

Committee(s): Planning and Transportation Committee	Dated: 5 November 2024
Subject: Infrastructure Funding Statement CIL/S106 2023-24	Public
This proposal: <ul style="list-style-type: none"> • delivers Corporate Plan 2024-29 outcomes • provides statutory duties 	Leading Sustainable Environment, Vibrant Thriving Destination, Providing Excellent Services, Flourishing Public Spaces, Diverse Engaged Communities, Dynamic Economic Growth, Statutory Reporting under CIL Regulations 2010 (as amended)
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Gwyn Richards, Planning and Development Director – Environment Department	
Report author: Lewis Robinson, City Development, and Investment Unit - Environment Department	For Decision

Summary

The report presents the City's Community Infrastructure Levy (CIL) and Section 106 (S106) planning obligations infrastructure funding statement at the end of the financial year 2023/24. The report summarises the City's CIL and S106 balances, allocations and spend at the end of the financial year and updates the list of infrastructure projects or types of infrastructure the city will be wholly or partly funding by CIL. The CIL regulations require collecting authorities to produce an annual Infrastructure Funding Statement (IFS) for publication on the City's website.

CIL highlights for 2023/24:

- £ 33.00m receipts in Mayoral CIL
- £ 24.65m receipts for City CIL
- £ 21.38m potential City CIL (CIL-liable planning permissions granted in 2023/24)
- £ 33.70m allocated to projects
- £ 48.41m spend in the year
- £ 30.11m unspent City CIL allocations as at 31 March 2024

S106 Highlights for 2023/24:

- £ 16.20 S106 receipts
- £ 6.37m S106 spend
- £ 27.54m potential S106 contributions secured from twenty-eight agreements signed in the reporting year
- £ 105.47m remaining S106 balance as at 31 March 2024

Recommendation(s)

Members are asked to note the content of this report and approve the infrastructure list at paragraph 19, repeated at section 4 of the Infrastructure Funding Statement, for publication on the City's website.

Main Report

Background

1. All local planning authorities have a duty to publish an Infrastructure Funding Statement (IFS) at least annually in accordance with Regulation 121A of the Community Infrastructure Levy Regulations 2010 (as amended). The report must include the total CIL receipts for the reported year, CIL expenditure and receipts retained at the end of the reporting year as set out in the regulations. The IFS is to also include a section 106 report for each year providing information on contributions to be provided under any planning obligation entered into in the year, contributions received, allocated and spent on relevant infrastructure projects in the financial year 2023/24.
2. This report provides information on the Community Infrastructure Levy and developer contributions which have been secured in section 106 agreements, received, allocated and spent in the financial year 2023/24 (01 April 2023 - 31 March 2024).

Key Data - Community Infrastructure Levy

3. The compact nature of the City, intense development activity and employment place considerable demands on City services, our infrastructure and environment. The City Corporation utilises the Community Infrastructure Levy (CIL), attaches planning conditions and negotiates section 106 agreements (also known as planning obligations) with developers, to secure the best and most sustainable use of land and to mitigate the impact of these demands.
4. The London Plan, City of London Local Plan 2015, Core Strategic Policy CS4: Planning Contributions sets out the policy and background for securing contributions and setting the CIL Levy for the delivery of the infrastructure necessary to enable development in the area. The policy is set out below in Figure 1.

Figure 1: Core Strategic Policy CS4: Planning Contributions

To manage the impact of development, seeking appropriate developer contributions:

1. Requiring contributions through the Community Infrastructure Levy to assist in the delivery of the infrastructure necessary to support implementation of the Local Plan.
2. Requiring s106 planning obligations, having regard to the impact of the obligation on the viability of development, for:
 - (i) site specific mitigation meeting statutory tests;
 - (ii) affordable housing;
 - (iii) local training, skills and job brokerage;
 - (iv) local procurement in the City and City Fringe.
3. Requiring qualifying development to make an additional contribution to meeting the costs of Crossrail construction in accordance with the provisions of the London Plan.

5. CIL helps fund the infrastructure needed to deliver the City's Local Plan and address the cumulative impact of development across the City of London. A development is liable for CIL if it is creating one or more dwellings, or new floorspace of 100sqm or more.
6. The levy is payable either within 60 days of the commencement of a development, or within the terms of an instalment policy set by the CIL charging authority. The City Corporation has an Instalment Policy in place set out below:
 - Where the payable amount of CIL is £100,000 or less, the whole amount shall be paid in a single instalment not more than 60 days after commencement of the development.
 - Where the payable amount is more than £100,001, developers have the option to pay two instalments:
 - The greater of £100,001 or half the value of the total payable amount is due within 60 days after commencement, and
 - The remainder is due within 240 days after commencement.
7. As a result of the Instalment Policy, CIL Demand Notices issued during the year do not necessarily equate to the CIL sums likely to be received that year. In addition, developments can be altered through further applications for planning permissions, often resulting in revised Demand Notices.
8. Re-issued notices are not double counted in this report. If a demand notice is issued and re-issued in the same reporting year, only the re-issued notice is relevant. Figure 2 below sets out the CIL highlights for financial year 2023/24.

Figure 2 2023/24 CIL highlights

City CIL Highlights	2023/24
City CIL Receipts	£24,656,713
Outstanding Demand Notices (City CIL) at 31 March 2024	£13,237,439
City CIL Liability for planning permissions granted in 2023/24	£21,383,523
CIL allocated to projects	£33,741,089
CIL Spend	£48,418,363

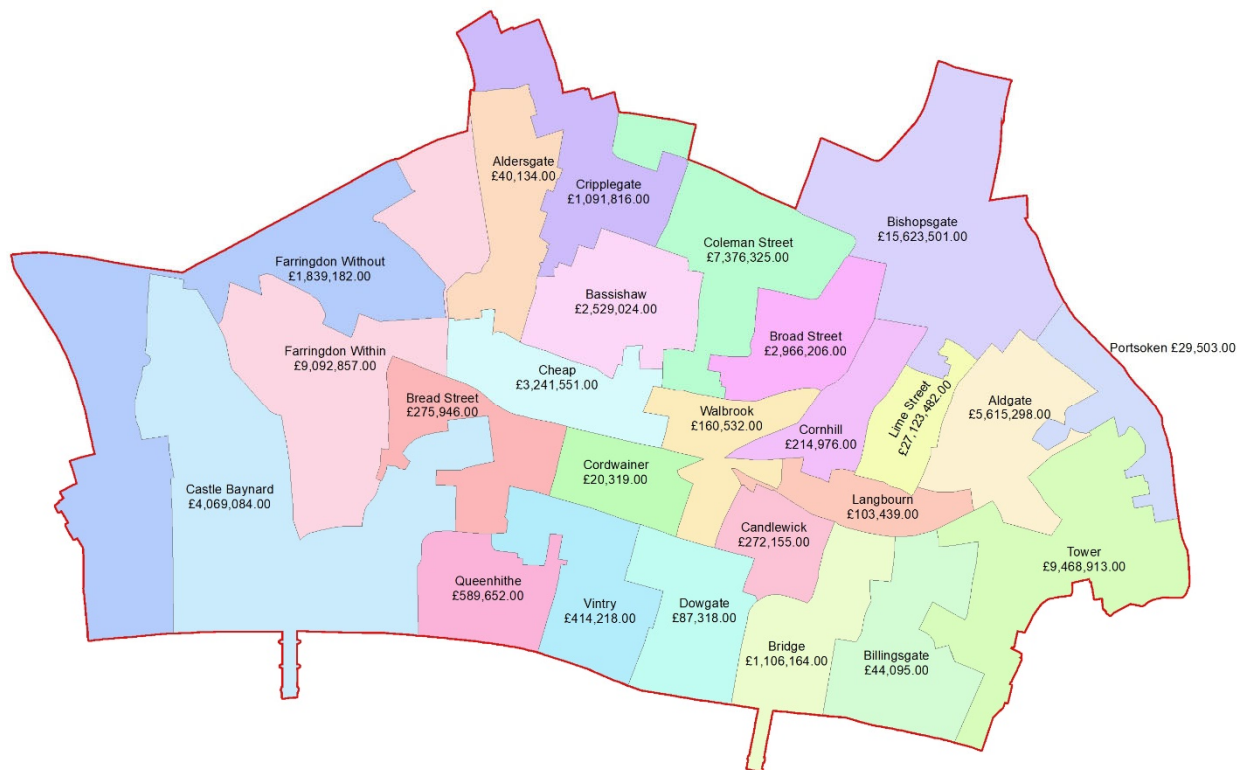
9. CIL receipts in 2023/24 for both City (£24,656,713) and Mayoral CIL (£33,004,968) were collected from thirty-seven developments.

Outstanding CIL

10. At the end of March 2024, a total £13,237,439 of City CIL was outstanding from several developments which commenced in 2023/24. These liabilities are due within 2-8 months of commencement of the development (if the instalments policy is applied) and therefore due to be received in 2024/25.

11. Figure 3 below provides details of the £24,656,713 in City CIL receipts banked cumulatively by ward as at 31/03/2024.

Figure 3 Cumulative CIL Receipts by Ward



Potential CIL

12. CIL Liability Notices with a total value of £47,205,853 were issued to twenty-eight chargeable developments in 2023/24. Of this, £21,383,523 was for City CIL and £25,822,330 for Mayoral CIL. Twelve of these developments have since commenced.

CIL Allocations

13. National Planning Practice Guidance states that CIL is required to be spent on infrastructure projects to support the delivery of the growth envisaged in the Local Plan. The City will spend the levy on infrastructure needed to support the development of the area. The priorities board consider infrastructure projects necessary to deliver growth envisioned by the policies in the City Plan and Infrastructure Delivery Plan. Recommendations for allocation of CIL is made on this basis to the relevant Committees.

14. As at 31 March 2024 a total of £95,742,504.60 was allocated to projects, Neighbourhood CIL grants, and CIL Administration as set out in Figure 4 below and Table 3 of the IFS document.

Figure 4 CIL Allocations and Expenditure up to 31 March 2023

Item of Infrastructure	Total Allocations to 31/03/2024	Total CIL Expenditure to 31/03/2024	Unspent CIL Allocations
General City CIL Projects	£87,823,009.44	£60,179,899.44	£27,643,110.00
Churchyards Enhancement Programme	£84,060.80	£84,060.80	£0.00
Bloomberg Place Highway changes	£182,323.64	£182,323.64	£0.00
HVM Security Programme	£4,431,000.00	£2,947,647.00	£1,483,353.00
Beech Street Transport & Public Realm Improvements	£2,023,000.00	£1,805,197.00	£217,803.00
Golden Lane Community Centre	£632,625.00	£632,625.00	£0.00
City Mental Health Centre	£521,000.00	£502,534.00	£18,466.00
Relocation of Adult Skills & Education Services (ASES)	£25,000.00	£25,000.00	£0.00
Expanding Citigen Energy Network	£17,000.00	£17,000.00	£0.00
Secure City Programme	£17,672,000.00	£8,913,337.00	£8,758,663.00
Public Realm Security Programme	£225,000.00	£225,000.00	£0.00
St Pauls Cathedral External Lighting	£1,160,000.00	£354,280.00	£805,720.00
Finsbury Circus Reinstatement	£2,558,000.00	£289,977.00	£2,268,023.00
Barbican and Golden Lane Healthy Streets Plan	£141,000.00	£115,000.00	£26,000.00
St Paul's Gyratory	£2,915,000.00	£0.00	£2,915,000.00
Museum of London	£44,600,000.00	£44,085,918.00	£514,082.00
Walbrook Wharf	£380,000.00	£0.00	£380,000.00
West Smithfield and Charterhouse Street Highway strengthening	£3,500,000.00	£0.00	£3,500,000.00
Barbican Library Refresh	£776,000.00	£0.00	£776,000.00
Sculpture in the City	£80,000.00	£0.00	£80,000.00
City Cluster Programme	£5,900,000.00	£0.00	£5,900,000.00
Neighbourhood CIL Projects	£7,237,990.70	£4,767,775.70	£2,470,215.00
Becket Pageant for London, acting through the Skinners' Malmesbury Foundation	£24,500.00	£24,500.00	£0.00
Maggie Keswick Jencks Cancer Caring Centres Trust	£254,827.00	£116,910.00	£137,917.00
St Vedast-alias-Foster	£25,000.00	£25,000.00	£0.00
Bevis Marks Synagogue Heritage Foundation	£240,000.00	£205,000.00	£35,000.00
Fleet Street Sundial CIC	£29,650.00	£29,650.00	£0.00
Age UK City of London	£48,171.00	£48,171.00	£0.00
Barbican Centre Trust Limited	£191,067.00	£191,067.00	£0.00
Globe Studios Limited	£134,973.70	£134,973.70	£0.00
Learning Through The Arts CIC	£49,984.00	£49,984.00	£0.00
Repowering London	£33,660.00	£33,660.00	£0.00

City Property Association Limited	£100,000.00	£100,000.00	£0.00
The Worshipful Company of Chartered Architects	£24,600.00	£24,600.00	£0.00
Golden Lane Estate Residents' Association	£50,000.00	£31,520.00	£18,480.00
Parochial Church Council of the Ecclesiastical Parish of St Mary-le-Bow, Cheapside	£18,274.00	£18,274.00	£0.00
Barbican Centre Trust Limited	£39,663.00	£39,663.00	£0.00
New Diorama	£154,640.00	£154,640.00	£0.00
The Royal Society for Blind Children	£48,646.00	£48,646.00	£0.00
TEMPLE BAR TRUST	£250,000.00	£137,500.00	£112,500.00
The World Reimagined Limited	£100,000.00	£100,000.00	£0.00
Outset Contemporary Art Fund	£110,932.00	£110,932.00	£0.00
Historical Royal Palaces	£300,000.00	£300,000.00	£0.00
Pollinating London Together	£230,000.00	£230,000.00	£0.00
CurvingRoad	£24,000.00	£24,000.00	£0.00
XLP	£46,824.00	£46,824.00	£0.00
St. Michael Cornhill	£7,855.00	£7,855.00	£0.00
Barts Heritage	£774,000.00	£288,320.00	£485,680.00
The Temple Church	£408,500.00	£187,297.00	£221,203.00
Barbican Centre Trust Limited	£273,370.00	£273,370.00	£0.00
St Botolph without Aldgate	£50,000.00	£50,000.00	£0.00
St Stephen Walbrook	£25,067.00	£25,067.00	£0.00
The Worshipful Company of Carmen St Dunstan Heritage Trust	£49,791.00	£0.00	£49,791.00
The Parochial Church Council of The Ecclesiastical Parish of St Andrew by the Wardrobe, London	£250,000.00	£250,000.00	£0.00
LIFT	£240,870.00	£119,545.00	£121,325.00
Tempo Time Credits	£24,934.00	£24,934.00	£0.00
New Diorama	£181,000.00	£181,000.00	£0.00
London Diocesan Fund	£150,000.00	£150,000.00	£0.00
Museum of London	£650,605.00	£200,222.00	£450,383.00
Ramadan Tent Project Ltd	£13,550.00	£13,550.00	£0.00
St Giles without Cripplegate	£17,336.00	£17,336.00	£0.00
Urban Learners Ltd	£49,250.00	£49,250.00	£0.00
Age UK City of London	£40,950.00	£40,950.00	£0.00
ARTBASH & be	£75,210.00	£60,410.00	£14,800.00
Barbican Centre Trust Limited	£233,707.00	£175,280.00	£58,427.00
Whizz-Kidz	£10,200.00	£10,200.00	£0.00
Barbican Association	£449,550.00	£0.00	£449,550.00
East London Dance	£49,922.00	£49,922.00	£0.00
Aveo Group Ltd	£49,975.00	£49,975.00	£0.00
St Bartholomew Gatehouse Trust	£24,000.00	£24,000.00	£0.00
Tavistock Relationships	£49,952.00	£41,627.00	£8,325.00
The Lord Mayor's Appeal	£90,000.00	£40,000.00	£50,000.00

The Running Charity	£42,652.00	£31,989.00	£10,663.00
SIMPLICIOUS (Good Living) CIC	£27,598.00	£25,161.00	£2,437.00
NLA	£65,000.00	£32,500.00	£32,500.00
Tempo Time Credits	£24,935.00	£18,701.00	£6,234.00
Ramadan Tent Project Ltd	£38,800.00	£38,800.00	£0.00
Pollinating London Together	£270,000.00	£65,000.00	£205,000.00
Administration Total	£681,504.46	£681,504.00	£0.46
NCIL Admin	£349,584.00	£349,584.00	£0.00
City CIL Admin	£331,920.46	£331,920.00	£0.46
Grand Totals	£95,742,504.60	£65,629,179.14	£30,113,325.46

CIL Expenditure

15. A total of £48,418,362 of City CIL was spent in 2023/24 comprising of £46,932,325 of general CIL funds, £1,286,027 of Neighbourhood CIL funds, and £200,010 of the City CIL administration.
16. At the end of March 2024, a total of £65,629,179 City CIL had been spent since the City introduced its charging schedule (consisting of £60,179,899 of General CIL Funds, £4,767,775 of Neighbourhood CIL Funds and £681,504 of City CIL Administration Funds).
17. Spend on infrastructure projects (General CIL Fund) usually spans more than one financial year, therefore the allocations reported in this financial year can be spent in the next financial years.

Infrastructure Projects

18. CIL Regulations require the authority to publish a statement of the infrastructure projects or types of infrastructure which the charging authority intends will be, or may be, wholly or partly funded by CIL.
19. The City of London Infrastructure List consists of the following projects to deliver the vision of the adopted City Plan, Emerging City Plan and the Infrastructure Delivery Plan (IDP) 2020. The IDP is utilised for prioritising and determining bids for allocation of Community Infrastructure Levy funds.

Public realm and streets, including:

- Eastern Cluster public realm improvements
- Transforming Fleet Street
- St Paul's Gyrotory
- Public realm security
- Secure City programme
- St Paul's Cathedral external lighting
- Barbican and Golden Lane Healthy Streets Plan
- West Smithfield and Charterhouse Street highway works

Parks, open spaces and recreation, including:

- Finsbury Circus reinstatement

Cultural and community services, including:

- Barbican Library refresh
- London Museum

Infrastructure and utilities, including:

- Walbrook Wharf

Key data - S106 Financial Obligations

20. The City's Planning Obligations Supplementary Planning Document (SPD) sets out how S106 planning obligations in the City of London will be applied and explains how planning obligations are operated, within the context of the City of London Local Plan. Some Section 106 agreements secure wider obligations that achieve site specific mitigation measures, which cannot be bound by condition, such as Wind Mitigation Surveys and Security/Counter Terrorism Measures to make the development acceptable in planning terms.

21. Financial contributions for Affordable Housing and Local Training Skills & Job Brokerage contributions are pooled to fund City-wide programmes of works and initiatives, including development on City Corporation housing estates outside of the City. Other obligations are site specific and can only be used for the measures set out in each legal agreement. Many of these relate to highways, public realm, and environmental improvements. These are listed under the title Local Community, Environment and Transport Improvements in the table below and include sums secured on the behalf of TfL for cycle hire and network improvements, and other transport infrastructure improvements. The S106 Highlights for 2023/24 are listed below in Figure 5.

Figure 5: 2023/2024 S106 Highlights

S106 Highlights	2023/24
Total Agreements Completed 2023/24	28*
Value of Contributions secured	£27.54m
Receipts in the year	£16.20m
Allocation in the year	£7.00m
Spend in the year	£5.89m

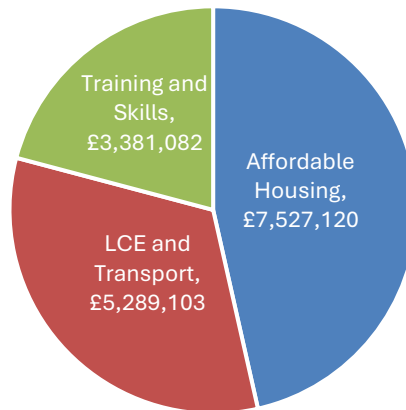
* - Includes deeds of variations to original S106 agreements

S106 Spend

22. A total of £ 5,890,675 was spent on projects in 2023/24. This is an increase over the previous financial year total spend of £2,551,407.

23. Figures 6a and 6b provide an illustration of receipts and spend for 2023/24 by covenant type and includes interest. Figure 6a provides an analysis of the contributions received in the financial year by covenant type, including interest and Figure 6b provides an illustration of S106 expenditure.

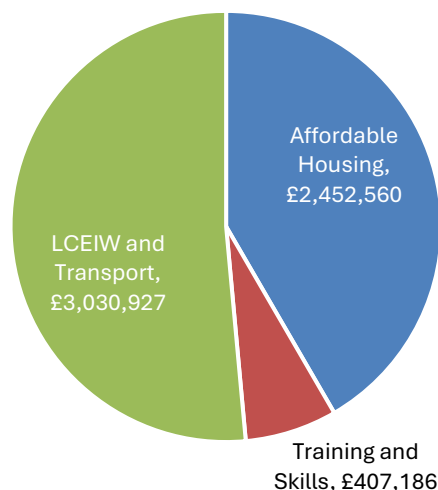
Figure 6a Contributions received 2023/24



24. Of the twenty-eight agreements signed in 2023/24, nine commenced in the reporting year resulting in contributions received totalling £6.3m. Other contributions received in this financial year were received from agreements signed in previous years. Eight of the twenty-eight agreements made this year were variations of previously made agreements.

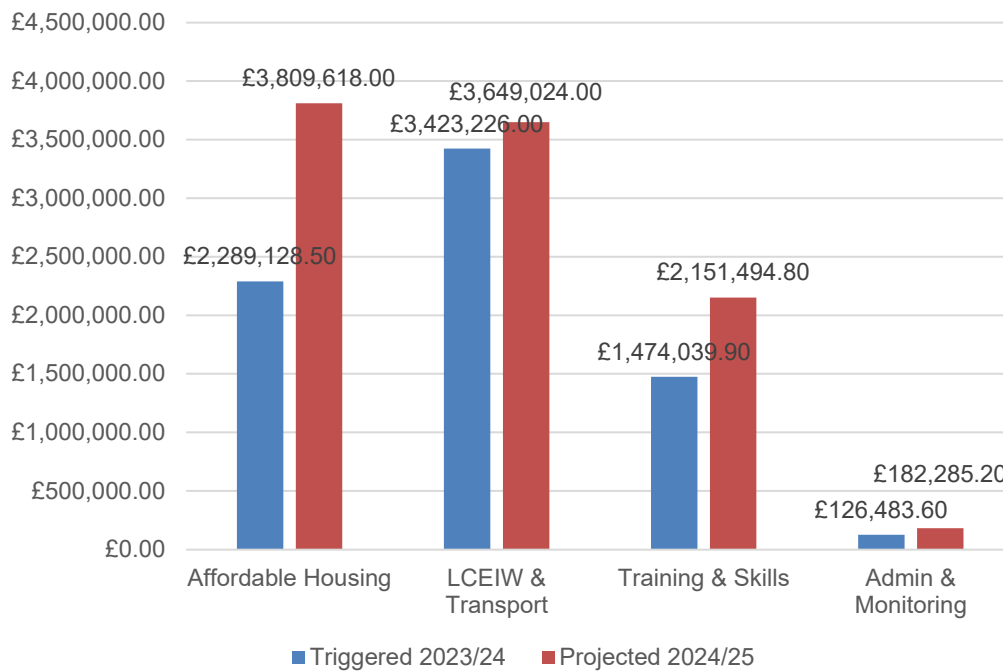
25. Spend on projects usually span more than one financial year. Therefore, allocations reported in this financial year may be spent in the next financial year. For example, the total allocations in this reporting year are £6,999,964 and total spend stands at £5,890,675. This is because of projects which may have been commenced in previous years but are ongoing in this financial year.

Figure 6b S106 Spend 2023/24



26. Potential contributions from the further nineteen agreements completed but not triggered in the year are £21.24m. However, we cannot be certain whether these developments will commence in the next financial year, and we will likely see developments commence from this and previous financial years. Figure 7 below illustrates the potential contributions secured from the nine agreements signed and triggered in the reporting year and a forecast of potential receipts in the next financial year based on agreements signed but not triggered in this reporting year.

Figure 7 Contributions from agreements signed and triggered in 2023/24, and potential receipts for 2024/25



Remaining Balance

27. The remaining balance of S106 contributions held by the City currently totals £107,735,586 at the end of 2023/24 and relates to contributions allocated but not spent in the financial year. Planning obligations are secured for site specific mitigation measures therefore, all money received under planning obligations as identified in the legal agreement can only be used for those purposes and are considered allocated for those purposes. A detailed breakdown, along with allocations to infrastructure projects in the pipeline, can be seen in IFS.

Financial Implications

28. There are no direct financial implications to the Authority from this report. However, it should be noted that references in this report to receipts relate to actual monies received between the period April 2023 and March 2024. These amounts will differ from the invoiced amounts appearing on the general ledger for this same period as a customer may be invoiced in one period and the monies received in the subsequent period.

Conclusion

29. Regulation 62 of the CIL Regulations 2010 as amended requires the charging authority to report on CIL receipts and expenditure on infrastructure projects at the end of a financial year. The detailed Infrastructure Funding Statement for the 2023-24 reporting year is appended to this report and will be published on the City's website in accordance with the regulations.

Appendices

Infrastructure Funding Statement 2023-24

Background Papers

None