

Committee(s)	Dated:
Streets and Walkways Sub Committee	26/09/2023
Subject: Allocation of ring-fenced S106 deposits to projects and programmes	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	1, 2, 9-12
Does this proposal require extra revenue and/or capital spending?	Y
If so, how much?	£8,953,294
What is the source of Funding?	Section 106 deposits
Has this Funding Source been agreed with the Chamberlain's Department?	Agreed
Report of: Interim Executive Director, Environment	For Decision
Report author: Melanie Charalambous	

Summary

This report seeks approval for a further allocation of ring-fenced S106 funds, consistent with previous Member approvals and corporate priorities. This is the fourth report in a series with the aim of providing accurate financial information on available S106 deposits, establishing Member priorities for the use of these funds, and allocating the funds accordingly.

Members approved the allocation of a total of £9m in S106 funding across three previous reports. This current report proposes the allocation of a further £8.953m of S106 funds. These S106 deposits are restricted in geographic scope and purpose to transportation and local community and environmental improvements within the Square Mile. Several of these S106 deposits are restricted to specific geographical areas within the City, such as the City cluster.

Many of the S106 deposits included in this report have been made available for allocation following the close down of projects, releasing underspends, for instance the London development. Furthermore, more recent developments such as 40 Leadenhall Street have commenced which have triggered S106 payments.

Recommendation(s)

It is recommended that Members:

- i) Approve the allocation of £8,953,294 in S106 deposits to programmes and projects, as outlined in this report.

Main Report

Background

1. In December 2018, a report was approved by committees that set out the proposed prioritisation of projects within the Environment directorate and included the allocation of £3.6m of unallocated S106 monies to existing projects.
2. In June and July 2019, Members approved a report that allocated £3.9m of S106 funding to high priority projects to mitigate the impacts of developments from which the funds were generated.
3. The 2019 report also set out the methodology and ranking of Environment Department projects following the completion of a prioritisation exercise and authorised officers to re-negotiate the use of any remaining S106 deposits that require a variation in mitigating the impacts of the developments, consistent with corporate priorities.
4. The third report was approved in December 2020 and allocated a further £1.48m of S106 funds to priority projects.
5. S106 payments have primarily been superseded by the Community Infrastructure Levy (CIL). The remaining S106 payments are restricted in purpose and geography and must be spent on the purposes for which they are held or to address the impacts of specific developments, in accordance with the City's obligations.

Current Position

6. Officers have undertaken a review of the remaining S106 funds that are available, including those sums released through recent outcome reports,
7. Officers have also reviewed the prioritised projects in light of recent capital bids and corporate priorities, including the adoption of the Climate Action strategy and the ongoing review of the Transport Strategy.
8. This report requests authorisation to allocate £8,953,294 of S106 monies that do not require renegotiation. Please refer the Appendix for further details.

Approach to funding allocation

9. The sums available are restricted in geography and purpose to transportation and local community and environmental improvements within the Square Mile. S106 funds must be allocated to projects and activities that mitigate the impact of developments from which these funds were generated.
10. The allocation of the funds falls into three main eligibility categories below:
 1. *Member approved programmes and projects that are eligible for receipt of additional funding, including S106;*
 2. *Member approved programmes and projects that have had a funding allocation from TfL withdrawn and are eligible to receive S106 funding;*
 3. *New projects and activities supporting corporate priorities and the implementation of the Transport Strategy, that are eligible to receive S106 funding.*
11. Table 1 below sets out the eligible programmes and projects that are proposed to receive S106 funding through this report. Further details of the proposed allocations are set out in Table 2 in the Appendix.

Table 1: Programmes and Projects that are proposed to be allocated S106 funds

Programme/ Project	Eligibility category	Prioritisation/allocation reasons
All Change at Bank	1	This is an approved project that is being delivered in Phases. S106 funds from the local area will cover a funding shortfall and assist in delivering the final phases of the project.
City Cluster Programme	1, 2	A significant amount of the available S106 funding is geographically restricted to this area. £4m of TfL funding was withdrawn from this programme in 2020 as a result of the impact of Covid-19 on TfL's finances.
Sculpture in the City	1	This is an established programme of temporary sculpture installations across the east of the City.
Moorgate Crossrail integration, particularly London Wall/Moorgate green space and Finsbury Circus western arm	1	This is an approved project with a funding shortfall. Some of the available S106 funds are geographically restricted to this area.

Liverpool Street Crossrail public art	1	Funds from nearby S106s are proposed to be allocated to help cover a funding shortfall.
St Pauls external lighting	1	This is an approved project to replace the external lighting scheme. Most of the funding for the project has been secured but there is a funding shortfall that the proposed allocation of S106 funds would meet.
100 Minorities Phase 2 (Crescent)	1, 2	This is an approved high priority project with an agreed funding strategy to utilise S106 funds from local developments. TfL funding has been withdrawn from this project because of TfL's ongoing financial difficulties
Tower Hill Gardens	1	This is an existing high priority project that is proposed to be expanded in scope to meet local needs. S106 funds from nearby developments are proposed to be allocated.
Pedestrian Priority Programme	1	This is an established high priority programme
Aldgate and Tower Healthy Streets Plan	3	This is a newly emerging project that will aim to manage traffic and set a framework for walking, cycling and public realm improvements, as well as addressing road danger reduction in the area. It will be coordinated with the Aldgate BID's recent public realm strategy. S106 funds from nearby developments are proposed to be allocated.
Fleet Street Area Healthy Streets Plan delivery	3	This is a recently prepared plan that was publicly consulted upon in summer 2023 with positive feedback received. S106 funds from nearby developments are proposed to be allocated to the delivery of high priority projects from the plan.
London Wall Corridor	3	This study is soon to be initiated and will explore opportunities for walking and cycling improvements. S106 funds from nearby developments are proposed to be allocated to the preparation of the study and the delivery of projects.

12. The projects and proposals that are being allocated funding will continue to be subject to approvals (usually gateway reports) in accordance with the Project Procedure. Individual reports will be required to approve and set up the project budgets.
13. Members should note that a future report will be put to committees to include the allocation of further S106 deposits that may become available as well as accrued interest.

Corporate & Strategic Implications

14. Strategic implications – The allocation of S106 funds as described in this report supports the outcomes of the Corporate Plan, particularly the key aims of contributing to a flourishing society and shaping outstanding environments. Officers have also had regard to the Transport Strategy, the Climate Action Strategy and Destination City.
15. Legal implications - Any S106 payments made and held for specific purposes will be spent on the purposes for which they are held or to address the impacts of specific developments, in accordance with the City's obligations under the relevant S106 Agreements unless these agreements are specifically re-negotiated with the relevant parties.
16. Equalities implications – The priority projects outlined in this report will all be subject to Equality Impact Assessments.
17. Climate implications – The review and prioritisation exercise has been undertaken in line with the Climate Action Strategy and the projects will deliver on the actions that Members have agreed.

Conclusion

18. Officers have reviewed the remaining S106 sums and their corresponding restrictions (in purpose and geography) alongside project priorities and the Transport Strategy. It is proposed to allocate £8,953,294 of ring-fenced S106 monies as set out in this report.

Report author

Melanie Charalambous, Group Manager, City Operations, Environment Department

Appendix 1: Table 2: Proposed S106 allocations

S106 Agreement	Heads of Terms	S106 to be allocated (£'s)	Project or programme that funds are to be allocated to	Project or Programme Total Estimated Cost (£'S)	Notes
05/00864/FULL Bartholomew Lane 1 21/11/2006	LCE	21,672	All Change at Bank	£6.67m - £7.3m	The All Change at Bank project is approved and under construction
06/00500/FULL Lothbury 1 28/12/2006	LCE	360	All Change at Bank		
06/00903/FULL New Court 25/07/2007	LCE	14,209	All Change at Bank		
11/00935/FULEIA Bucklersbury House 30/03/2012	LCE	36,469	All Change at Bank		
13/01004/FULEIA 40 Leadenhall Street 29/05/2014	Transport	45,213	All Change at Bank		
13/01004/FULEIA 40 Leadenhall Street 29/05/2014	LCE	2,934,418	City Cluster Programme	£15m - £22m	The City Cluster Programme is approved and is being delivered in phases as funding becomes available.
04/00111/FULEIA Leadenhall Street 122 29/04/2005	Transport	18,949	City Cluster Programme		
04/00878/FULEIA Lime Street 51 21/03/2005	LCE	2,933	City Cluster Programme		
08/00739/FULEIA St Mary Axe 60-70 10/06/2010	LCE	119,944	City Cluster Programme		
08/01061/FULMAJ Fenchurch Street 20 06/10/2009	LCE	1,664	City Cluster Programme		
08/01061/FULMAJ Fenchurch Street 20 06/10/2009	Transport	565,991	City Cluster Programme		
09/00450/FULMAJ Bevis Marks 6 25/06/2010	Transport	19,838	City Cluster Programme		
13/01082/FULMAJ Mitre Square 09/06/2014	LCE	60,321	City Cluster Programme		
07/00387/FULL St Botolph's 25/04/2008	LCE	83,621	Sculpture In the City		

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03-3297AS Basinghall Street 35 10/02/2005	Transport	26,177	Moorgate Crossrail integration	£3.1m (part of the area) to £6.3m (whole area)	Moorgate Crossrail integration is an approved project with an agreed funding strategy and a funding shortfall. These additional funds will help to deliver improvements to Finsbury Circus western arm and Moorgate/London Wall green space.
04/00958/FULL Austral House 09/03/2005	LCE	14,181	Moorgate Crossrail integration		
07/00092/FULL Telephone Exchange 29/06/2009	LCE	129,322	Moorgate Crossrail integration		
10/00832/FULEIA London Wall Place 26/08/2011	LCE	18,217	Moorgate Crossrail integration		
12/00811/FULMAJ River Plate House 10/05/2013	Transport	50,351	Moorgate Crossrail integration		
10/00904/FULEIA Broadgate 5 29/07/2011	LCE	29,817	Liverpool Street Crossrail public art	1.7 – 1.8m	Liverpool Street Crossrail public art is currently being manufactured off-site and the project has a funding shortfall.
11/00049/FULEIA Old Bailey 30 08/08/2011	LCE	140,000	St Pauls external lighting	2.075m	St Pauls external lighting is an approved project with an agreed funding strategy that includes S106 deposits. This allocation will cover the project funding shortfall to enable it to proceed.
12/00263/FULMAJ Minorities 100 14/02/2014	Transport	7,986	100 Minorities Phase 2 (Crescent)	0.9 - 1.22m	100 Minorities Phase 2 (Crescent) is an approved project with an agreed funding strategy to utilise S106 deposits from nearby developments.
13/01055/FULMAJ Minorities 15-16 30/06/2014	LCE	192,110	100 Minorities Phase 2 (Crescent)		
13/01055/FULMAJ Minorities 15-16 30/06/2014	Transport	191,818	100 Minorities Phase 2 (Crescent)		
07/00387/FULL St Botolph's 25/04/2008	Transport	38,217	100 Minorities Phase 2 (Crescent)		

S106 Agreement	Heads of Terms	S106 to be allocated (£'s)	Project or programme that funds are to be allocated to	Project or Programme Total Estimated Cost (£'S)	Notes
11/00317/FULMAJ Trinity Square 10 29/03/2012	LCE	10,000	Tower Hill Gardens	250K – 350K	The Tower Hill Gardens project is an approved project that is proposed to be expanded in scope to meet local needs
10/00152/FULMAJ Stone House and Staple Hall 27/05/2011	LCE	90,000	Tower Hill Gardens		
04/00633/FULLEIA Cannon Street Station 11/01/2006	Transport	2,458	Pedestrian Priority Programme	£6.150M - £10.75M	The Pedestrian Priority Programme is an approved city-wide programme that is being delivered in phases
08/00940/FULL Drapers Gardens 11/01/2010	Transport	4,379	Pedestrian Priority Programme		
12/00256/FULEIA Bartholomew Close 29/05/2013	LCE	2,679	Pedestrian Priority Programme		
07/00387/FULL St Botolph's 25/04/2008	Transport	141,568	Aldgate and Tower Healthy Streets Plan	264,568	The Aldgate and Tower Healthy Streets Plan is a newly emerging project that will aim to manage traffic and set a framework for walking, cycling and public realm improvements. This funding will be used to develop and consult on the plan.
10/00152/FULMAJ Stone House and Staple Hall 27/05/2011	LCE	123,000	Aldgate and Tower Healthy Streets Plan		
03-5027C New Street Square 01/03/2005	LCE	853.04	Fleet Street Area Healthy Streets Plan delivery	7 – 12m	The Fleet Street Area Healthy Streets plan was publicly consulted upon in summer 2023 with positive feedback received. S106 funds from nearby developments are proposed to be allocated to the delivery of high priority projects from the plan.
03-5027C New Street Square 01/03/2005	Transport	5,243	Fleet Street Area Healthy Streets Plan delivery		
06/01060/FULL Rolls and Arnold Buildings 18/04/2007	LCE	24,320	Fleet Street Area Healthy Streets Plan delivery		
07/00735/FULL Chancery Lane 40-45 06/05/2010	LCE	14,927	Fleet Street Area Healthy Streets Plan delivery		
07/00735/FULL Chancery Lane 40-45 06/05/2010	Transport	13,052	Fleet Street Area Healthy Streets Plan delivery		

S106 Agreement	Heads of Terms	S106 to be allocated (£'s)	Project or programme that funds are to be allocated to	Project or Programme Total Estimated Cost (£'S)	Notes
11/00049/FULEIA Old Bailey 30 08/08/2011	LCE	365,975	Fleet Street Area Healthy Streets Plan delivery		
11/00049/FULEIA Old Bailey 30 08/08/2011	Transport	201,860	Fleet Street Area Healthy Streets Plan delivery		
11/00210/FULMAJ New Street Square 1 29/03/2012	LCE	947	Fleet Street Area Healthy Streets Plan delivery		
11/00210/FULMAJ New Street Square 1 29/03/2012	Transport	57,459	Fleet Street Area Healthy Streets Plan delivery		
11/00213/FULL Bath House 08/08/2011	LCE	7,413	Fleet Street Area Healthy Streets Plan delivery		
12/01225/FULEIA Fleet Building 28/10/2013	Transport	434,096	Fleet Street Area Healthy Streets Plan delivery		
11/00332/FULEIA Bishopsgate 100 23/11/2011	Transport	2,685,267	London Wall Corridor study and delivery		
06/00240/FULL Dashwood House 12/12/2006	Transport	4,000	London Wall Corridor study and delivery		
TOTAL		8,953,294			