

**Camden Council
Regeneration and Planning**

Community Infrastructure Levy and Section 106 Annual Report 2017/18



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1. Introduction

1.1 About this report

Welcome to the 2017/18 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.

Section 2 of this report sets out progress in the collection and spending of Camden CIL, including the progress and review of our 'Local CIL' spending system. 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:

- £4.3m received in Camden CIL, of which £3m (alongside monies carried forward from previous years) will go towards highways and schools works across the borough in line with Camden's Medium Term Financial Strategy.
- £355,000 of 'local CIL' funds were spent in 2017-18. Alongside this, preparations started for a consultation on new local CIL spending priorities for each ward, which will take place in October 2018. This will be supported by some improvements to how the spending system works, in order to deliver more spending and benefits for local communities.
- For the second time in succession Section 106 expenditure has been higher than income, with £10m received against £16.7m in spending. This reflects continued progress in delivering major long-term projects that are funded by s106.
- There is a total of c.£86m in planned future Section 106 expenditure, and it is anticipated that high levels of spending will continue as the delivery of major schemes progresses.

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 – these are secured and must be used for defined purposes 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.

Levels of s106 receipts in 2017/18 dropped compared to recent years, which may be an indication that overall income levels are rebalancing following the introduction of CIL. We expect that in future overall Section 106 income levels will generally be lower than in recent years, as some s106 contributions are being replaced by new CIL income to fund some forms of infrastructure.

1.3 Contact details

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

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

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

2. Community Infrastructure Levy (CIL) update 2017/18

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 the borough. 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 2017/18

Camden CIL collection has been underway since April 2015, and approximately **£4.3million** of Camden CIL was received in 2017/18. This is lower than the £9.8million in the previous financial year (2016/17), and the reduced level of income is mainly due to developers on major sites paying larger CIL sums in instalments, meaning that payments are spread over a longer period and do not appear in this financial year.

The largest amounts of Camden CIL received this year were from the following developments:

- 100 Avenue Road: £311,000 paid out of a total of £4.6m;
- 1-6 Centric Close: £300,000 paid out of £946,000;
- Athlone House: £450,000 paid of £1.7m (the remaining amount is to be paid in future years under Camden's CIL instalments policy).

A detailed breakdown of CIL payments received in 2017/18 (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 (£215,000) 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 (MTFS), which committed £22million of Camden's CIL towards highway and school improvements until 2020 through the Council's Capital Spending Programme.

£3million of strategic CIL was collected in 2017/18. This funding was combined with monies held in reserve from previous years to fund £2m in schools improvement works and £4m in highways improvement works. Please see Appendix 1 to this report for a detailed breakdown of spending on individual projects.

The MTFS has also committed a further £8m (£4m per year) towards highways improvements works and £4m (£2m per year) towards schools improvements works over 2018/19 and 2019/20.

Over the next year we will be considering our approach to spending strategic CIL beyond 2020, alongside the Council's wider review of its MTFS. Future projects that could be funded by strategic CIL in the medium-long term are set out in a funding list, which is available online

at www.camden.gov.uk/cil. This funding list will be updated as part of the council's strategic CIL spending review.



Local CIL

Approximately £1.1m in local CIL funds was collected in 2017/18, and £355,000 was spent on projects during the same period.

The local CIL spending allocation system was suspended from the end of January 2018, in the run up to the local Government elections in May 2018. This meant that a number of proposed projects could not be approved until after the close of the financial year, and will instead be reflected in spending during 2018/19 (see 'future Local CIL spending' below).

Table 1 below gives a summary of the Local CIL collected, allocated and spent in each ward during 2017/18, whilst Table 2 lists the projects which were funded in the same year. Project summaries for some of the projects that were funded last year are also provided overleaf.



Collingham Gardens Nursery received £5,000 in local CIL funds during 2017/18 for improvements to its garden area

Table 1 Camden Local CIL collected and spent 2017-2018

Ward	Available 31st March 2017	Collected	Allocated (unspent)	Spent	Available 31st March 2018
Belsize	£264,829	£40,071	£0	£725	£304,175
Bloomsbury	£31,253	£44,687	£0	£0	£75,940
Camden Town with Primrose Hill	£52,754	£256,861	£0	£0	£309,615
Cantelowes	£15,645	£77,297		£56,000	£36,942
Fortune Green	£7,333	£0	£0	£0	£7,333
Frognaal & Fitzjohns	£1,693,471	£65,541	£50,250	£3,565	£1,705,197
Gospel Oak	£0	£11,977	£0	£0	£11,977
Hampstead Town	£710,082	£0	£0	£130,274	£579,808
Haverstock	£10,123	£9,783	£12,000	£0	£7,906
Highgate	£0	£111,993	£0	£0	£111,993
Holborn & Covent Garden	£14,496	£108,114	£26,240	£81,263	£15,107
Kentish Town	£170,187	£11,035	£800	£0	£180,422
Kilburn	£9,214	£142,803	£0	£1,700	£150,317
Kings Cross	£43,640	£1,956	£0	£43,347	£2,249
Regents Park	£25,098	£18,330	£0	£0	£43,428
St Pancras & Somers Town	£40,280	£0	£0	£38,318	£1,962
Swiss Cottage	£750	£128,321	£0	£0	£129,071
West Hampstead	£6,646	£101,236	£0	£0	£107,882
Total	£3,095,801	£1,130,005	£89,290	£355,192	£3,781,324

Table 2. Local CIL project spending 2017 – 2018	
Royal Free hospital: Create a Dementia Friendly Ward	£65,974
Hampstead Community Centre: Renovations	£50,000
Brook & Cranleigh Houses: Window boxes and planting	£3,318
Edith Neville Centre: Families First Project	£35,000
Kilburn KOVE Bench	£1,700
Collingham Gardens Nursery	£5,000
Argyle Community Centre feasibility	£43,347
Belsize RA Notice Board	£725
Maiden Lane Community Centre Under 5s Drop-ins	£6,000
Kentish Town Thameslink Platform Planting	£800
Keats House: Toilet refurbishment and drainage of grounds	£13,800
Camden Highline	£10,000
Maiden Lane Transitions	£40,000
RedFrog Association Design and Website Development	£3,565
Royal Free Garden Projects	£500
Seven Dials Renaissance Study On-line	£6,570
Dragon Hall After School Clubs	£20,027
Dragon Hall lighting upgrade	£25,000
Under 5s creative play and Arts Bedford Hse	£23,141
Belsize Notice Board	£725
Total	£355,192

Project summary: Royal Free Hospital Dementia Ward

£65,973.60 was spent on transforming the existing Ward North 10 into a unique dementia friendly space for acute elderly patients. The project involves the creation of a 1950s vintage living room and hair salon, for specific use by dementia patients, their visitors and dementia-trained volunteers. The remainder of the ward was also extensively re-decorated, using images to evoke natural and familiar environments for older patients. Expected impacts include a reduction in length of patient stays, a decrease in levels of patient anxiety and challenging behaviours, and improvements in patient and carer experiences.



Project Summary: Hampstead Community Centre

£50,000 was used to refurbish and improve access to the existing toilet and kitchen facilities within the Hampstead Community Centre. The works involved a complete renovation of the existing kitchen area, including the installation of a commercial grade kitchen to meet the needs of the activity groups' users and the general public.

Project summary: Argyle Community Centre feasibility

£43,347 was spent on a Feasibility Study into improvements of King's Cross Neighbourhood Centre, 51 Argyle Street. The study will enable KCBNA to fundraise to enact the improvements. The project vision is to develop a 21st Century community hub enabling it to deliver a multitude of services for deprived communities.

The plans propose creating a larger centre which would be a community hub providing a wider range of activities such as:

- An arts, music and media room.
- Multi-use spaces to work with individuals and groups on projects to broaden their horizons on social & community issues and community cohesion.
- IT room offering community learning such as web designing, employment and training, community debate and discussion.
- Courses such as First Aid, Food Safety, community leadership courses, volunteering opportunities and tailor made training.
- A gym to provide health and fitness courses and advice on healthy living to the wider community as well as working with various partners including Adult Social Care, education and health providers



The existing Argyle Community Centre

Future Local CIL spending

As indicated above, 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 2018. Approved allocations since the close of the 2017/18 financial year to date:

- The Thanet Youth and Community Centre: £8,000
- Redington Froggnal Conservation Area Statement Update: £24,000
- Fitzjohns and Netherhall Conservation Area Statement Update: £24,000
- Talacre Picnic Benches: £4,000
- Belsize Air Quality Monitoring: £5,020
- Swiss Cottage Air Quality Monitoring: £5,020

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

Local CIL review and consultation on spending priorities

During 2017/18 a review of the local CIL spending system was carried out consider the potential for improvements following the implementation of the new system in August 2016. The review identified a number of measures to assist in the allocation of funds to projects and the delivery of these projects, which were agreed by the Cabinet Member for Investing in Communities in July 2018:

- Ward spending delivery plans in wards with large local CIL to help improve the monitoring and management of spending.
- Use of ward-based spending boards to help plan and manage spending in wards with large balances.
- Considering the use of some local CIL monies in wards with very large balances on priorities in neighbouring wards.
- Identification/design of some projects by officers, in consultation with ward members, where delivery would be by Camden services.
- An expectation that ward members engage in the development of new priority lists, the allocation of local CIL funds to projects, and attendance at spending boards.

It was also agreed that a new consultation should be carried out on local CIL spending priorities for all wards. This was launched in early October 2018 and is coordinated through an online platform called Commonplace. Any responses received and comments / recommendations will be fed back to ward members to consider. It is intended that a new set of spending priorities will be agreed early in 2019.

2.3 Mayor of London Community Infrastructure Levy

Camden has been collecting a CIL on behalf of the Mayor of London since April 2012. £2.8 million Mayoral CIL was collected during the 2016/17 financial year. These funds were transferred to Transport for London on a quarterly basis to help fund Crossrail. 96% of the collected funds were transferred to TfL with a fee of approx. £112,000, (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.

When Crossrail is complete, the Mayor of London intends to continue to charge a London-wide CIL in order to help fund Crossrail 2.

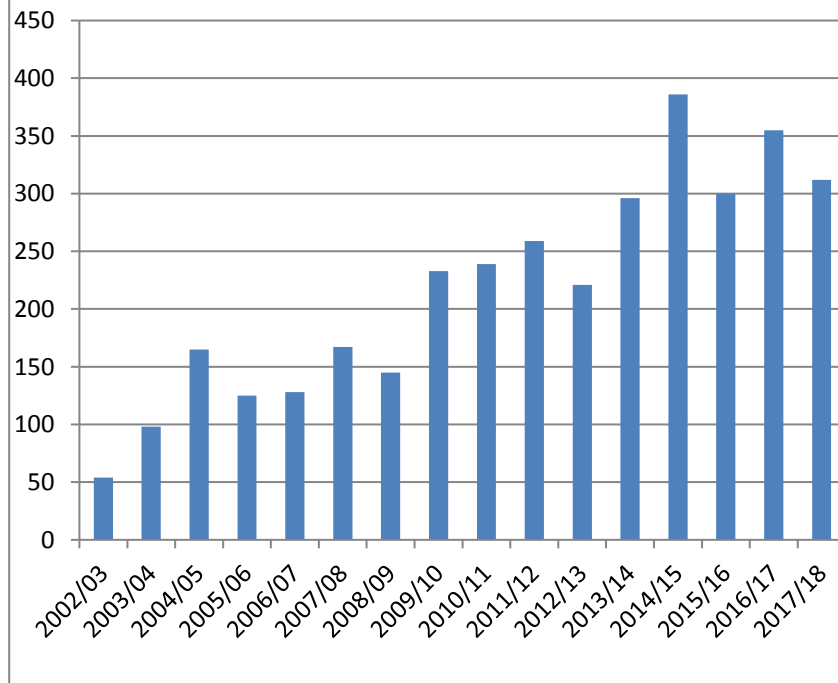


3. Section 106 update 2017/18

3.1 Section 106 agreements signed

In 2017/18 **312 s106 agreements were negotiated**, a figure which is broadly similar to the number of agreements signed over recent years. The number of new agreements signed remains 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.

Table 3. S106 agreements signed per year



Developments with notable s106 agreements signed this year include:

- Highgate Newtown Community Centre: redevelopment of the existing Highgate Newtown Community Centre and Fresh Youth Academy to provide replacement community facilities.
- Castlewood House and Medius House, 77-91 and 63-69 New Oxford Street: demolition of existing office building and erection of an 11 storey office building with retail, restaurant and affordable housing.
- 35 - 41 New Oxford Street: refurbishment and extension to provide a mixed use scheme including 19 residential units, retail and office space.

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



Image of proposed development at Castlewood House and Medius House, New Oxford Street

3.2 Section 106 financial contributions received

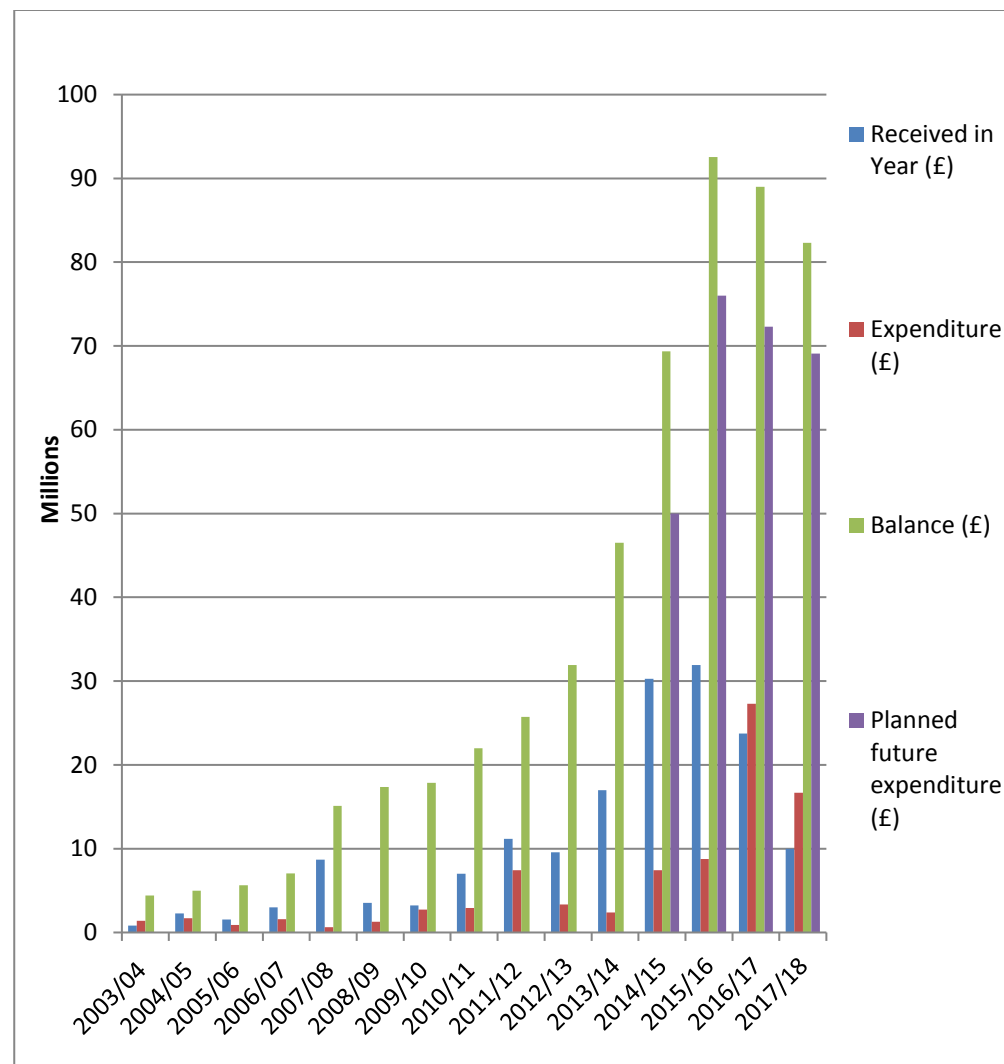
A total of **£10m** was received in Section 106 financial contributions during the 2017/18 financial year – a reduction from the three previous financial years, but nevertheless significant in its own terms, and well above historic income levels.

The graph and table below show that despite lower receipts last year, s106 income has significantly increased overall in recent years. In the last four years we have received a total of **£96m**, with £30m received in 2014/15, £32.m in 2015/16 and £24m in 2016/17.

Year	Received in year £000s	Expenditure £000s
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
2017/18	£9,985k	£16,673

Source: Camden Finance, Infrastructure and Growth team

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



Total receipts in 2017/18 came from 109 sites, however almost a third of the contributions came from just three sites (£3.23m):

- 101 Camley Street, NW1 0PF (2014/4385/P) - £1.3m, including a £310k contribution to education, £270k to community facilities and a £200k open space contribution
- Marine Ices, 4-8a Haverstock Hill NW3 2BL (2015/0487/P) £1.1m including a £970,000 Affordable housing Contribution
- Former Odeon Site, Grafton Way (PSX0005046) - £830,000 towards the Centre for Independent Living



Proposed Marine Ices development, Haverstock Hill

3.3 Section 106 spending / transfers in 2017/18

For the second year in a row, expenditure of Section 106 funds exceeded levels of income in 2017/18, with approximately **£16.7m** either spent or transferred to committed project budgets. This reflects an ongoing focus on the spending of Section 106 funds to ensure the delivery of the infrastructure, affordable homes and employment and other opportunities needed to support growth and maximise the benefits secured from development.

Our Annual Report for 2016/17 highlighted significant levels of planned expenditure, much of it towards major long term schemes, which would see high rates of Section 106 spending in future years. This was borne out by a further increase in Section 106 spending in 2017/18.

Summary of main spending and transfers during 2017/18:

- **£11.9m for affordable housing delivery as part of the Council's Community Investment Programme;**
- **£1.7m on various transport improvements;**
- **£1m towards employment and training initiatives, including £358,000 to the Kings Cross construction skills centre**
- **£0.9m on Community Facilities – including £243,000 awarded via the Kings Cross Social and Community Fund (also known as the 'KX Fund').**

Housing

The Council has revised its approach to the allocation of the Affordable Housing Fund (AHF). Rather than allocate s106 funds to individual schemes as they come forward on an ad hoc basis, the majority of available funding is now targeted to affordable housing delivery across the Council's Community Investment Programme.

The new approach is based on the establishment of set proportions of the AHF to be allocated to affordable housing, which are set initially as follows:

- Community Investment Programme and Adult Social Care (supported housing) schemes: 90%. This proportion is used to fund all eligible schemes across the programme based on a set percentage of affordable housing costs (initially 40%);
- Schemes being delivered by external parties, i.e. registered providers: initially 8%; and
- Costs to the Council in securing and monitoring the implementation of affordable housing delivery/expenditure: 2%.

This new approach, which is subject to annual review, allows the Council to better target funds and react to the best investment options. As a result, in 2017/18, approximately £12m was spent on affordable housing. Most of this went to CIP schemes (see table overleaf), with a further £104,000 transferred to the scheme budget for King's Cross Affordable Housing Adaptations.

Table 5. Affordable Housing Fund expenditure on CIP projects 2017/18 (based on 40% of total unit costs unless stated)		
Contractually committed projects		
Project	No. Affordable units (full scheme total)	AHF Expenditure 2017/18*
Abbey Area – phase 1	66	£5,976,735
Agar Grove - phase 1	110	£1,103,438
Bacton Low Rise – phase 1	46	£469,370
Bourne Estate	44	£311,702
Chester Balmore	27	£175,893
Central Somers Town - phase 1	10	£203,080
Kiln Place**	7	£478,352
Holly Lodge - phase 2	5	£149,842
Maiden Lane	126	£2,440,398
30 Camden Street	14	£364,496
Netley	10	£5,262
Uncommitted Projects (design fees)		
Project	No. Affordable units (full scheme total)	AHF Expenditure 2017/18*
Abbey Area - phases 2 & 3	48	£19,266
Agar Grove - phase 2	143	£15,253
Bacton Low Rise - phase 2	71	£142,908
Charlie Ratchford Centre (ASC)	38	£22,673

* all figures relate to the proportion of scheme costs incurred within the 2017/18 financial year only, rather than meeting full scheme costs.

** spending based on commitment carried forward prior to new approach



Kiln Place (top) and Abbey Area (bottom) CIP projects both received Section 106 AHF funding in 2017/18

Transport spending/transfers

During 2017/18, around £1.7m was spent on transport improvements. Most of this spending (c.£1.6m) was for site specific highway improvements around development sites, including:

- £342,000 on various highway improvements around 32 Lawn Road
- £110,000 at Kings College London Hampstead Residence
- £207,000 at 1-11a Swains Lane / 109 Highgate West Hill

£116,000 was also spent on improving cycle facilities and the footway at Royal College Street.

In addition to the above spending, a sum of £117,000 in local highway contributions were returned to developers after officer assessments deemed that no works were required to repair/improve the highway as a result of the development.

Business improvement, local employment and training measures

During 2017/18, £1m was spent on initiatives to support employment and training, including:

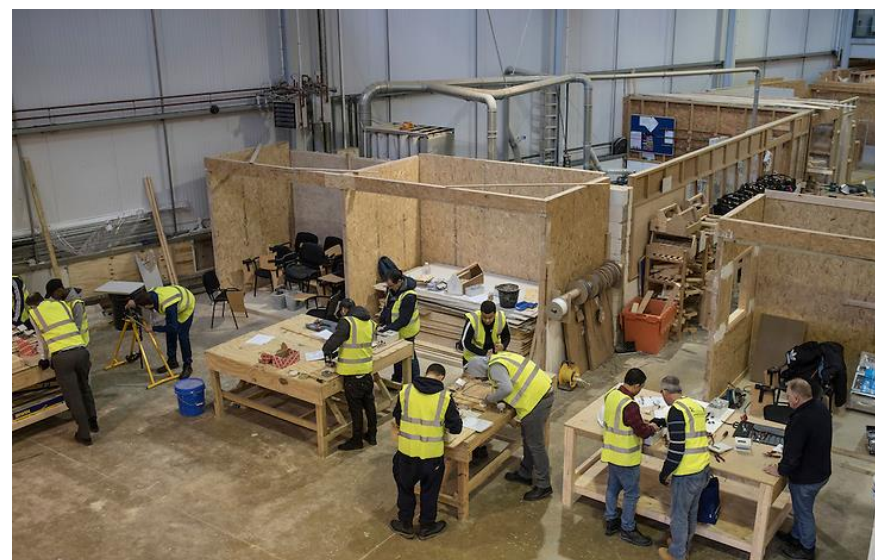
- £64,000 towards the Council's STEAM (Science, Technology, Engineering, Arts and Maths) Programme. This programme works with Camden's creative, digital and scientific business community to ensure that all of Camden's young people receive an education that prepares them for 21st century jobs by fusing creativity with STEAM expertise.
- £194,000 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
- £358,000 was spent on the Kings Cross Construction Skills Centre, supporting local people into construction apprenticeships and jobs on the Kings Cross Central site as well as other developments across Camden. The Centre also

delivers a schools programme introducing young people to construction careers.

- £263,000 towards the Camden Apprenticeships service, which supports citizens into apprenticeships at the Council and a wide range of other business sectors.
- £118,500 towards the officer costs involved in the development and delivery of employment and skills initiatives by the Council's in-house economic development service.

As a result of our spending on local employment initiatives, 238 local people were supported into apprenticeships in construction and other sectors during 2017/18. In addition, the Kings Cross Construction Skills Centre supported an additional 40 local people into construction jobs and Kings Cross Recruit supported a further 171 people into work.

2017/18 also saw the approval of 2,940 sq m of affordable business space for Small and Medium Enterprises (SMEs), to be marketed locally and secured through the legal agreement.



The King's Cross Construction Skills Centre

Community Facilities

During 2017/18 the Council spent just under £900,000 on community facilities, providing funding to a range of projects:

Table 6. S106 community facilities spending in 2017/18	
Recipient/project	Spending
Maiden Lane Community Centre	£58,000
Camden Chinese Community Centre	£115,000
Kingsgate Community Association	£75,000
Camden Arts Centre	£70,000
Coram's Fields	£36,000
Somali Youth Development Resource Centre (fit out of new community meeting facility at King's Cross Central)	£99,500
Marchmont Community Garden decking repairs	£3,500
Active All Areas	£31,500
Kings Cross Social and Community Fund ('KX Fund')	£242,500
Surma Centre - Bengali Workers Association	£105,500

Parks and open spaces

During the previous financial year (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.

Following on from this, a further £260,000 was spent or transferred in 2017/18. This was largely residual spending for projects committed in 2016/17, along with the costs associated with future scheme development:

- £34,000 at Camley Street Natural Park

- £81,000 on Camden Green Gyms
- £12,000 on West Hampstead Green Gym
- £130,000 on the costs of scheme development, which will be reflected in expenditure on parks and open spaces in future years.



Iverson Road open space received Section 106 funding in 2016/17: the above photos show the park before and after improvement works which took place last year.

Health provision

A further £58,000 was spent on sexual health services at the Brook Centre along with outreach work at Bloomsbury and other university campuses.

Managing the impacts of development

The monitoring of Section 106 obligations and management of the impacts from development brings resource implications for the Council. We therefore secure contributions from developers to cover these costs.

Around £350,000 in Section 106 funds was spent on Council monitoring/implementation activities during 2016/17:

- £134,000 on the assessment/implementation of Construction Management Plans
- £50,000 on the monitoring of Travel Plans
- £162,000 on monitoring Section 106 agreements



Camden seeks to address the impacts of construction in the borough using Construction Management Plans.

3.4 Current Section 106 balances

As a result of the income and expenditure set out in Sections 3.2 and 3.3 of this report – as well as ongoing work to develop future spending plans – current s106 balances are as follows:

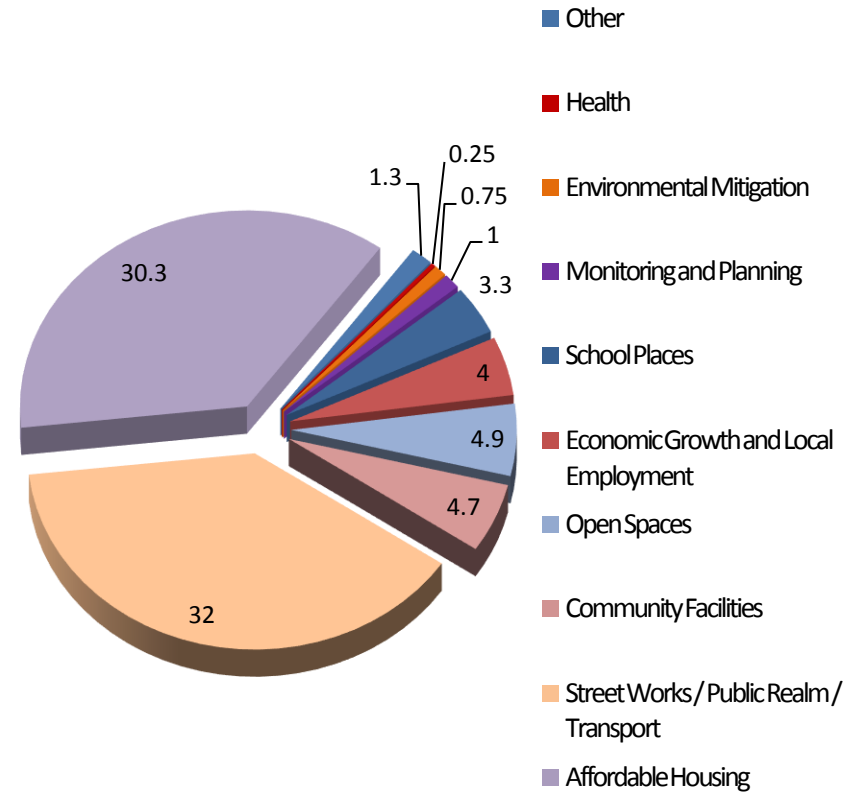
- Specific plans are in place to spend £86m (of which £72.3m is currently held by the Council, the remainder will come from future Affordable Housing receipts)
- £10m in s106 funds remain available to be allocated for future use, which will need to be used in line with the specified purpose for each contribution, as defined within the Section 106 agreement for each development site. Section 3.5 below sets out the unallocated amounts for each spending area, and our approach to deciding how these unallocated funds should be spent.

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 (£27.5m planned expenditure, £4.4m remaining to be allocated)
- Affordable housing (£44m planned expenditure, funded by £30.3m in monies held + future Affordable Housing receipts)
- Community facilities (£3m planned expenditure, £1.7m remaining to be allocated)
- Open space provision (£4.2m planned expenditure, £0.7m remaining to be allocated)
- Economic Growth and Local Employment (£2.9m planned expenditure, £1.1m remaining to be allocated) and
- Education (£3.3m planned expenditure, £0.05m 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 **£86m 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:

- £41.75m to support affordable housing provision on major CIP regeneration projects (see 'Affordable Housing Fund' below)
- £14.4m to be spent on public realm projects as part of the West End Project where works have now commenced, along with a major programme of highways works (see 'Highways and Transport' below)
- £4.2m on Parks Investment Programme projects (see 'Parks and open spaces' below).
- £3.3m on schools improvements (see 'Education funds' below)

We will carefully consider how to spend the remaining 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 2017/18: £3.3m

Spent/transferred 2017/18: £1.9m

Planned expenditure: £27.5m

Remaining funds available to be allocated: £4.4m

- £14.4m of funds in the capital programme are allocated to the West End Project public realm works (*pictured, below right*). This funding is committed as part of the Council's Capital Spending Programme, and is being transferred into the project account during the current (2018/19) 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 will be delivered over the next three years.
- £1.2m from the King's Cross Central development is allocated towards TfL bus improvements.
- Around £1m to be transferred to Transport for London for Legible London, cycle docking and bus stop improvements.
- Around £1.5m 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. Further schemes are being developed for Gospel Oak, Canteloves and Kilburn
- Around £0.9m for various highway projects in the current capital programme for 2018/19, including:
 - Royal College Street cycle and pedestrian improvements - £116,000
 - Fitzjohns Avenue road safety scheme - £346,000
 - Maria Fidelis School Drummond Crescent - £240,000
 - Albany Street corridor improvement - £220,000
 - Camden High Street Pedestrianisation– £182,000

- Around £7.1m 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 Wharfdale 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 remaining unallocated funds are comprised mainly of contributions towards highways (c.£2m); environmental/public realm (c.£2m); and cycle hire, bus provision and Legible London signage (c.£250,000). These will be drawn down as detailed schemes are taken forward. This will include around £1.7m of environmental/public realm projects which are currently being considered, with more detailed scheme development planned for 2019/2020.



Affordable Housing Fund (AHF)

Received 2017/18: £2.9m

Spent/transferred 2017/18: £12m

Planned future expenditure: £44m

Remaining funds available to be allocated: £0

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

As noted in Section 3.3, the Council has revised its approach to the allocation of the Affordable Housing Fund (AHF) as follows:

- 90% is allocated to fund affordable housing across the pipeline of schemes within the Community Investment Programme and Adult Social Care (supported housing), initially based on meeting 40% of eligible affordable housing cost on each scheme;
- 8% to schemes being delivered by external parties (i.e. registered providers); and
- the remaining 2% to cover the costs to the council in securing and monitoring the implementation of affordable housing delivery/expenditure.

This new approach is intended to enable the Council to continue to maximise the pace and volume of affordable housing delivery, in particular through CIP, whilst making better use of financial resources for capital expenditure across the organisation. It should also enable more predictable spending of the AHF by using it to help fund projects that are on the ground, and better support the delivery of affordable homes in the pipeline across CIP.

Over the next three years, and subject to annual review, the Council intends to apply the AHF to fund the following levels of expenditure across CIP:

Table 7. Planned s106 expenditure on affordable housing within CIP

Year	Planned expenditure
2018/19	£17.17m
2019/20	£12.67m
2020/21	£11.91m

Details of the schemes within the CIP pipeline that are scheduled to receive AHF funding to support 40% of eligible affordable housing costs are set out in Table 8 overleaf.

In addition to the above, the following expenditure is also planned for schemes outside of the Community Investment Programme:

- 39 Tottenham Street (Council scheme): £500,000
- Kings Cross Adaptations (One Housing Group): £401,000
- Burnet House (One Housing Group): £326,000
- Whitfield Street / Charlotte Street / Iverson Road (Origin): £611,000
- 10 Denmark Street (Soho HA): £675,000

An AHF review report will be produced every year that will monitor expenditure, report on planned spending and consider any need to alter the proportions and levels of expenditure explained above. It will also include a tracker of overall funds collected and spent south and north of Euston Road. This would highlight any net credit or debit in spending south and north of Euston Road, while allowing the Council to spend the funds we have now on committed projects as well as continuing the existing (medium to long term) commitment to balance investment of the AHF in proportion to the broad areas where funds are raised. In line with this commitment, the Council will give priority to identifying viable and deliverable projects south of Euston Road until investment is in balance with funds raised.

Planned CIP expenditure: the table below sets out the CIP projects that are expected to receive AHF funding support based initially on meeting 40% of eligible scheme costs. The exact project costs and thus AHF funding is subject to confirmation at year end, but allocations will be broadly in proportion with number of units provided. Exact expenditure on individual projects will be reported each year in this CIL and s106 annual report.

Table 8. CIP projects to receive AHF funding support at 40% of total unit costs		
Contractually committed Projects		
Project	No of Affordable units:	Tenure breakdown
Abbey Area – phase 1	66	66 Council homes
Agar Grove - phase 1	110	77 Council homes and 33 Camden Living Homes
Bacton Low Rise – phase 1	46	46 Council homes*
Bourne Estate	44	34 council homes and 10 Camden Living rent homes*
Chester Balmore	27	23 Council homes and 4 Camden Living homes*
Central Somers Town – phase 1	10	10 social rented homes
Barrington & Lamble	3	3 Council homes**
Kiln Place	7	7 Council Homes**
Oseney Court (Greenwood Annex)	8	8 wheelchair adapted Council homes**
Holly Lodge – phase 2b	5	4 Council Homes and 1 Shared Ownership*
Maiden Lane	126	75 Council homes and 51 Camden Living homes*
Camden Street	14	14 Council homes*
sub-total in construction	466	

Table 8 (continued) CIP projects to receive AHF funding support at 40% of total unit costs		
Uncommitted Projects		
Project	No of Affordable units:	Tenure breakdown
Abbey Area – phases 2 & 3	48	36 Council homes, 12 Camden Living homes
Agar Grove - phase 2	143	139 Council Homes, 4 Camden Living Homes
Bacton Low Rise – phase 2	71	61 Council homes, 10 Camden Living Homes
Charlie Ratchford Centre (Adult Social Care)	38	38 Council Homes
Central Somers Town ph.2	34	34 Social rented homes
Maitland Park	58	52 Council Homes, 6 Camden Living homes
Oseney Crescent (refurb)	24	24 Camden Living homes
Tybalds*** (under review)	n/a	n/a
Sub-total uncommitted	416	
<p>* Smaller payments to settle final accounts on recently completed schemes ** Funding allocation based on commitment carried forward prior to new approach ***Tybalds scheme currently under review. £6.18m affordable housing contributions from the Parker House site is being held aside for the delivery of affordable homes within Holborn and Covent Garden ward.</p>		

Education Funds

Received 2017/18: £0.55m

Spent/transferred 2017/18: £0

Planned expenditure: £3.3m

Remaining funds available to be allocated: £0.05m

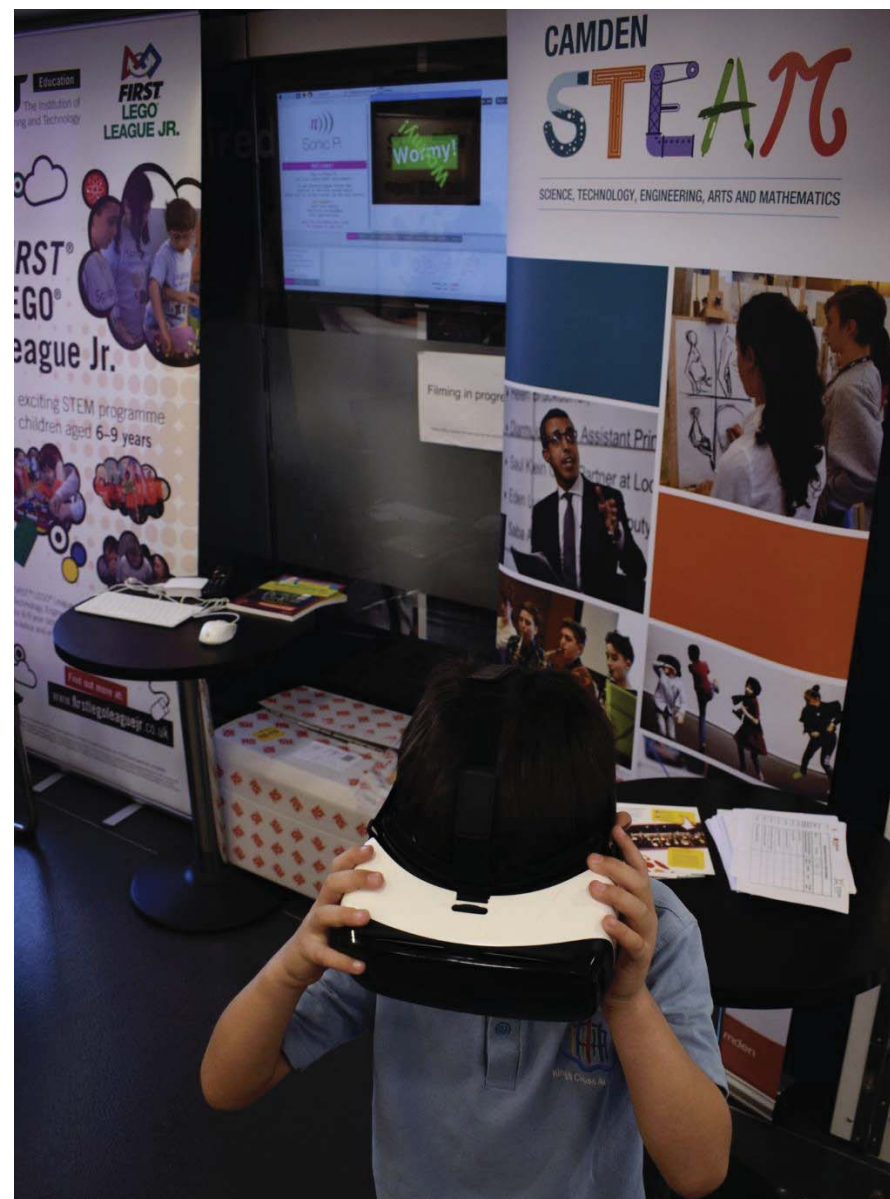
The Council uses its Section 106 education funds, alongside other funding streams, to provide increased capacity and improved facilities in schools across the borough. £3.5m was transferred into project budgets to deliver improvements to schools in 2016/17 and this is currently being spent in line with the Council's Capital Spending Programme.

As a result of this spending, £0.42m remains to be drawn down from pre-existing allocations to the delivery of the new primary school at Kings Cross Central, Richard Cobden School and Joseph Macklin School.

Following an assessment of future schools investment needs across Camden, in April 2018 the Cabinet Member for Best Start in Life agreed to use a further £2.9m in education monies as follows:

- £2.5m to be held in reserve to support secondary school places planning needs. It is envisaged that this funding will be required for the delivery of building works or temporary classrooms, and an exercise is currently underway to establish which schools can accommodate additional pupils with additional numbers and bulge classes;
- £64,000.00 to support a STEM (Science Technology, Education and Maths) project at Torriano Primary school;
- £225,000.00 to support a number of STEAM (Science Technology, Engineering, Art and Maths) projects across the borough (precise locations yet to be finalised);
- £100,000.00 to support the provision of food technology classrooms at Acland Burghley and William Ellis schools.

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



STEAM (Science, Technology, Engineering, Art and Maths) projects are set to receive a combination of Education and Economic Development Section 106 funding in the future

Parks and open spaces

Received 2017/18: £0.85m

Spent/transferred 2017/18: £0.26m

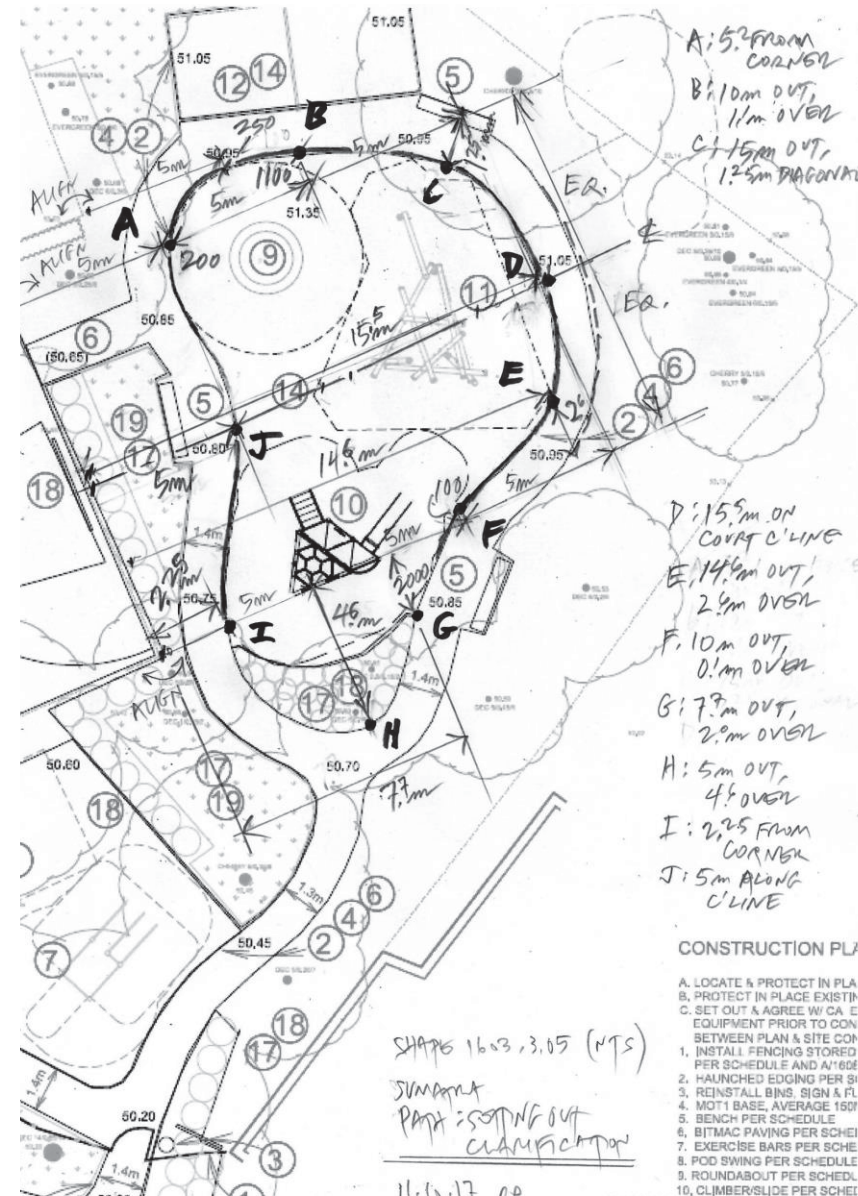
Planned expenditure: £4.2m

Remaining funds available to be allocated: £700,000

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.

Our approach to spending open space contributions is set out in the Council's Green Space Investment Programme. The current Programme was approved by the Cabinet Member for Sustainability and Environment (now the Cabinet Member for Improving Camden's Environment) in January 2017. It 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 will continue to be regularly reviewed to respond to emerging investment needs and to plan for the use of the remaining unallocated funds, along with any newly received s106 monies.



Design sketches (above) and a completed image (left) for a recent project at Sumatra Road open space, which forms part of Camden's Green Space Investment Programme

Community facilities and activities

Received 2017/18: £0.27m

Spent 2017/18: £0.9m

Planned expenditure: £3m

Remaining funds available to be allocated: £1.7m

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

There is currently £3m of planned s106 expenditure on community facilities and other community projects. The table below lists projects and activities that are expected to be funded using Section 106 funds during 2018/19 and in future 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 (£1.06m remaining following expenditure in 2017/18) and Credit Union/community finance (£300,000).

The remaining unallocated funds relate to community facilities contributions held in awards across the borough. In line with the approach mentioned above, future decisions on the future use of these funds will be taken in consultation with the relevant ward members, with local community organisations where appropriate,

and the relevant Cabinet Member, before being formally approved by the Executive Director Supporting Communities. 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 Council's 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 CIL spending.



The proposed new home for the Plot 10 play centre is set to receive Section 106 funding

Table 9. Community facilities: planned expenditure			
Ward	Amount	Organisation	Activity / Progress
Bloomsbury	£130,000	Fitzrovia Youth in Action	Towards building works to new premises. The Council's pledge is towards match-funding being achieved.
Camden Town with Primrose Hill	£187,620	The Pirate Castle	To improve facilities and increase opportunities for increased use
Cantelowes	£232,500	Maiden Lane Community Centre	For capital works, maintenance and support of existing projects
Fortune Green (joint process with West Hampstead)	£235,000	Sidings Community Centre	A range of improvements and refurbishments are planned
Frognaal & Fitzjohns	£186,200	Hampstead School of Art (HSoA)	New allocation agreed December 2016 to enable HSoA to purchase a 999 year lease
Frognaal & Fitzjohns	£17,325	Camden Arts Centre	Towards repairs, enhancements and maintenance of the Camden Arts Centre building
Haverstock	£27,596	Rhyl Primary School	For a food technology classroom with roof garden
Holborn & Covent Garden	£377,297	Holborn Community Association - Bedford House	Preparation for building a new Bedford House. Continued fundraising to match the Council's pledge to enable the build
King's Cross	£35,650	Age UK Camden	Towards extending their facility at Great Croft
King's Cross	£28,000	King's Cross Brunswick Neighbourhood Association	New allocation agreed December 2016 (lift repairs)
King's Cross	£109,350	Coram's Fields Replacement Play Tower	To fund new play equipment
St. Pancras & Somers Town	£76,829	Plot 10	New allocation agreed September 2018 to purchase equipment for Plot 10's new premises
Swiss Cottage	£13,000	The Hive	Committed to funding a Portakabin to expand the current offer for mental health and wellbeing activities
West Hampstead	£50,000	St James Church Post Office	West Hampstead
Total	£1,706,367		

Business improvement, local employment and training measures

Received 2017/18: £1m

Spent 2017/18: £1m

Planned expenditure: £2.9m

Remaining funds available to be allocated: £1.1m

S106 funding has been specifically allocated to the following activities:

- Construction skills training and job brokerage: £850,000
- Kings Cross Recruit: £108,000
- Camden Apprenticeships to March 2022: £1,350,000
- Initiatives to support the Hatton Garden jewellery sector: £430,000
- STEAM Programme and business/school brokerage: £192,500

Camden also has plans to spend s106 funding received specifically to improve the competitiveness of the jewellery sector in Hatton Garden. The Council worked in partnership with the Mayor of London's Creative Enterprise Zone initiative and a consortium of local businesses and stakeholders to create an action plan for the jewellery sector in Hatton Garden. The action plan identifies activities around developing creative networks and community links, creating and safeguarding workspace, specialist business development and support and employment and skills. The delivery of the action plan is subject to match funding from the GLA.

It is envisaged that unallocated s106 funding will also continue to support the delivery of apprenticeships and employment support, including activities specifically targeted at those furthest from the labour market, delivering the Council's Camden 2025 ambition to ensure that everyone can access good work that is right for them.



Section 106 funding is to be used to support the unique jewellery sector at Hatton Garden

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:

- A further £217,000 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.
- £176,000 to be passed to London Wildlife Trust to deliver of a new visitor centre at Camley Street Natural Park.
- £800,000 for the Greenwood Place Centre for Independent Living
- A further £26,100 towards extra consulting rooms at West Hampstead Medical Centre.
- £55,390 towards the Fulfilling Lives Islington Camden homelessness and health pilot project.

4. Conclusion

In previous reports, we suggested that the introduction of CIL would result in falling levels s106 income over time, leading to reducing s106 balances in some areas as project spending continues.

This has prediction been borne out this year, and we expect that the major levels of s106 expenditure planned for the next two to three years will lead to a further noticeable reduction in overall levels Section 106 monies held. This will be balanced up with continued CIL income, with the use of strategic CIL to fund borough wide infrastructure and the use of local CIL to address local infrastructure priorities.

We have also identified a need to improve the planning and delivery of local CIL spending to respond to the levels of funding received, and following a review we have agreed some improvements to the spending system and how we work with and support ward councillors. These improvements will be supported by a new local CIL priority setting consultation that will allow a high level of community engagement through the use of an online consultation platform.

We will continue to seek to use the developer funding we receive in a strategic and holistic way, delivering new affordable homes, community infrastructure, employment opportunities and environmental improvements across the borough while also enabling local people to shape spending at a local level using local CIL funds.

It is also important to remember the important role of non-financial obligations we place on developers, which also make a very important contribution to meeting our policy priorities (for example through on-site open space provision, affordable housing and apprenticeships). This report also touches on the use of developer contributions to help fund the considerable work we put in to monitoring the use of non-financial obligations such as construction Management Plans and Travel Plans to manage the impacts of development as far as we can.

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 – STRATEGIC CIL FUNDING FOR SCHOOLS 2017/18

In 2017/18 £2 million of CIL was used as a contribution towards a programme of school improvement works at the following schools:

Community Schools (total expenditure: £19,634,756)		Children's Centres	
Primary schools			
Argyle	£1,002,874	1A Children's Centre	£29,163
Beckford	£483,849	Agar Grove	£47,404
Brecknock	£1,189,830	Gospel Oak Children's Centre	£117,709
Brookfield	£487,771	Hampden	£395,245
Carlton	£409,959	Harmood	£232,051
Christopher Hatton	£536,795	Kilburn Grange	£18,463
Eleanor Palmer	£438,766	Konstam	£90,757
Fitzjohn's	£137,759	Langtry	£254,569
Fleet	£411,722	Regent's Park	£152,606
Gospel Oak	£940,387	Children's Centres Total	£1,337,967
Kingsgate	£192,160		
Netley	£437,044	Total all projects	£20,972,723
New End	£237,109		
Primrose Hill *	£1,251,963		
Rhyl	£368,079		
Richard Cobden *	£2,097,116		
Torriano School (Infant & Junior)	£565,406		
Primary schools total	£11,188,589		
Secondary schools			
Acland Burghley *	£4,950,000		
Camden School for Girls *	£350,000		
Hampstead *	£2,146,167		
Parliament Hill/William Ellis/LA Swap *	£1,000,000		
Secondary schools total	£8,446,167		

APPENDIX 1 – HIGHWAYS WORKS FUNDED FROM CIL 2017-2018

Road name	Cost	Road name	Cost	Road name	Cost	Road name	Cost
Adelaide Road	£3,384	Ferncroft Avenue	£18,831	Lymington Road	£45,163	Parkhill Road	£2,708
Antrim Road	£25,752	Gaisford Street	£48,482	Lyndhurst Road	£5,389	Pratt Street	£33,796
Arkwright Road	£69,917	Hampstead Hill Gardens	£43,692	Lyndhurst Road	£67,983	Prince Of Wales Road	£6,480
Arlington Road	£52,693	Heath Drive	£42,687	Malden Road	£20,534	Priory Road	£57,849
Belsize Park	£54,819	Holly Walk	£23,670	Mansfield Road	£96,878	Ravenshaw Street	£21,475
Castle Road	£35,947	Holmdale Road	£1,756	Messina Avenue	£34,676	Rosebery Avenue	£12,330
Castlehaven Road	£45,000	Keats Grove	£18,199	Mill Lane	£241,767	Sandwell Crescent	£18,508
Clerkenwell Road	£34,191	Kilburn High Road	£43,399	Mount Vernon	£15,042	Southampton Road	£64,372
Dornfell Street	£20,491	Kilburn Priory	£30,660	Netherhall Gardens	£60,403	Steele's Road	£60,909
East Heath Road	£4,564	Lady Somerset Road	£18,083	Palmerston Road	£7,780	Sumatra Road	£47,168
Fawley Road	£18,852	Langland Gardens	£42,271	Palmerston Road	£19,890	Thurlow Road	£53,439
Carriageway total	£1,996,416						
Footway	Cost	Footway	Cost	Footway	Cost	Footway	Cost
Allcroft Road	£50,463	Grafton Terrace	£49,539	Kelly Street	£60,176	Redington Gardens	£106,260
Arkwright Road	£65,316	Hadley Street	£8,673	Kilburn Priory	£26,174	Redington Road 2	£132,468
Bassett Street	£77,000	Hampstead High Street	£10,732	King Henry Road	£40,299	Redington Road A	£115,214
Black Path	£49,735	Hartland road	£12,474	Lamble Street	£17,549	Rhyl Street	£50,291
Carriageway		Haverstock Hill	£29,287	Miller Street	£74,536	Templewood Gardens	£63,101
Coity Road	£9,070	Heathurst Road	£46,347	Oak Village	£13,781	Weedington Road	£19,605
Evangelist Road	£20,204	Hemstal Road	£7,560	Primrose Hill	£32,709	West End Lane	£43,000
Ferdinand Street	£40,519	Herbert street	£46,243	Prince of Wales Road	£24,000	Wicklow Street	£158,381
Grafton Mews	£137,535	Herbrand Street	£27,811	Railey Mews	£90,000		
Footways total	£2,072,139						
Grand total	£4,068,556						