

Community Infrastructure Levy and S106 Monitoring - Annual Report

Committee name	Residents' Services Select Committee
Officer reporting	Julia Johnson, Planning, Regeneration and Public Realm
Papers with report	Appendix 1: Hillingdon's Infrastructure Funding Statement 2021/22
Ward	ALL

HEADLINES

This report provides an update to the Committee on Hillingdon Community Infrastructure Levy (CIL) and Section 106 income and expenditure in the 2021/22 financial year.

RECOMMENDATIONS:

That the Committee:

- 1. Notes and comments on the information presented within this report.**

SUPPORTING INFORMATION

Introduction

- The Community Infrastructure Levy (CIL) is a charge which allows the Council to raise funds from developers undertaking new building projects. It supports the financing of the cumulative infrastructure requirements that arise from new development across the Borough. It is chargeable on any development that creates a new dwelling or where there is an increase of floorspace by 100 sqm or more. It should also be noted that there are types of development that qualify for exemptions from CIL, including affordable housing, self-build and charitable developments. CIL operates alongside S106 planning obligations that continue to mitigate the site-specific impacts of a development.
- Hillingdon's Community Infrastructure Levy (CIL) Charging Schedule was adopted by the resolution of Full Council in July 2014. The Charging Schedule and the Planning Obligations SPD have applied to new development in the Borough from 1 August 2014. The Council's current CIL charges (increased each year by inflation) are shown in Appendix 1.
- The remainder of this report sets out the CIL income and expenditure for the last financial year.

Hillingdon CIL Income

4. The following amounts of CIL income have been received and spent in each of the financial years since the adoption of the Council's CIL charge in 2014.

Table 1: Total CIL income since adoption

Year	Income	Expenditure
2014/15	0	0
2015/16	£2,021,483	£2,021,483
2016/17	£3,873,050	£3,873,050
2017/18	£3,636,863	£3,636,863
2018/19	£3,460,274	£3,460,274
2019/20	£4,780,346	£4,780,346
2020/21	£3,138,252	£3,138,252
2021/22	£6,865,334	£1,794,870

5. Once income has been collected it is pooled into a central capital code from which qualifying infrastructure projects are then financed.

Hillingdon CIL Expenditure

Legislative Requirements Regarding CIL Spend

6. Under the CIL Regulations, the expenditure of CIL must be broken down into three distinct portions to which different legislative requirements apply. These portions are as follows:

Portion	Percentage of receipts
Strategic Hillingdon CIL	80% (maximum)
Neighbourhood CIL	15% (minimum)
CIL administration expenses	5%

7. As required by the legislation, the Infrastructure Funding Statement for the previous financial year (2020/21) set out the strategic CIL spending priorities for the reporting year (2021/22) as being allocated for spend on the new West Drayton Leisure Centre.
8. In terms of the neighbourhood portion of CIL, the CIL Regulations require that the Council, as the CIL charging authority, retain the receipts but engage with the communities where development has taken place to agree on how best to spend the neighbourhood funding. Government guidance states that charging authorities should clearly and transparently explain their approach to engaging with neighbourhoods, and the use of neighbourhood funds should match priorities expressed by local communities. The legislation also allows

for the neighbourhood portion to be spent on anything concerned with addressing the demands that a development places on an area and does not need to be linked to the strategic spend priorities.

9. The third portion of CIL is to cover administrative expenses. The CIL Regulations allow charging authorities to retain a maximum of 5% of CIL receipts to spend on the administration of their CIL. This is retained by Hillingdon's Planning Service for administering the charging, collection and enforcement of CIL.

Total Hillingdon CIL Expenditure

10. As shown in Table 2, the strategic portion of Hillingdon's CIL was spent on the West Drayton Leisure Centre with the neighbourhood portion spent on the Chrysalis Programme.

Table 2: Hillingdon CIL Spend

Hillingdon CIL Spend	Ward(s)	Total (£)
Strategic HCIL		
Leisure Facilities		
West Drayton Leisure Centre	Yiewsley	450,752.42
Neighbourhood CIL		
Chrysalis Programme (See Appendix 5 for a detailed list of projects)	Various	1,344,177.22
Total CIL Infrastructure Financing		1,794,869.64
Administration Fee (5%)		327,884.13
HCIL not used and Retained (C/fwd to 2022/23)		4,742,580.70
Total CIL Receipts		6,865,334.47

Strategic CIL Expenditure

11. Last year's Infrastructure Funding Statement identified that all Strategic CIL income received in 2021/22 would be allocated to the delivery of West Drayton Leisure Centre. Table 2 shows that £450k of this funding has been spent with the remainder of the funding

to be drawn down as the project progresses. There is no time limit on the expenditure of strategic CIL.

Neighbourhood CIL Expenditure (Chrysalis Programme)

12. Neighbourhood CIL funding schemes across the Borough are delivered through the Chrysalis programme - local bids are accepted and reviewed for funding. In 2021/22, 15% of HCIL collected was spent on the local schemes in the Chrysalis Programme.
13. A total of £1,344,177.22 was spent on the Chrysalis programme in the 2021/22 financial year. A list of those projects funded is provided below in Table 3:

Table 3: Total Chrysalis Spend (Neighbourhood CIL)

Chrysalis Programme Breakdown 2021/22	£
Access Improvements	
Celandine Route - Installation of New Gravel Paths (3 Locations)	81,802.90
Hoylake Crescent to The Greenway Footpath Upgrade	54,445.25
Celandine Route - Copthall Road to Swakeleys Road Footpath Imp	28,076.12
Yeading Brook Mature Trees Planting	4,940.30
Access Improvements Total	169,264.57
Community Facilities Refurbishment	
Station Road Allotment Site New Modular Building Unit	55,008.64
Eastcote Bowls Club Exterior Refurbishment	20,000.00
Grosvenor Allotments Composting Toilet & Disability Access	18,364.85
Moor Lane Allotments Composting Toilet & Disability Access	19,170.99
4th Ruislip Scouts Exterior Refurbishment	20,000.00
Crane Youth & Community Centre Refurbishment of Toilets & Entrance Ramp & Doors	14,000.00
Court Park Bowls Club Playing Surface Upgrade	19,000.00
Eastcote Community Centre Refurbishment	109,300.29
Yeading Community Centres Refurbishment	75,702.30
Community Facilities Refurbishment Total	350,547.07
Community Safety	
Dellega Close AG	7,475.00
33 Wimborne, Adjacent to Lulworth Drive AG	1,416.60
Dawley Parade AG	2,883.60
Kingshill Avenue Parade AG	10,196.00
Bedford Road, Ruislip AG	1,438.20
8-22 Bellclose Road, West Drayton AG	2,325.60
51 Victoria Avenue, Hillingdon AG	1,411.20
Community Safety Total	27,146.20

Outdoor Sports & Play Facilities	
1st Harmondsworth Scout Group Childrens' Play Area Upgrade	20,374.21
Harefield Village Green Outdoor Gym	38,225.00
Northwood Rec Ground Outdoor Gym & Ball Court Upgrade	54,935.17
Greenway Open Space Outdoor Gym	38,635.27
Lake Farm Country Park Outdoor Gym	38,663.00
Hillingdon Manor Cricket Club New Practice Nets Facility	41,916.00
Willow Tree Open Space Playground Refurbishment	85,337.80
Spider Park Play Area Improvements	85,990.20
Barra Hall Play Area Upgrade	87,000.08
Churchfield Gardens, Ruislip Outdoor Gym	38,893.00
Dowding Park, Uxbridge Outdoor Gym	38,864.00
Hayes End Community Park Outdoor Gym	38,897.00
Bridgewater Rec Spider Park Outdoor Gym	38,767.00
Outdoor Sports & Play Facilities	646,497.73
Town Centre Improvements	
Ruislip High St Public Realm Imp	50,661.65
Kingshill Avenue Public Realm Improvements	100,000.00
Town Centre Improvements Total	150,661.65

S106 Income and Expenditure

14. The following amounts of S106 income have been received and spent in the last five financial years.

Financial year	Received £000	Spent £000
17/18*	6,474	3,139
18/19*	4,501	3,540
19/20*	3,908	3,360
20/21	1,384	2,241
21/22	8,031	3,405
TOTALS	24,298	15,685

*Figures for these years include S278 monies relate to highways works and have been historically reported as part of S106 funding.

15. It is important to note that S106 monies received within a particular financial year will not generally be spent within the same financial year. This is because their expenditure can be reliant on a development reaching a specific stage or because monies are pooled from multiple developments to deliver a larger piece of infrastructure. Furthermore, some funds received are held as bonds to be paid back many years after completing the development. Consequently, the reporting of the cumulative balance of S106 does not demonstrate the year-on-year movement of monies received and spent.

Summary of S106 contributions by spend category

	Balance b/f 01/04/21	Income Received	Total	Spend	31/03/22 Balance c/f	Earmarked Balances	Unallocated Balances
Service Area	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Public Safety & Transport	4,965	2,965	7,930	406	7,524	1,582	5,942
Families, Education & Wellbeing	1,951	1,660	3,611	2,505	1,106	511	595
Environment, Housing & Regeneration (E)	2,058	1,723	3,781	442	3,339	643	2,696
Health & Social Care (HE)	1,221	0	1,221	52	1,169	1,169	0
Property & Infrastructure (HA)	2,244	1,680	3,924	0	3,924	2	3,922
Interest on interest bearing schemes	109	3	112	0	112	112	
Sub-Total	12,548	8,031	20,579	3,405	17,174	4,019	13,155
Less: Sums held on behalf of partners	1,928	0	1,928	149	1,779	0	1,779
Total LBH Balances	10,620	8,031	18,651	3,256	15,395	4,019	11,376

16. Further details on the S106 financial obligations received, allocated or spent in the 2021/22 financial year are provided in the Infrastructure Funding Statement provided as Appendix 1 to this report.

Planning Obligations Monitoring System Update

17. A new system for monitoring CIL and S106 planning obligations was introduced in November 2021. This system – called Exacom – is used to record the status of all planning obligations from their agreement through to expenditure.
18. In addition to recording all new contributions with the Exacom system, officers have also updated the system with any obligations agreed in the previous five-year period, and are continuously updating the system with additional historical information regarding the receipt and expenditure of planning obligations.
19. The system allows officers to monitor and record the delivery of individual financial and non-financial planning obligations, tracking those which are agreed, due, received, allocated and spent/ delivered. An example of the benefit of the new system can be seen in the 2021/22 Infrastructure Funding Statement which lists all the individual obligations secured during the financial year.

How this report benefits Hillingdon residents

The Community Infrastructure Levy allows the Council to raise funds from developers undertaking development in the Borough which supports the financing of new infrastructure.

Financial Implications

The financial implications have been addressed throughout the report.

Legal Implications

The legal implications have been addressed throughout the report.

BACKGROUND PAPERS

None.