025 | £ 2,908 |
| 2011/12 | £ 11,180 | £ 7,427 |
| 2012/13 | £ 9,561 | £ 3,349 |
| 2013/14 | £ 16,991 | £ 2,403 |
| 2014/15 | £ 30,264 | £ 7,420 |
| 2015/16 | £31,926 | £8,759 |
| 2016/17 | £23,760 | £27,286 |

Source: Camden Finance, Infrastructure and Growth team

The chart below also shows increased spending and planned future expenditure. Further information on this is provided in sections 3.3 and 3.5.



Total receipts in 2016/17 included approximately **£15.57m** from five s106 agreements alone (two thirds of all income):

- 21-31 New Oxford Street: £7.52m. Of this, £3.26m was a contribution to TfL for Crossrail, £1.3m for affordable housing and £2.5m for specific local transport and environment improvements.
- Parker Tower, 43 Parker Street: £5.52m Affordable Housing contribution.
- Hampstead Garden Centre: £0.91m deferred Affordable Housing contribution.
- 1-11A Swain's Lane & 109-110 Highgate West Hill: £0.82m Affordable Housing contribution.
- Former Odeon site, Grafton Road: £0.8m adult social care contribution to establish a centre for independent living.

A full breakdown of the financial contributions received during each quarter of 2016/17 can be viewed on the Council's website at www.camden.gov.uk/s106.



Proposed development at 21-31 New Oxford Street

3.3 Section 106 spending / transfers in 2016/17

2016/17 was a record year in terms of spending s106 monies, with approximately **£27.2m** either spent or transferred to committed project budgets.

Our last Annual Report (for 2015/16) highlighted significant levels of planned expenditure, much of it towards major long term schemes, which would see higher rates of Section 106 spending in future years. This has been borne out by a dramatic increase in Section 106 spending last year, with major spending on large infrastructure projects which is expected to continue in the next few years.

Summary of main spending and transfers during 2016/17:

- **£7.8m on Affordable Housing, sites include Gospel Oak, Maitland Park, Kiln Place, Iverson Road and Whitfield Street;**
- **£10m on Transport, a large proportion of which towards Crossrail (£3.4m) with a further £1.5m towards the 'West End Project' – strategic series of highway and public realm works**
- **£3.5m on additional funding for schools**
- **Over £2m on parks and open spaces**
- **Over £1.4m on improvements to various local community facilities**
- **£0.8m for the Greenwood Centre for Independent Living**
- **£450,000 towards employment and training initiatives**

Housing

Camden has a major programme of Section 106 funding investment to deliver affordable homes. During 2016/17 the Council spent or committed £7.8m towards affordable housing:

- £5.2m towards Gospel Oak Maitland Park Kiln Place infills (see image below). This forms part of a wider estate renewal programme that will deliver 127 new homes, of which 59 will be affordable. This project forms part of Camden's Community Investment Programme (CIP). Of the £5.2m s106 funds for this project:
 - £1.6m was spent on project delivery in 2016/17
 - £3.6m was transferred to the CIP project account to cover committed spending in 2017/18.
- £2m from the affordable housing obligations arising from the development of the Parker House site was transferred to the Tybalds estate regeneration project budget to cover planning and design fees. This amount is in addition to the £1m transferred in the previous year – bringing the total to £3m. Following design and viability issues the project and respective funding is now under review as agreed by Cabinet in the Medium Term Financial Strategy report, July 2017 (see also Section 3.5 below).
- £0.7m for improvements at Iverson Road (converting an intermediate unit to a social unit) and Whitfield Street (conversion to 10 affordable new units).



Transport spending/transfers

During 2016/17 there was over £10m spent on transport improvements:

- £3.4m was passed to TfL to help fund the delivery of Crossrail
- £2.1m was transferred to TfL to deliver enhanced frequencies on the 390 bus service, with improvements scheduled to be delivered by TfL towards the end of 2018
- Over £1.5m was spent on various highway works associated with new developments, including £278,000 for improvements at Haverstock Road, £158,000 at Hawley Wharf, along with £132,000 transferred to Islington Council for enhancements at Wharfdale Road (with further funds to be transferred at a later stage of project delivery)
- £1.6m was spent on the West End Project, for projects involving extensive works on Bucknall Street, Earnshaw Street, Dyott Street, St Giles High Street, New Compton Street, Shaftesbury Avenue, High Holborn, Bloomsbury Street and Princes Circus and surrounding junctions.



The West End Project will include major public realm improvements in the Centre Point/St Giles area

Education spending/transfers

The council continued to invest Section 106 funds on school provision during 2016/17, with £3.5m transferred into project budgets to deliver improvements with regards to capacity of schools in 2016/17 and in future years in line with the Council's Capital Spending Programme. Details of this funding are set out in the table below, which includes major investment in STEM (science, technology, engineering and maths) and forms part of the Council's wider strategy to significantly enhance the capacity of education facilities in the borough.

| Project | £106 spending (scheme delivery over 2016/17 and future years) |
|---|--|
| Kentish Town School STEM | £128,449 |
| Torriano Junior school STEM | £192,490 |
| Kings Cross Academy | £246,000 |
| Richard Cobden School | £304,000 |
| Netley Primary School STEM | £322,924 |
| Argyle Primary School STEM | £383,989 |
| Gospel Oak Primary Schools STEM | £356,330 |
| Eleanor Palmer Primary School STEM | £367,483 |
| Kingsgate Primary Expansion Science Classroom | £961,802 |

Parks and open spaces spending/transfers

During 2016/17 just over £2m was spent on parks and open space improvements in Camden or transferred to the relevant project budget for committed delivery in 2017/18. This expenditure forms part of the Council's Green Space Investment Programme. Projects funded last year are set out in the table to the right. Spending also included costs incurred in project management and maintenance of open spaces.



| Open spaces projects which received s106 funding in 2016/17 | |
|--|----------------------|
| Project | S106 spending |
| Waterlow Park Pond/ St Andrew's Gardens | £12,138 |
| Fortune Green Open Space | £13,643 |
| Lincolns Inn | £14,000 |
| Red Lion Square | £15,000 |
| Chalcot Square | £15,016 |
| Talacre Gardens | £18,920 |
| Lismore Circus Area Under 5s and Junior Play Areas | £25,000 |
| Quex Road Open Space (see photographs, left) | £27,036 |
| College Garden | £28,457 |
| Sumatra Rd Open Space | £31,000 |
| Rochester Terrace Gardens | £35,981 |
| Brunswick Gardens Open Space | £36,245 |
| Cumberland Market | £45,383 |
| Wellesley House Planned Maintenance Parks & Open Space | £52,809 |
| Falklands Place | £53,000 |
| St Martins Gardens | £70,500 |
| Camley Street Natural Park | £70,667 |
| Banes Street DEFRA Grant Fund | £71,000 |
| Camden Gardens | £76,405 |
| Wicklow Street Open Space | £78,000 |
| Swiss Cottage | £91,640 |
| Goldington Crescent Gardens | £108,000 |
| Elm Village Open Space | £117,000 |
| Iverson Rd Open Space | £117,000 |
| Somerstown Green | £233,000 |

Community Facilities

During 2016/17 the Council spent over £1.4m on community facilities, providing funding to a range of projects:

- £420,000 to the Castlehaven Community Association - to improve and rationalise the existing buildings used by the association; and to establish an under 5s childcare facility
- £190,000 to Covent Garden Dragon Hall Trust for the build and fit out of a mezzanine floor for additional capacity
- £180,000 to the Hampstead School of Art – funds to assist the organisation secure a reduced rate mortgage, allowing more resource to be spent on the operation of the facility
- £100,000 towards the cost of redeveloping Bedford House
- £85,000 to the Camden Arts Centre - improvements to enhance environmental and financial sustainability of the facility, including accessibility improvements
- £41,000 to the King's Cross Brunswick Neighbourhood Association for repairs at their Marchmont Street premises and improvements to the Argyle Street premises
- £48,000 to the Calthorpe Project for the construction of a conservatory to cover the existing exterior decking area, creating space that is usable throughout the year
- £45,000 to the Community Association for West Hampstead for purchasing equipment, repair and redecoration
- £50,000 to the Emmanuel Church Communities - conversion of the main building into community meeting rooms and spaces for community activity including yoga classes, mother and toddler groups, music groups and activities for over 60s
- £85,000 for Fleet School Sports Pitch Refurbishment: facility to be used outside of school hours by the wider community (delivery anticipated in 2018)
- £30,000 to the Primrose Hill Community Association refurbishment, new equipment and an external ramp to enable disabled access
- £62,000 to Rhyl Primary School - towards the erection of a food technology classroom with roof garden

- £33,000 towards the St Giles Community Fund - to award funds to local community organisations for small projects
- £60,000 awarded to St Pancras Community Association - new equipment at the St Pancras Community centre.



Health provision

- £800,000 was spent on the delivery of the new Centre for Independent Living at the Greenwood Centre (*pictured above*), as the first of part of a wider £2.4m contribution from UCLH to be paid in three instalments. This new centre will offer a range of support services to support independent living for people with profound and multiple learning disabilities and for people on the autistic spectrum. It is scheduled to open in 2018 and will include day centre facilities as well as rooms for music, IT, art, a training kitchen and flat and meeting rooms.
- £10,000 was spent on sexual health services at the Brook Centre along with outreach work at Bloomsbury and other university campuses, and represents the initial tranche of a wider allocation of £68,000 for the project.

Business improvement, local employment and training measures

During 2016/17 over £450,000 was spent on initiatives to support employment and training, including:

- £37,000 towards the Council's Schools and Business Brokerage Project - a brokerage service that seeks to improve the relationship between schools and businesses and institutions to support the development and progression of all young people in the borough
- £145,000 was spent on Kings Cross Recruit. This facility provides a bespoke recruitment service for businesses in and around the Kings Cross Central development, and seeks to maximise the number of local residents accessing employment opportunities on the site
- £135,000 towards Jewellery workshops at Hatton Garden (supporting the creation of 370 sq m of new jewellery workspace at 120 Holborn)
- A further £27,000 for demonstration projects in support of the development of the Hatton Garden Business Improvement District for the area; including contributing to Christmas lights, website, events, marketing & promotion.

During 2016/17 over 50 construction apprentice and work experience placements were secured on Camden developments through S106 agreements, and a further £330,000 was secured from developments to support future employment and skills delivery in Camden.

2016/17 also saw the approval of 1,450 sq m of affordable business space for SMEs, to be marketed locally and secured through the legal agreement.



Employer workshops were provided at King's Cross Recruit as part of its bespoke recruitment service

3.4 Current Section 106 balances

As a result of the income and expenditure set out in Sections 2.2 and 3.3 of this report and ongoing work to develop future spending plans, current s106 balances are as follows:

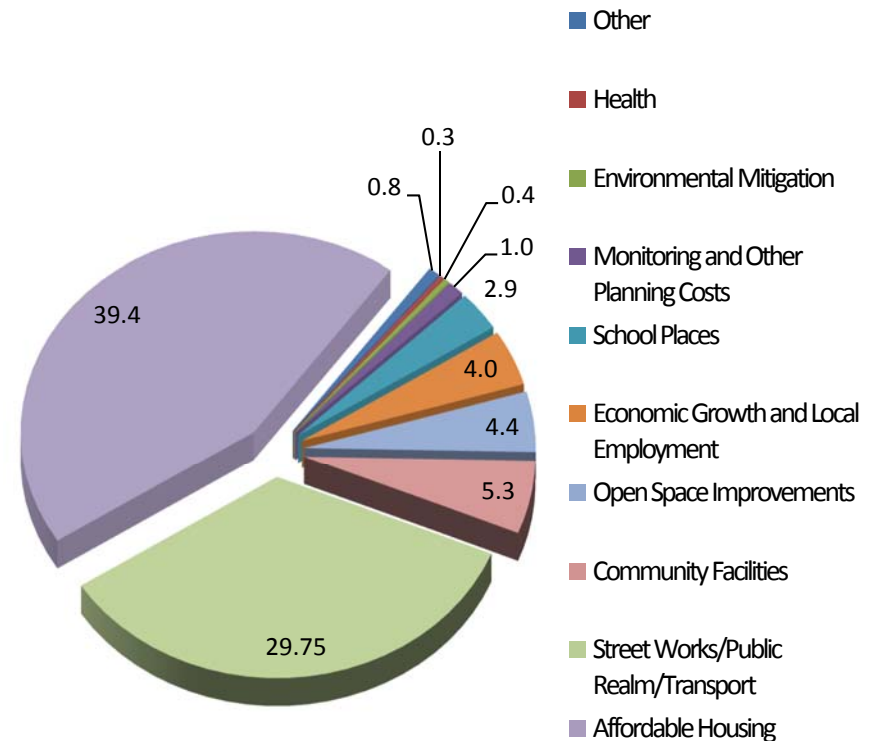
- Specific plans are in place to spend £72.3m
- £15.7m in s106 funds remain available to be allocated for future use.

The chart to the right provides a breakdown of current Section 106 balances by main category, combining both planned expenditure and funds that remain to be allocated. The majority of funds held relate to:

- Transport (£27m planned expenditure, £2.75m remaining to be allocated)
- Affordable housing (£35m planned expenditure, £4.4m remaining to be allocated)
- Community facilities (£3.9m planned expenditure, £1.4m remaining to be allocated)
- Open space provision (£3.5m planned expenditure, £0.8m remaining to be allocated)
- Education (£0.1m planned expenditure, £2.7m remaining to be allocated) and
- Economic Growth and Local Employment (£2.5m planned expenditure, £1.5m remaining to be allocated).

Section 3.5 below sets out details of planned expenditure by category.

Year end balances per service area: planned expenditure and remaining funds combined (£m)



3.5 Planned future Section 106 expenditure

There is approximately **£72.3m of planned expenditure** in place, with further plans to increase allocations for future spending in the coming months.

Details of planned s106 expenditure for each main spend area are set out below. Much of our planned spending will be on long term projects that will provide significant benefits to Camden, for example:

- £14.4m to be spent in the next three years on public realm projects as part of the West End Project, along with a major programme of highways works (see 'Highways and Transport' below)
- £35m to support affordable housing provision on major CIP regeneration projects (see 'Affordable Housing Fund' below)
- £3.5m on Parks Investment Programme projects (see 'Parks and open spaces' below).

We will carefully consider how to spend the £16m in s106 funds that are yet to be allocated for a specific project. The approach to each contribution will vary according to the legal definition of each contribution (as set out in each s106 agreement), as well as the wider funding and policy context. We want to make the best possible use of available funds as we can – something that will become increasingly important as pressure grows on public sector finances.



Highways and transport

Received 2016/17: £9m

Spent/transferred 2016/17: £10.42m

Planned expenditure: £27m

Remaining funds available to be allocated: £2.75m

- £14.4m of funds in the capital programme are allocated to the West End Project/ St Giles Circus public realm works. This funding is committed as part of the Council's Capital Spending Programme, and is being transferred into the project account during the current (2017/18) financial year. This spending forms part of a total original allocation of £16m, of which £1.6m was transferred in 2016/17 to be spent at Central St Giles. The West End Project is scheduled to be delivered over the next three years.
- £1.2m from the King's Cross Central development is allocated towards improvements to the 214 bus service by TfL, specifically to convert buses on the route to double deck.
- Around £1m to be transferred to Transport for London for Legible London, cycle docking and bus stop improvements.
- Around £1.2m to support area based public realm improvements as part of the transport capital programme in 2018/19 and 2019/20 (principally funded through the Borough's annual Local Implementation Plan funding grant from TfL). This includes implementation of junction improvements/corridors upgrade schemes in the Holborn, Chalk Farm, Kentish Town and Farringdon areas to improve road safety, support sustainable transport modes (in particular, walking and cycling) and upgrade public realm.
- Around £450,000 for various highway projects in the current capital programme for 2016/17, including:
 - £116 for Royal College Street cycle and pedestrian improvements
 - £341,000 Lawn Road Area.
- Around £6.2m for specific highways works: these works are specified as part of individual s106 agreements, and typically include repaving of footways, replacement or removal of crossovers and remediation of any damage to the highway

caused by development. This figure also includes £450,000 towards Traffic Orders/Stopping up and a £1.15m Bond that the Council is required to hold for a period of 50 years.

- £500,000 has been identified for the delivery of Camley Street Bridge, to establish a new pedestrian / cycle crossing over the canal from Camley Street through to Pancras Way.
- £166,000 is to be passed to Islington Council to be spent on further enhancements at Wharfedale Road.
- £300,000 is to be passed to Islington Council for controlled parking zone implementation, subject to confirmation of need/ proposed use.
- A further £484,035 will be passed to Islington to be spent on environmental enhancements around Copenhagen Primary School and/or Blessed Sacrament Primary School, again once detailed spending proposals are provided.



The West End Project includes planned improvements to the Princes Circus area



Affordable housing is currently being funded at Kiln Place

Affordable Housing Fund (AHF)

Received 2016/17: £11.6m

Spent/transferred 2016/17: £7.8m

Planned future expenditure: £35m (including £13.18m relating to Parker House redevelopment/ Tybalds – currently under review)

Remaining funds available to be allocated: £4.4m

Section 106 affordable housing contributions continue to make a major contribution to the funding of affordable homes for people in Camden.

The approach to spending affordable housing s106 funds is set out in the Council's Affordable Housing Fund High Priority Schemes Report, which is subject to the approval of the Executive Director Supporting Communities in consultation with the Cabinet Members for Housing and for Regeneration, Transport and Planning.

The latest version of the High Priority Schemes Report was approved in December 2016, and provides the framework for future spending on affordable housing by indicating priority schemes which could receive financial support from the Affordable Housing Fund. These priority schemes are summarised in the table below: these will be reviewed annually, and therefore may be subject to change as scheme viability and Council priorities develop.

There is currently a total of £35m planned expenditure on affordable housing, of which £4.6m is fully committed and a further £30.32m is approved through the Priorities Report, ready to be committed as schemes progress towards delivery. Planned s106 spending is expected to help deliver over 200 affordable units in the next few years.

Planned spending includes the use of £34m for a number of the Council's Community Investment Programme projects.

Approximately £4.4m of the Affordable Housing Fund remains unallocated and the next version of the High Priority Schemes Report will address how these funds could be used.

| Affordable Housing Fund: future high priority schemes | | | | |
|--|-------------------------------------|------------------------------|------------------------------|---|
| Scheme name | Indicative no. housing units | Maximum AHF allocated | Maximum AHF committed | Notes |
| Community Investment Programme (CIP) | | | | |
| CIP Small Sites (Kiln Place, Maitland Park, Barrington Lamble) | 68 | | £1m | £5m spent in 2016/17, leaving £1m to be drawn down from the original £6m allocation. |
| CIP small sites (Raglan St, Heybridge and Three Fields) | 52 | £5.7m | | Funds allocated for other small CIP sites in the development pipeline. |
| Central Somers Town | 34 | £10.36m | | Planning approval granted for Central Somers Town in October 2016. |
| Liddell Road | 16 | £3m | | Further £2.55m allocation was added to this scheme in 2016/17: £3m now allocated in total. |
| Camden Street/ Plender Street | 14 | £600,000 | | Detailed approval report required. |
| Tybalds Estate | tbc | £13.8m | | The project is under review. Pending outcome of the review and relevant approvals this allocation may need to be reconsidered and/or revised accordingly. |
| Other Schemes | | | | |
| 39 Tottenham Street | 3 | £500,000 | 0 | |
| Kings Cross Adaptations | tbc | | £401,000 | Of the original sum of up to £570,000 committed, £169,000 has now been spent. |
| Burnet House / Goodge Street | 17 | £326,000 | | Conversion to supported accommodation. |
| Whitfield Street / Charlotte Street | 2 | £615,000 | | |
| Totals | 206 units | £30.3m | £4.6m | Total planned spend: £35m |

Education Funds

Received 2016/17: £0.6m

Spent/transferred 2016/17: £3.5m

Planned expenditure: £0.1m

Remaining funds available to be allocated: £2.7m

The Council uses its Section 106 funds, alongside other funding streams, to provide increased capacity and improved facilities in schools across the borough. As indicated in Section 3.2 above, £3.5m was transferred into project budgets to deliver improvements to schools in 2016/17 and in future years in line with the Council's Capital Spending Programme.

A balance of £2.7m in education contributions remains available to be allocated towards schools capacity improvements in the borough. These will be allocated to projects in future years as they are developed, as part of wider strategic investment decisions taking into account core investment needs, and the availability of other funding sources including Community Infrastructure Levy (CIL) monies.

Going forward new developer funding for schools works will be secured through CIL rather than s106. Please see Section 2 of this report for further information regarding planned CIL spending.

Parks and open spaces

Received 2015/16: £0.76m

Spent/transferred 2015/16: £2.1m

Planned expenditure: £3.5m

Remaining funds available to be allocated: £800,000

Open space contributions are mainly used to deliver improvements to existing public open spaces, to help address any increasing demands placed on them from development, and to enhance the benefits of public open spaces for existing communities.

The approach to spending open space contributions is set out in the Council's Green Space Investment Programme. The current Programme (approved by the Cabinet Member for Sustainability and Environment in January 2017) sets out the proposed use of all open space s106 funds received up to January 2017. Expenditure plans are therefore in place for most of the s106 funds held for parks and open spaces.

The programme covers a five-year period. It is reviewed each year and projects for the forthcoming year are confirmed on an annual basis.

It is anticipated that up to £1m in s106 funds will be spent on open space improvement projects in 2017/18 as part of the Council's capital spending programme for the year.

New allocations approved in the latest Green Space Investment Programme totalled nearly £900,000, and included:

- £97,000 to Bloomsbury Square
- £10,000 to Maygrove Peace Park
- £83,000 to Maitland Park Open Space
- £89,000 to Red Lion Square
- £117,000 to Kilburn Grange
- £37,000 to Argyle Square
- £67,000 to Judd Street Open Space
- £22,000 to Regents Square/St Georges Gardens
- £190,000 to St Pancras Gardens
- £79,000 to Broadhurst Gardens
- £26,000 to Harrington Square

In addition to these new projects, the latest Investment Programme also added a further £225,000 in funding to existing projects that are already underway.

The Programme will continue to be annually reviewed in order to respond to emerging investment needs and to plan for the use of newly received s106 monies.

Community facilities and activities

Received 2016/17: £0.13m

Spent 2016/17: £2m

Planned expenditure: £3.9m

Remaining funds available to be allocated: £1.4m

The Council generally uses its s106 community facilities funds to support improvements to community facilities across the borough.

There is currently £3.9m of planned s106 expenditure on community facilities and other community projects. The table below lists projects and activities that are expected to take place in 2017/18, following awards made in 2016/17 or in previous years.

Ward Members (and where appropriate, local stakeholders) were involved in each ward process, and the relevant Cabinet Member was consulted before awards were ultimately approved by the Director of Culture & Environment.

The Council's relationship with the voluntary and community sector (VCS) includes an objective to maximise the use of property assets to better deliver services and to encourage sharing of space. The allocation of s106 funds for community facilities is part of this relationship. Section 106 financial contributions towards enhancing community facilities benefit local residents who use the improved facilities, and enable the VCS to more effectively deliver services that meet the needs of residents.

Planned expenditure relating to community facilities also includes c. £1.6m received from the Kings Cross Central s106 agreement, which has a dedicated future use as a Social and Community Fund (£1.3m) and Credit Union/ community finance (£300,000).

In the context of reduced funding, we will continue to ensure that future allocations link into our wider strategic relationship with the voluntary and community sector in Camden, including the recently selected Strategic Partners.

It should be noted that developer funding for improvements to community facilities will in future be increasingly delivered through CIL (in particular 'local' CIL funds) rather than through s106 financial contributions. Please see Section 2 of this report for further information regarding planned CIL spending.



A new community facility within the 'Plimsoll Building' at King's Cross Central will be fitted out using Section 106 funds

| Community facilities: planned expenditure | | | |
|---|--|--|---|
| Ward | Amount | Organisation | Activity / Progress |
| Bloomsbury | £130,000 pledge | Fitzrovia Youth in Action | Towards building works to new premises. The Council's pledge is towards match-funding being achieved. |
| Bloomsbury | £36,350 | Coram's field | |
| Camden Town with Primrose Hill | £187,620 | The Pirate Castle | To improve facilities and increase opportunities for increased use |
| Fortune Green (joint process with West Hampstead) | £300,000 | Sidings Community Centre | A range of improvements and refurbishments are planned |
| Frognaal & Fitzjohns | £186,200 | Hampstead School of Art | New allocation agreed December 2016 |
| Gospel Oak | £10,000 | TRA space at Garnett House | New allocation agreed February 2017 |
| Holborn & Covent Garden | £46,000 | The Phoenix Garden | A new community building will be completed |
| Holborn & Covent Garden | £110,000 | Covent Garden Dragon Hall | Erection of a mezzanine floor and redecoration throughout |
| Holborn & Covent Garden | £400,000+ £300,000 pledge (£300,000 already spent) | Holborn Community Association | Preparation for building a new Bedford House. Continued fundraising to match the Council's pledge to enable the build (funding decision was made subject to receipt of Community Facilities contribution from the Mount Pleasant Royal Mail site) |
| Kilburn (but allocated from West Hampstead) | £75,000 | Kingsgate Community Centre | Sound-proofing and new equipment will be installed / purchased |
| King's Cross | £35,650 | Age UK Camden | Towards extending their facility at Great Croft |
| King's Cross | £115,000 pledge | Camden Chinese Community Centre | Towards the installation of a lift within their premises to increase its use. The Council's pledge is towards match-funding being achieved |
| King's Cross | £28,000 | King's Cross Brunswick Neighbourhood Association | New allocation agreed December 2016 |
| St Pancras & Somers Town | £18,800 | St Pancras Community Association | New allocation agreed December 2016. Furniture and equipment for the new community centre will be purchased. |
| St Pancras & Somers Town | £100,000 | Somali Youth Development Resource Centre | New allocation agreed June 2017 |
| West Hampstead | £50,000 | St James Church Post Office | |
| Total planned expenditure | £2.32m | | |

Business improvement, local employment and training measures

Received 2016/17: £560,000

Spent 2016/17: £458,000

Planned expenditure: £2.5m

Remaining funds available to be allocated: £1.5m

A key priority of the Camden Plan is to harness the benefits of economic growth, and we use s106 contributions to help fund training, apprenticeships and job brokerage opportunities as well as other key economic development projects.

There is £2.5m of planned expenditure on employment and training activities. This includes around £955,000 of projects which are currently committed for 2017/18:

- £160,000 for Kings Cross Recruit
- £423,000 for Kings Cross Construction Skills Centre
- £265,000 for Camden Apprenticeships
- £22,500 towards the Castlehaven employment project
- 32,000 for the Somers Town Jobs Hub
- £51,000 for the Schools Brokerage project.

We will use the remaining allocated s106 funds to provide opportunities for local people to access employment and training. For example, we expect s106 funding will be needed to fund the delivery of the Camden Apprenticeships Service which is currently core funded. We are also likely to need additional s106 funds to support the Kings Cross Construction Skills Centre which will need to move to a new site in 2018.

It is further anticipated that s106 funds will be used to match fund devolved employment and skills budgets through sub-regional working arrangements.



Other planned expenditure

We also hold smaller amounts of s106 funding for a range of other purposes, such as community safety, health and sustainability. Planned expenditure in these other areas includes:

- £224,000 to be passed to London Wildlife Trust to be used towards the costs of building a new visitor centre at Camley Street Natural Park.
- £105,000 on Phase Two of the new decentralised energy scheme in Somers Town, (£395,000 having been spent in 2016/17). This spending forms the third and last phase of a total £3.8m investment which will replace old communal heating systems to heat 340 homes in the area.
- £58,000 to support sexual health services at the Brook Centre along with outreach work at Bloomsbury and other university campuses (£10,000 spent in 2016/17).

4. Conclusion

This year has seen significant progress both in increasing levels of Section 106 spending on major improvements in the borough, and in the launch of a new ward member-led local CIL spending system that will see funds being spent on local projects that are seen as priorities by local people.

Using Section 106 financial contributions, Local CIL funds and Strategic CIL funds strategically and in a holistic way, we are delivering new affordable homes, community infrastructure, employment opportunities and environmental improvements across the borough. This is complemented by the non-financial contributions that are also negotiated with developers, such as open space provision, on-site affordable housing and apprenticeships.

We are committed to ensuring that we make the best possible use of developer contributions to provide benefits to communities and the environment in Camden, and this report sets out how we intend to use s106 and CIL funds to invest in our communities and to help local people to benefit from growth.

We hope you find this report useful. If you have any comments or suggestions about the report, please email cil@camden.gov.uk or planningobligations@camden.gov.uk.



Appendix 1. Highways works funded from Strategic CIL - 2016-2017

| Street | Amount | Type of works |
|--------------------|---------|---------------|
| Abbot's Place | £36,172 | Carriageway |
| Achilles Rd | £61,645 | Carriageway |
| Adelaide Rd | £88,932 | Carriageway |
| Adelaide Rd | £68,440 | Carriageway |
| Albany St | £47,526 | Carriageway |
| Arkwright Rd | £70,544 | Carriageway |
| Arlington Road | £37,208 | Carriageway |
| Bayham St | £893 | Carriageway |
| Beaumont Place | £22,973 | Carriageway |
| Bedford Row | £61,776 | Carriageway |
| Belsize Rd | £7,306 | Carriageway |
| Bracknell Gardens | £84,557 | Carriageway |
| Broadhurst Gardens | £70,661 | Carriageway |
| Broomsleigh Street | £46,107 | Carriageway |
| Camden St | £2,382 | Carriageway |

| Street | Amount | Type of works |
|-------------------|----------|---------------|
| Cardington St | £4,830 | Carriageway |
| Clarence Way | £23,480 | Carriageway |
| Crowndale Rd | £14,055 | Carriageway |
| East Heath Rd | £52,815 | Carriageway |
| England's Lane | £86,290 | Carriageway |
| Fortune Green Rd | £9,485 | Carriageway |
| Gloucester Avenue | £73,029 | Carriageway |
| Heath Drive | £48,736 | Carriageway |
| Herbert St | £54,644 | Carriageway |
| Highgate Rd | £43,518 | Carriageway |
| Highgate Rd | £45,632 | Carriageway |
| Hilgrove Rd | £120,534 | Carriageway |
| King Henry's Rd | £52,348 | Carriageway |
| Lady Somerset Rd | £29,431 | Carriageway |
| Leighton Rd | £90,034 | Carriageway |

| Street | Amount | Type of works |
|--------------------|---------|---------------|
| Lymington Road | £53,987 | Carriageway |
| Lyndhurst Road | £41,341 | Carriageway |
| Malden Rd | £31,925 | Carriageway |
| Malden Rd | £4,226 | Carriageway |
| Netherhall Grdns | £30,424 | Carriageway |
| Parkhill Rd | £89,827 | Carriageway |
| Parkhill Rd | £3,353 | Carriageway |
| Parliament Hill | £32,165 | Carriageway |
| Phoenix Rd | £24,054 | Carriageway |
| Prince Of Wales Rd | £53,380 | Carriageway |
| Priory Terrace | £42,128 | Carriageway |
| Quex Rd | £54,325 | Carriageway |
| Regent's Park Road | £35,543 | Carriageway |
| South Hill Park | £49,030 | Carriageway |
| St Alban's Road | £30,137 | Carriageway |
| Stanhope Street | £12,670 | Carriageway |

| Street | Amount | Type of works |
|----------------------|-------------------|--------------------|
| Theobald's Rd | £7,909 | Carriageway |
| Theobald's Rd | £4,275 | Carriageway |
| Theobald's Rd | £2,950 | Carriageway |
| West End Lane | £4,694 | Carriageway |
| West Heath Rd | £11,045 | Carriageway |
| Total | £2,075,373 | Carriageway |
| Basset Street | £11,997 | Footway |
| Brooksfield Park | £72,028 | Footway |
| Camden Mews | £222,123 | Footway |
| Cathcart Street | £31,415 | Footway |
| Charlton King's Road | £30,215 | Footway |
| Clarence Road | £47,532 | Footway |
| Compayne Gardens | £13,686 | Footway |
| Cressy Road | £5,075 | Footway |
| Heath Hurst Road | £79,872 | Footway |

| Street | Amount | Type of works |
|--------------------|-------------------|----------------------|
| Highgate West Hill | £32,030 | Footway |
| Holmes Road | £26,370 | Footway |
| Inkerman Street | £52,588 | Footway |
| Lauriel Road | £76,578 | Footway |
| Leighton Crescent | £25,688 | Footway |
| Mansfield Road | £44,274 | Footway |
| Prior Terrace | £52,336 | Footway |
| Rosecroft Avenue | £80,549 | Footway |
| Sherriff Road | £97,764 | Footway |
| Templewood 2 | £66,319 | Footway |
| Templewood road 1 | £51,362 | Footway |
| West Heath Road | £72,599 | Footway |
| Total | £1,192,400 | Footway |
| Grand total | £3,267,773 | |

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