1. **Purpose of the Infrastructure Funding Statement**

This report looks at income and expenditure from the Community Infrastructure Levy (CIL) and Section 106 (s106) agreements for the 2021-22 financial year and gives an indication of future spending priorities. It is a requirement of the CIL regulations that local authorities set out what infrastructure has and will be funded from CIL and s106 in an Infrastructure Funding Statement . This report is a summary of CIL and s106 activity and more detail on collection and spending can be viewed in the [CIL and Section 106 Annual Report](https://www.camden.gov.uk/documents/20142/1267599/CIL%2Band%2Bsection%2B106%2Breport%2B2019-20.xlsx/90880722-0829-75f2-2008-f3f3c25714e7?t=1608644639630)

The CIL is a standard charge on developers (rate per sqm) which is used to fund general infrastructure items that are needed to support growth. It applies to developments that add 100sqm of floorspace or one of more dwellings. There are two CIL charges in Camden: the Mayor of London CIL and the Camden CIL.

S106 agreements are legal agreements attached to planning permissions, which are used to mitigate the impacts of development and ensure that Camden’s planning policy requirements are fully met. They are either non-financial, such as for on-site affordable housing or construction management plans, or for financial contributions for defined purposes such as highways works, employment contributions, open space contributions or affordable housing (where accepted in lieu of on-site provision).

1. **Key information**

2.1 The main activities from 2021/22 are summarised below:

£6.5M (million) of Camden CIL collected

£4M of Camden CIL spent on highways works and improvements

£1.6M in local CIL collected and £1.6M spent on 51 community projects. 25% of Camden CIL is spent locally with funds being allocated through a ward-based, Member-led system.

£4.15M Mayoral CIL was collected and passed to Transport for London

£9.4M was received in Section 106 financial contributions including £3M for affordable housing and £2M for environmental improvements

£26M of s106 funding (much of which was collected in previous years) was transferred to Camden’s Affordable Housing Fund to help deliver affordable housing through the Council’s Community Investment Programme.

1. **Introduction**

**Community Infrastructure Levy and Section 106 agreements**

3.1 Camden started charging a Community Infrastructure Levy (CIL) on the 1st April 2015. The Levy is used to fund general (rather than site specific) infrastructure that is needed to support growth and development in the borough, both at a strategic and local level. The Planning Acts set out that CIL funds must be spent on the provision, maintenance or operation of infrastructure, such as transport, flood defences, schools and other educational facilities, medical facilities, sporting and recreational facilities and open spaces.

3.2 The local or neighbourhood element of the CIL can be used more flexibly but Government guidance and legislation sets out that these funds should be used to support the development of the relevant area by funding:

(a) the provision, improvement, replacement, operation or maintenance of infrastructure;

or

(b) anything else that is concerned with addressing the demands that development places on an area.

3.3 Section 106 agreements are used to mitigate the impacts of development and ensure that Camden’s planning policy requirements are fully met. Section 106 obligations can cover:

* Site-specific financial contributions for defined purposes such as highways works, employment contributions and open space contributions (where accepted in lieu of on-site provision);
* Provision of affordable housing;
* Non-financial obligations, including requirements such as Car Free development, Construction Management Plans and Travel Plans.
1. **Community Infrastructure Levy (CIL)**

 4.1 There are two community infrastructure levies collected in Camden. The Mayor of London CIL (which is used to fund Crossrail) and Camden CIL, which is used to fund infrastructure across the borough. The charges that apply are set out in charging schedules and different rates apply for different uses in different areas, with most CIL collected from residential development. These can be viewed on the Camden web site at the following link

 [About the Community Infrastructure Levy - Camden Council](https://www.camden.gov.uk/community-infrastructure-levy)

 **CIL income (2021/22)**

 4.2 Approximately **£.6.5M** of Camden CIL was received from 2019/20 to 2020/21, which was broadly in line with predictions. This was collected from 24 sites, with £3.75M of this being from Camden Good Yard reflecting the importance of larger developments to overall income levels. Sites contributing over £500K were:

|  |  |  |
| --- | --- | --- |
| **Application No** | **Site Address** | **Receipt Value** |
| 2020/3116/P | Camden Goods Yard | £3.75 million |
| 2019/4201/P | St Pancras Commercial Centre, 63 Pratt Street, London, NW1 0BY | £800K |

 **Spending Camden CIL**

 4.3 Following the deduction of a 5% administration fee, 70% of Camden CIL collected is spent on strategic infrastructure projects (‘strategic CIL’), with the remaining 25% spent in the local area (‘local CIL’). The administration fee is used to fund the management, staffing, administration, IT and legal costs involved in:

* the collection of the CIL, including the issuing of CIL notices and engagement with developers and their agents to ensure the correct sums are paid
* monitoring/tracking CIL income
* the management of CIL spending, in particular work to support the local CIL spending system. This work has included liaison with ward members, other council services and project managers; programme management; and the assessment and processing of individual local CIL allocations
* work to review and revise Camden’s CIL charging rates.

*Strategic CIL (SCIL)*

 4.4 In 2021/22 in line with the SCIL Infrastructure List £4M of SCIL was spent on footway and carriageway improvements and lighting column replacement across Camden as part of a planned maintenance programme. £1.1M was also spent on community facilities as part of the Highgate New Town and Bourne Estate regeneration schemes and £250,000 was spent on funding officers in the Regeneration and Place Service to help deliver planning frameworks and submit funding bids to secure the provision of infrastructure.

 *Local CIL (LCIL)*

 4.5 Approximately £1.6M in local CIL funds was collected in 2021/22, and £1.6 Million was spent on projects during the same period. £4.6 million was available to allocate at the start if the year and thus balance was similar at the end of year. The spending comprised 51 separate allocations sponsored by ward Councillors for a range of community and public realm projects. The full list of the projects funded over this period is given in the section 106 and CIL report.

 4.6 Larger projects included the Swiss Cottage Green Infrastructure Vision, a Covid Crisis support fund, Hillgrove Estate Community action and Denyer Estate Improvements and the completion of a railings project at Holly Hill. A full list of all the projects funded from LCIL by ward since its inception can be viewed [here](https://www.camden.gov.uk/community-infrastructure-levy#agiu).

**Mayor of London Community Infrastructure Levy**

 4.7 Camden has been collecting a CIL on behalf of the Mayor of London since April 2012. £4.15M Mayoral CIL was collected in 2021/22. These funds were transferred to Transport for London on a quarterly basis to help fund Crossrail (Elizabeth Line). 96% of the collected funds were transferred to TfL with a 4% fee (£164K) being retained by the Council to cover staffing, administration and legal costs incurred in collecting this CIL. When Crossrail is complete, the Mayor of London intends to continue to charge a London-wide CIL in order to help fund other strategic transport projects.

 4.8 The Mayoral CIL charging rate is £80 per sqm for most uses in MCIL Zone 1, which covers Camden, and higher rates for commercial uses in Central London. Please see the following link for more information on these charges:

 [About the Community Infrastructure Levy - Camden Council](https://www.camden.gov.uk/community-infrastructure-levy)

1. **Section 106**

**Section 106 agreements signed**

5.1 In 2021/22 151 s106 agreements were signed between developers and the Council. This is consistent with number in the last two years. These agreements had a combined value of £15M including

* £9M being negotiated for affordable housing,
* £1.7M negotiated for public realm and environmental improvements,
* £1.1M from carbon dioxide offset measures
* £811,000 for highways, and
* £430,000 for economic development / training initiatives.

5.2 The Council will not receive most of the negotiated funds for several years as they will generally be payable when schemes are implemented and funds will not be received at all where planning permissions are not implemented. The Council also has a potential £11M in affordable housing contributions which may be paid to Camden but only if it can be demonstrated that the value of the developments has increased since planning permission was granted to the extent that the developer can afford to pay the specified amount. These contributions have not been included in the overall s106 total.

5.3 The s106 agreements and other documents for each application can be viewed online on Camden’s [planning applications search page](http://planningrecords.camden.gov.uk/Northgate/PlanningExplorer17/GeneralSearch.aspx) by entering some of the application detials: <https://www.camden.gov.uk/search-for-planning-applications>

**Section 106 financial contributions received 2021/22**

5.4 £9.4M was received in section 106 payments in 2021/22. A list of the contributions by type and amount is in the CIL and s106 Annual report. The larger amounts were received for

* £3M for affordable housing,
* £2M for environmental improvements,
* £980K for education contributions,
* £720K for projects to offset carbon generated from new development,
* £656 for highways, and
* £200K for employment and training.

5.5 It is also worth noting that £256k was received in construction implementation and management contributions which are used to secure construction management plans (CMPs). Camden officers monitor and manage the impacts of construction on development sites and ensure it carried out in line with the agreed plans and standards.

 **Section 106 spending / transfers in 2021/22**

5.6 In 2020/21 £24M of s106 funding was transferred to Camden’s Affordable Housing Fund and a further £6.3 million of s106 funds was spent on other projects, the more significant of which are described below

*Affordable housing*

5.7 During the period covered by this report £24M was used to help deliver affordable housing most of which were through the CIP programme. In addition 120 homes were delivered on-site via S106 across 9 different projects delivering 120 affordable homes. The main projects were at the Mount Pleasant Royal Mail Postal Sorting Office site, 101 Camley Street, and the CIP scheme in Agar Grove,

*Transport*

5.8 £2 million was spent on transport projects including £930K on Grays Inn Road walking and cycling Improvements and £619K on the Princes Circus Public Realm scheme. Healthy Streets schemes were also funded in Arlington Road and Camden Square.

*Business improvement, local employment and training measures*

5.9 £1.28M was spent in total on these measures including £350K on the Kings Cross Construction Skills Centre, £340K on the Camden Apprenticeship Programme and £200k on the STEAM programme. [Camden STEAM - Camden Council](https://www.camden.gov.uk/camden-steam).

*Community facilities*

5.10 £776K was spent on community facilities including the Maiden Lane Community Centre, the Somali Youth Development Resource Centre and the King’s Cross floating classroom.

*Managing the impacts of development*

5.11 The monitoring of Section 106 obligations and management of the impacts from development brings resource implications for the Council so we secure contributions from developers to cover these costs. Around £200k of Section 106 funds was spent on managing the impacts of development including funding for officers in Camden’s Planning, Transport, Sustainability and Environmental Protection Teams.