

# Community Infrastructure Levy (CIL) Report 2015/16

## 1. Introduction and Background

- 1.1 Pursuant to Regulation 62 of the Community Infrastructure Regulations 2010 (as amended) a charging authority ('the Council') is required to report on Community Infrastructure Levy (CIL) receipts and expenditure for a reported year.
- 1.2 Newham's CIL Charging schedule was adopted by full Council on 30 September 2013 and came into effect on 1 January 2014.
- 1.3 The report for 2014/15 has already been published in the Council's website.
- 1.4 This report summarises the position for the financial year from 1 April 2015 to 31 March 2016. Moving forward this annual report will allow for transparency and enable Members and the public to understand what infrastructure has been enabled and delivered following the receipt of CIL monies.
- 1.5 The types of infrastructure that may be funded by Newham's CIL are outlined in Newham's Infrastructure List or 'Regulation 123 List' which is published on the Council's website an extract of which is appended to this report (Appendix 1).
- 1.6 The Council has adopted the Mayor of London's instalment policy for the payment of CIL which can be found on the Council's website.
- 1.7 The Council has made no provision for a policy for accepting infrastructure payments in lieu of financial contributions.

## 2. CIL receipts and expenditure

- 2.1 Newham's CIL came into effect on 1 January 2014. This report considers the monies received and expended in the 2015/16 financial year.
- 2.2 For 2014/15, the Council collected a total £1,382,520.00 from three CIL liable developments. £15,125.00 was spent towards the administration of the CIL collection function which left £1,367,395.00 in retained CIL receipts to be brought forward to the following financial year.
- 2.3 In addition to the £1,367,395.00 in CIL receipts carried forward from the previous year, a further £1,758,240.70 from 18 developments (one includes the second instalment of a development that commenced in 2014/15) was collected in CIL receipts in 2015/16. This brings the total of CIL receipts that are available for expenditure in 2015/16 to £3,125,635.70.
- 2.4 In March 2016, a delegated report was signed off by the Director of Regeneration and Planning authorising the allocation of £2,622,300.00 of CIL receipts towards

the following:

<b>Infrastructure Project</b>	<b>Allocation £</b>
Leisure Trust / Sports & Leisure Delivery	497,000.00
Strategic Sites / Regeneration	495,600.00
Strategic Sites / Schools including East Ham Town Hall Campus	219,500.00
Education Social Infrastructure	253,200.00
Memorial Park Rugby	560,000.00
Bonnie Downes Playing Fields	17,500.00
Manor Park Fitness Centre	42,000.00
Regatta Centre / Watersports Commission	87,500.00
Community Sports in Schools	145,000.00
City Farm & Nature Reserve	155,000.00
Active Newham Growth	150,000.00
<b>TOTAL</b>	<b>2,622,300.00</b>

- 2.5 The above allocations cover construction, operation and maintenance costs of the borough's infrastructure, including a range of facilities to enhance the health and wellbeing of Newham's residents such as rugby pitches, playing fields, and community sports facilities. They also include funding for staff costs that have been capitalised to facilitate the provision of infrastructure.
- 2.6 In addition to the allocations for spending on infrastructure, £141,915.22 was spent towards the administration of the CIL collection function in 2015/16. This plus the £15,125.00 expenditure for CIL administration in 2014/15 brings the total expenditure for CIL administration to £157,040.22 for the first full year of Newham CIL from January 2014 when it first took effect until 31 March 2016.
- 2.7 During the initial operation of a charging schedule the 5% allocation for CIL administration costs can accrue across the monies collected in the first three years of operating CIL. Regulation 61(8)(a) further provides that the first year of operating CIL begins on the date on which the charging authority's first charging schedule takes effect and ends at the end of the first subsequent full financial year. A total of £3,140,760.70 in CIL receipts was collected from 1 January 2014 until 31 March 2016, of which 5% is £157,038.04 which may be allocated towards CIL administration. This means the total £157,040.22 that has been spent from Newham CIL receipts for CIL administration in 2014/15 and 2015/16 is slightly above the 5% requirement pursuant to Regulation 61(3)(a). An overspend of just £2.18 will be brought forward to the following two full years of operation of the Newham CIL Charging Schedule. This can be remedied in 2016/17 as the regulations allow for this, and it has been established that there are sufficient funds to deal with this.
- 2.8 Regulation 62(4) provides that the report by the charging authority on CIL must include:
- (a) the total CIL receipts for the reported year;
  - (b) the total CIL expenditure for the reported year;
  - (c) summary details of CIL expenditure during the reported year including:-
    - (i) the items of infrastructure to which CIL (including land payments) has been applied,

- (ii) the amount of CIL expenditure on each item,
- (iii) the amount of CIL applied to repay money borrowed, including any interest, with details of the infrastructure items which that money was used to provide (wholly or in part),
- (iv) the amount of CIL applied to administrative expenses pursuant to regulation 61, and that amount expressed as a percentage of CIL collected in that year in accordance with that regulation

2.9 The table below provides the details required by Regulation 62(4):

	2015/16 (£)	2014/15 (£)	TOTAL
(a) total CIL receipts	1,758,240.70	1,382,520.00	3,140,760.70
(b) total CIL expenditure	2,764,215.22	15,125.00	2,779,340.22
(c) summary details of CIL expenditure;			
(i) the items of infrastructure to which CIL (including land payments) has been applied	See par 2.4 of this report		
(ii) the amount of CIL expenditure on each item	2,622,300.00		
(iii) the amount of CIL applied to repay money borrowed, including any interest, with details of the infrastructure items which that money was used to provide (wholly or in part)	NIL		
(iv) the amount of CIL applied to administrative expenses pursuant to regulation 61, and that amount expressed as a percentage of CIL collected in that year in accordance with that regulation	141,915.22	15,125.00	15,125.00
(d) the total amount of CIL receipts retained at the end of the reported year.	(1,005,974.52)	1,367,395.00	361,420.48

2.10 London Borough of Newham does not have a policy to enable infrastructure payments, therefore this cannot be reported on.

- 2.11 The requirement set out by Regulation 59A and 59C that the charging authority must allocate at least 15 per cent of CIL (Neighbourhood CIL) on priorities agreed in consultation with the local community relates primarily to charging authorities that have a parish, town or community council. London Borough of Newham does not have a parish, town or community council. Instead, the Council's approach is that the entire borough is considered as one single neighbourhood area for the purpose of Neighbourhood CIL. This means that all decisions on CIL expenditure will be made on a borough-wide basis.

### **3. Summary of CIL**

- 3.1 Similar to Section 106 Agreements there is likely to be a lag in time between planning permission being granted for a chargeable development and the Developer implementing their planning permission; allowing for discharging pre-commencement conditions, arranging matters on site and confirming development finance. For CIL, payment is due within 60 days of commencement of development (also keeping in mind Newham's adopted Instalment Policy).
- 3.2 For the first five months of the current financial year 2016/17, from the beginning of April to the end of August, a further £35,519.78 of Newham CIL receipts were collected from 7 developments.
- 3.3 In the same period, CIL demand notices were issued for a total of £1,215,359.36 for 15 developments that have commenced. These demand notices will become due for payment within two months.
- 3.4 Since January 2014 when the Council adopted its CIL Charging Schedule, a total of 56 developments have been issued CIL liability notices but are still awaiting commencement. The value of these liability notices total £5,064,396.45. They become due on commencement of development.

## Appendix 1

### Extract of Newham's Regulation 123 List

**Table 1: London Borough of Newham – Regulation 123 list**

<b>Infrastructure projects or types that will or may be wholly or partly funded by CIL</b>
Provision, improvement, replacement, operation or maintenance of infrastructure within or enabling access to Strategic Sites identified in Newham's Core Strategy ( <i>with the exception of the infrastructure specified in the section 106 table below</i> ), and to meet the strategic objectives of the Council.
Provision, improvement, replacement, operation or maintenance of community infrastructure (as defined by Core Strategy Policy INF8) outside Strategic Sites identified in Newham's Core Strategy.
Provision, improvement, replacement, operation or maintenance of public open space outside Strategic Sites identified in Newham's Core Strategy
Provision, improvement, replacement, operation or maintenance of public sports and leisure outside Strategic Sites identified in Newham's Core Strategy.
Provision, improvement, replacement, operation or maintenance of local transport infrastructure outside Strategic Sites identified in Newham's Core Strategy.

**Table 2: Indicative list of infrastructure which may be secured through a section 106 agreement for Core Strategy Strategic Sites**

<b>Infrastructure the Council will seek to be secured by section 106 agreement include:</b>
Core Strategy Site S10 Abbey Mills - bridge connection over Manor Road to West Ham station
Core Strategy Site S11 Parcellforce – bridge connection over Manor Road to West Ham station
Core Strategy Site S15 Canning Town East - bridge connection over A13 to Barking Road
Core Strategy Site S18 Limmo - bridge connection from Limmo site to Canning Town station and access to station
Core Strategy Site S22 Minoco Wharf – provision of education facilities to serve developments within the site and hinterland
Core Strategy Site S19 Royal Albert Basin - provision of education facilities to serve developments within the site and hinterland