

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 2022/23
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 2022/23 financial year.

RECOMMENDATIONS:

That the Committee:

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

SUPPORTING INFORMATION

Introduction

1. 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.
2. 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 (indexed each year by inflation) can be seen on the Council's website: [Community Infrastructure Levy - Hillingdon Council](#)
3. A decision on whether to consult on a new CIL Charge Schedule will be discussed at Cabinet on 15th February 2024.

Planning Obligations Monitoring System Update

4. 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. The first full financial year where Exacom has been available is 2022/23.
5. In addition to recording all new contributions with the Exacom system, we have also updated the system with any obligations agreed in the previous five-year period and we are continuously updating the system with additional historical information regarding the receipt and expenditure of planning obligations.
6. The system allows us 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 Infrastructure Funding Statement which lists all of the individual obligations secured during the financial year.

Hillingdon CIL Income

7. Table 1 below shows the total amount of CIL income collected in FY 2022/23 and split by the relevant categories.

Table 1: Total CIL Collected by Category FY 2022/23

Type	Collected
Strategic HCIL	2,373,680.94
Total HCIL admin	148,255.27
Neighbourhood CIL	443,168.75
TOTAL HCIL	2,965,104.96
Mayoral CIL (transferred to Transport for London)	2,672,319.06

8. 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

9. 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%

10. As required by the legislation, the Infrastructure Funding Statement for the previous financial year (2021/22) set out the strategic CIL spending priorities for the reporting year (2022/23) as being allocated for spend on the new West Drayton Leisure Centre.
11. 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.
12. 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, collecting and enforcing the CIL charge.

Total Hillingdon CIL Expenditure

13. In the 2022/23 financial year a total of £2,965,104.96 of HCIL was collected by the Council. In addition, A total of £4,742,580.70 of unused HCIL has been carried forward from 2021/22 into 2022/23. Monies collected were allocated and spent on the following capital projects listed below, with a small proportion carried over to 2023/24:

Table 2: Hillingdon CIL Spend

Hillingdon CIL Spend	Total
Strategic HCIL	
New West Drayton Leisure Centre*	6,451,726.21
Tennis Court Refurbishments	44,281.84
Chrysalis Programme	331,014.70
Neighbourhood CIL	
Chrysalis Programme	443,168.75

Total HCIL Infrastructure Financing*	7,270,191.50
Administration Fee (5%)	148,255.27
HCIL not used & Retained (C/fwd to 2022/23)	289,238.89
Total Hillingdon CIL Receipts	
Hillingdon CIL Brought Forward from 2021/22	4,742,580.70
Hillingdon CIL 2022/23	2,675,866.07
	7,418,446.77
*Includes £4,742,580.70 Unused Strategic HCIL carried forward from 2021/22 into 2022/23	

Strategic CIL Expenditure

14. Last year's Infrastructure Funding Statement identified that the priority for allocating Strategic CIL income would be allocated to the delivery of the West Drayton Leisure Centre. Table 2 shows that this project is where the majority of CIL receipts were allocated, included receipts that were brought forward from the previous financial year.

Neighbourhood CIL Expenditure (Chrysalis Programme)

15. Neighbourhood CIL funding schemes across the Borough are delivered through the Chrysalis programme - local bids are accepted and reviewed for funding. In 2022/23, 15% of HCIL collected was spent on the local schemes in the Chrysalis Programme. It should be noted that the Chrysalis Programme is not exclusively funded by CIL and may also be financed through other funds.
16. A total of £443,168.75 was spent on the Chrysalis programme in the 2022/23 financial year from Neighbourhood CIL receipts. A total of £331,014.70 was also spent on the Chrysalis programme from Strategic CIL. A complete list of the projects funded is provided below in Table 3, with the SCIL schemes delineated:

Table 3: Total Chrysalis Programme Spend 2022/23

Chrysalis Programme Breakdown 2022/23	£
Access Improvements	
Marvell Ave to The Greenway Patchworks	77,539.40
Kings College Playing Fields Fencing along Park Ave	35,994.00
Harefield Village Green Patchwork from Vernon Drive to Outdoor Gym	22,858.19
Eastholme Green Hayes Patchworks	5,833.62
Dowding Park Installation of New Connecting Path from North to South	36,213.34
Colham Avenue New Central Reservation Footpath	23,367.52
Bridgewater Road Rec Ground Boundary Improvements	57,845.29

Dowding Park Continuation of Path Installation	
Access Improvements Total	290,146.42
Community Facilities Refurbishment	
Station Road Allotment Site New Modular Building Unit	7,619.97
Eastcote Community Centre Refurbishment	3,230.81
Yeading Community Centres Refurbishment	684.48
Rosedale Bowls Club Re-Levelling of Green (SCIL)	10,750.00
Moor Lane Allotment Drainage Improvement	3,168.00
Coronation Walk - Stafford Road Open Space Picnic Area Installation (SCIL)	11,161.00
Grosvenor Allotments Site Car Park Installation (SCIL)	61,186.58
Hayes & Harlington Community Centre Perimeter Fencing (SCIL)	48,192.00
Manor Farm Guide Hut Kitchen & Toilet Refurbishment	63,560.94
Bessingby Bowls Club Retaining Wall Replacement & Additional Seating	5,359.00
Uxbridge Lawn Tennis Club Resurfacing & Widening of Path (SCIL)	18,529.79
Community Facilities Refurbishment Total	233,442.57
Community Safety - Alley Gating Schemes	
North Hyde Road AG	1,017.90
27 & 28 Bedford Avenue AG	2,272.20
Rear of 56 Thurlstone Road AG	1,183.50
Clement Gardens AG	2,206.80
Black Rod Close AG	5,569.40
R/O Chelston Road AG	895.00
63 - 107 Cleave Avenue AG	2,477.70
Linden Avenue & Close AG	1,284.52
Community Safety Total	16,907.02
Outdoor Sports & Play Facilities	
Spider Park Play Area Improvements (SCIL)	3,667.94
The Closes Recreation Ground Outdoor Gym (SCIL)	38,872.00
West End Road Recreation Ground Playground (SCIL)	95,450.00
Heathrow Close Playground (SCIL)	95,697.50
Outdoor Sports & Play Facilities Total	233,687.44

S106 Income and Expenditure

17. The table below shows the current S106 balance held by the Council at the beginning and end of the 2022/23 financial year. This shows that just under £11 million of new S106 income was received and over £2.6 million was spent.

Status	Total Amount £'000
Opening Balance 1st April 2022	17,174
Total income for the year 2022/23	10,903
Total Expenditure for the year 2022/23*	2,661
Closing Balance 31st March 2023	25,416

18. A summary of the current S106 balances by category is provided below. As of 31st March 2023, the S106 balance is £25,416k. This is inclusive of £2,114k which the Council holds on behalf of its partners who are responsible for project delivery e.g., NHS Property Services and TFL. Of this total, £5,054k has been allocated to specific projects and a further £15,339k is earmarked to other Council workstreams. The residual balance of £2,909k represents amounts yet to be allocated or earmarked for any specific use although a number of the funds are already earmarked for specific projects in accordance with the relevant legal agreement. This is particularly the case for Highways, Transportation and Green Spaces funds.

Summary of S106 contributions by spend category

Portfolio / Service Area	Balance b/f 01/04/22 £'000	Income Received £'000	Total £'000	Spend £'000	Balance c/f 31/03/23 £'000	Allocated Balances £'000	Provisionally Earmarked Balances (subject to formal approval) £'000	Unallocated Balances £'000
Property, Highways & Transport	7,524	1,305	8,829	784	8,045	1,605	1,968	4,472
Children, Families & Education	1,106	44	1,150	212	938	432	350	156
Residents Services – Green Spaces, Climate Change	3,339	7,288	10,627	1,132	9,495	1,285	8,000	210
Health & Social Care	1,169	288	1,457	12	1,445	1,260	0	185
Residents Services - Housing	3,924	1,620	5,544	521	5,023	2	5,021	0
Interest on interest bearing schemes	112	358	470	0	470	470	0	0
Subtotal	17,174	10,903	28,077	2,661	25,416	5,054	15,339	5,023
Less: Sums held on behalf of partners	1,779	347	2,126	12	2,114	0	0	2,114
Total LBH Balances	15,395	10,556	25,951	2,649	23,302	5,054	15,339	2,909

19. During the 2022/23 financial year, a total of 56 new legal agreements were signed to deliver specific financial and non-financial obligations as set out in the relevant planning legal agreements. The full list of sites with legal agreements signed in 2022/23 is published as Appendix 2 of the Infrastructure Funding Statement. A full list of the non-financial and financial contributions is published as Append 3 and 4 respectively of the same report.

20. S106 Balances have increased significantly during the 2022/23. This has been due to the receipt of some substantial sums received from major developments currently under construction in the Borough including:
- £1,834,059 received from the Bourne Court residential development in South Ruislip.
 - £4,245,448 received from the redevelopment of the Tudor Works site in Hayes.
 - £1,060,403 received from the redevelopment of land at Bulls Bridge Industrial estate, North Hyde Gardens, Hayes.
21. Work on securing allocations has continued through the S106 Allocation Process, with £2,325k of S106 funding allocated to fund new projects in 2022/23. The majority of these will be delivered in 2023/24. A number of S106 funded projects have been delivered during the financial year which include:
- Trees for Cities Planting Programme 2022/2023
 - Wetland creation project at Hillingdon House Farm.
 - Enhancement of cricket facilities at Grassy Meadows.
 - Vine Street public realm improvements.
 - Traffic calming & HGV restrictions on Bourne Avenue, Hayes.
 - Delivery of construction training apprenticeships.
 - LED lighting at The Grainges Car Park, Uxbridge.
 - Battle of Britain Bunker enhancements – Faces of Britain Exhibition.
 - Belmore Parade greening & enhancement project.
 - Ongoing delivery of the Council's Air Quality Action Plan.
 - Delivery of the School Pollution Screening Programme 2022/23.
 - 30% contribution towards the purchase of 4 additional affordable housing units as part of the Council's Buy Back Programme 2022/23.
22. A programme for delivering some of the larger S106 balances currently held by the Council is also in development and the earmarked balances will be progressed for formal allocation through the relevant decision-making process.

Implications on related Council policies

A role of the Select Committees is to make recommendations on service changes and improvements to the Cabinet who are responsible for the Council's policy and direction.

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

Nil.

APPENDICES

Appendix 1: [Hillingdon's Infrastructure Funding Statement 2022/23](#)