

London Borough of Hammersmith & Fulham

Report to: Cabinet

Date: 11/10/2021

Subject: Planning Obligations Draw Down Report 2020/21

Report of: Councillor Andrew Jones, Cabinet Member for the Economy

Report author: Joanne Woodward, Chief Planning Officer

Responsible Director: Jonathan Pickstone, Strategic Director for the Economy

Summary

The Council secures contributions from new developments to address the needs that arise for social and physical infrastructure, including for affordable housing, and to mitigate impacts.

This report sets out the projects and services that were funded (in part or full), in the financial year from 1st April 2020 to 31st March 2021, from monies received through Section 106 (s.106) agreements or the Borough Community Infrastructure Levy (CIL). In accordance with the Council's Financial Regulations, it seeks formal Cabinet approval to the drawdown of these funds for the projects delivered in 2020/21.

The spending program for 2020/21 reflects the terms of the relevant s.106 agreements or CIL regulations and supports delivery of the Council's priorities set out in the corporate Business Plan, Industrial Strategy and adopted Local Plan.

Recommendations

That Cabinet approves the 2020/21 drawdown of Section 106 and Community Infrastructure Levy monies as set out in this report and in the 2020/21 Drawdown Report attached at **Appendix A**, to fund expenditure of **£15,508,265** including **£376,432** of s.106 and CIL monitoring and administration costs.

Wards Affected: All

H&F Priorities

This table sets out the Council’s priorities and how the drawdown of planning contributions aligns with those priorities.

Our Priorities	Summary of how this report aligns to the H&F Priorities
Building shared prosperity	Ensuring funding from new development supports and benefits existing communities and residents
Creating a compassionate council	S.106 funding is used to provide new community facilities and services that bring the community together and meet local needs
Being ruthlessly financially efficient	The use of s.106 and CIL ensures new development within the Borough contributes fairly to the provision of new facilities and the enhancement of existing assets.
Taking pride in H&F	S.106 funds many of the projects to improve parks and town centres so that residents continue to enjoy and make the most of these borough assets

Financial Impact

The report confirms the drawdown of **£15,508,264.77** of s.106 and Borough CIL contributions to cover relevant and eligible expenditure incurred during the financial year 2020/21, including monitoring costs. These drawdowns are against balances of funds received by developers and held by the Council.

The monitoring costs of **£376,432** (included in the figure above) is funded from interest earned on s.106 agreements (£194,862) and from the administration component of the Borough Community Infrastructure Levy (£181,570).

Legal Implications

Regulation 122 of the CIL Regulations and Paragraph 57 of the National Planning Policy Framework (“NPPF”) require planning obligations to be:

- Necessary to make the development acceptable in planning terms;
- Directly related to the development; and
- Fairly and reasonably related in scale and kind to the development.

Section 106(1)(d) allows the Local Authority to require sums on a specified date or dates periodically to be paid to the Authority as an obligation in the Section 106 agreement.

Section 216 (2) of the Planning Act 2008 and regulation 59 of the CIL Regulations (as amended by the 2012 and 2013 Regulations), set out that the levy can be used to fund a wide range of infrastructure, including transport, flood defences, schools,

hospitals, open spaces, sporting and recreational facilities and other health and social care facilities. This definition allows the levy to be used to fund a very broad range of facilities summarised in this report and set out in detail in the 2020/21 Drawdown Report attached at Appendix A.

Section 1 of the Localism Act 2011 grants Councils a General Power of Competence whereby a Local Authority has power to do anything that individuals generally may do, including the use of funds received from planning obligations to address the impact of developments carried out in the borough.

The costs of delivering the projects as identified in this report are to be secured by the s.106 agreements listed in the 2020/21 Drawdown Report attached at Appendix A. Financial contributions secured under s.106 agreements are to be used for the purposes intended under the terms of the s.106 agreement. Legal services have checked the s.106 agreements listed and are satisfied that the s.106 contributions can be used for the proposed purposes as identified.

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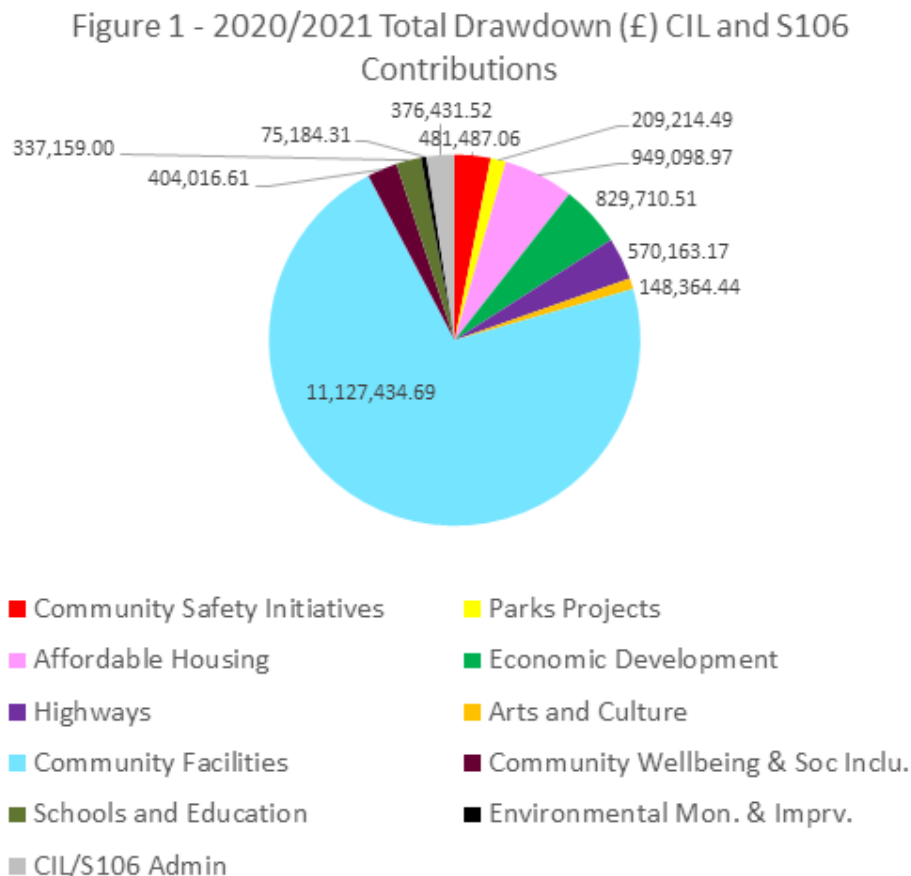
Background Papers Used in Preparing This Report

None

SUMMARY OF THE 2020/21 DRAWDOWN

1. All drawdown requests set out in this report have been assessed by the s.106/CIL Board of senior officers and the Strategic Leadership Team to ensure they meet the identified purpose within the s106 agreement and the tests within the legislation. SLT then made recommendations for spend to the S106/CIL Member Board, ensuring all projects support the delivery of the Council's Local Plan, Business Plan 2018-2022 objectives and the Industrial Strategy.

- Figure 1 below provides a summary of the projects, by category, that are to be funded from s.106 or CIL within the financial year 2020/21. A total of **£15,508,264.77** is proposed to be drawn down, with investment in community facilities accounting for the majority of spend. This is because the Civic Campus redevelopment falls within this category and is being funded, in part, using strategic CIL receipts.



- Excluding the 2020/21 costs towards the Civic Campus redevelopment, investment in community facilities was still the largest area of spend, with a further £2.2m being spent on the delivery of the new Sands End Community and Arts Centre, the provision of the Nourish Hub at White City, and to the last phase of the refurbishment works to Shepherds Bush Library.
- With respect to the other categories, the order of investment broadly reflects the Council's priorities to deliver affordable homes; secure local job opportunities arising from the Borough's growth; promote sustainable travel; secure safer neighbourhoods and inclusive communities; and to invest in education, our open spaces, and engagement in the arts.
- Further details on the individual projects delivered, the relevant s.106 agreements or CIL being relied upon, and the drawdown amounts, are set out in the 2020/21 Drawdown Report attached at **Appendix A**. The reason for providing the report as a separate appendix is to enable the annual drawdown

reports to be published on a dedicated page on the Council's website. It is hoped that this will make it easier for residents to access and better highlight the significant improvements being delivered across the Borough using developer contributions.

6. Cabinet approval of the 2020/21 drawdown of s.106 and CIL funds is now sought.

Reasons for Decision

7. Planning obligations are used to secure benefits capable of mitigating the adverse impacts of a development. Planning obligations can take the form of legal agreements, known as Section 106 Agreements (s.106), made under the Town and Country Planning Act 1990 (as amended), and as a Community Infrastructure Levy (CIL), that is charged on the net additional floorspace created by certain types of new development within the Borough.
8. Funds received pursuant to s.106 agreements must be used for the purposes specified in those agreements or, where there is flexibility within the terms of the agreement, for purposes that comply with the following tests:
 - Necessary to make the development acceptable in planning terms;
 - Directly related to the development; and
 - Fairly and reasonably related in scale and kind to the development.
9. With respect to the borough CIL receipts, 5% is retained to cover administration costs, 15% is to be spent on projects in agreement with the community, and the remainder is to be put towards infrastructure needed to support development in the Borough together with its operation, maintenance and repair.
10. This report seeks approval for the 2020/21 spend of monies received from S106 obligations and CIL for the purposes summarised in this report and set out in detail in the 2020/21 Drawdown Report attached.

Equality Implications

11. It is not anticipated that the approval of the drawdown of Section 106 and CIL monies (as set out in the Recommendations) will impact negatively on protected groups under the Equality Act 2010.

Implications completed by: Joanne Woodward, Chief Planning Officer, tel. 07717 717553

Risk Management Implications

12. The drawdown of section 106 and CIL allocation to projects is aligned with LBHF values and objectives. Existing project management procedures and processes are designed to ensure capture, monitor and mitigate the risks.

Implications reviewed by: Ray Chitty, Head of Insurance, Telephone 07739315565

Procurement Implications

13. There are no direct procurement implications resulting from this paper.
14. If the drawdown of Section 106 and Community Infrastructure Levy monies as set out in this report are used to procure any goods or services from third-party suppliers, then these suppliers shall be procured in accordance with the Council's Contract Standing Orders (CSOs).

Implications completed by: Dominic D'Souza, Commercial Manager, 07769197655

Consultation

15. Planning obligations are secured on developments granted in the Borough. The consenting process is subject to public consultation. It is through this process that stakeholders can raise concerns regarding the potential impacts of a proposal and to seek appropriate mitigation measures to be secured in the s.106 agreement. The projects to be funded align with the purpose specified in the individual s.106 agreement as being necessary to make the development acceptable and to mitigate its impact.

List of Appendices:

Appendix A: The 2020/21 Drawdown Report

Appendix A:



The Section 106 & Community Infrastructure Levy Drawdown Report for 2020/21

FOREWORD

“It gives me great pleasure to introduce the first of the annual drawdown reports being presented in this new format. It provides the opportunity for us to highlight the fantastic projects and services being delivered across the borough by the Council using money secured from new developments.

Over the past seven years we have negotiated hard with developers to ensure they contributed properly to the areas being developed.

The new community facilities and amenities; the improvements to our parks and streets; and the investment in community safety benefit both new and existing residents and businesses and help maintain the qualities that make Hammersmith and Fulham a special and desirable place to live, work and visit.

I am particularly proud of the funding being used to secure further affordable homes, local job opportunities, quality education, and the initiatives to address food poverty and social inclusion. Such investment ensures that all our residents, including our youth and those on low incomes, can share in the borough’s prosperity and can continue to make a significant contribution to its future.

Finally, while such investment enables us to rejuvenate areas that have become tired and to replace aging infrastructure, we are not seeking to replace these on a like for like basis. Rather, we are using this opportunity to upgrade the sustainability performance of our assets, ensuring these are resilient to and help address the impacts of climate change and deliver improvements to the health of our environment and its residents.

Looking to future years, we are encouraging the services across the Council to develop longer-term programmes for the use of s.106 funds. This will provide greater certainty around the priorities for investment, accelerate the delivery of improvements, and allow us to consider larger, more ambitious projects.”



Cllr Andrew Jones
Cabinet Member for the Economy

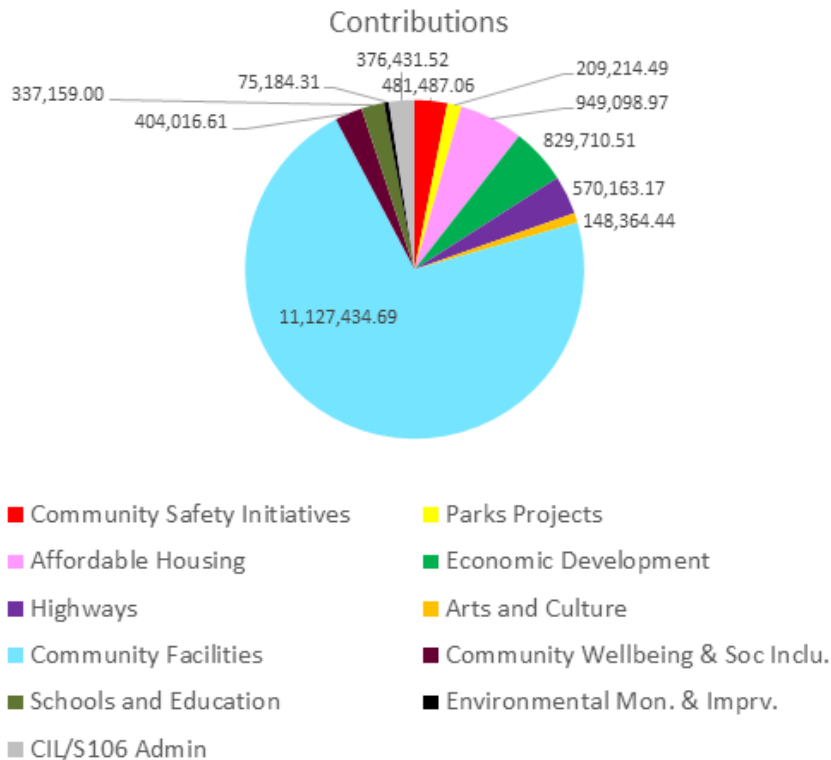
INTRODUCTION

1. Section 106 (s.106) and Community Infrastructure Levy (CIL) (collectively referred to as 'planning obligations') income is used to help fund the provision of infrastructure to support development and maximise the benefits and opportunities that come with growth, such as employment opportunities and new affordable homes. Planning obligations are also important in securing the mitigation of a proposed development's impacts and ensuring that planning policy requirements are met.
2. Each year the Council delivers a range of projects intended to discharge the obligations in the individual s.106 agreements. Following the initial allocation of s.106 to the projects, once the works or services are delivered, the expenditure is subject to an end-of-year drawdown process, where planning and legal officers ensure the specific project or services delivered met the terms of the relevant s.106 agreement from which the funds are being drawn.
3. This report covers the drawdown for the financial period 1st April 2020 to 31st March 2021. It sets out the projects and services on which s.106 and CIL funds were spent, the amounts, and the relevant s.106 agreements from which the funds are being drawn.

SUMMARY OF THE 2020/21 DRAWDOWN

4. Figure 1 (overleaf) provides a summary of the projects, by category, being funded from s.106 or CIL within the financial year 2020/21. A total of **£15,508,264.77** was drawn down, with investment in community facilities accounting for the majority of spend. This is because the Civic Campus redevelopment falls within this category and is being funded, in part, using strategic CIL receipts.
5. Excluding the 2020/21 costs towards the Civic Campus redevelopment, investment in community facilities was still the largest area of spend, with a further £2.2m being put to refurbishments of the Shepherds Bush Library, the delivery of the new Sands End Community and Arts Centre, and the provision of the Nourish Hub at White City.
6. With respect to the other categories, the order of investment broadly reflects the Council's priorities to deliver affordable homes; secure local job opportunities arising from the Borough's growth; promote sustainable travel; secure safer neighbourhoods and inclusive communities; and to invest in education, our open spaces, and engagement in the arts.
7. Further details on the individual projects delivered, the relevant s.106 agreements or CIL being relied upon, and the drawdown amounts, are set out in the following sections of this report.

Figure 1 - 2020/2021 Total Drawdown (£) CIL and S106



COMMUNITY FACILITIES

8. A total of £11.1m of planning contributions to be drawn down for community facilities. This includes £9.7m from strategic CIL towards the new Civic Campus and a further £192k to assess potential options for the future of the Linford Christie Outdoor Sports Stadium.
9. With respect to s.106 receipts secured for the provision of new and enhanced community facilities, this has helped fund the final phase of improvements delivered at Shepherds Bush Library (£4,758), the new Sands End Arts and Community Centre (£435,000) provided within South Park, and the Nourish Hub (£568,426) being delivered in White City.
10. The various planning agreements being relied upon, and the amounts to be drawn down from each, are set out in Table 1 below:

Table No. 1	Community Facilities	
S106/AKA Ref	Site	Amount (£)
722	Chelsea Creek	£435,000.00
867	M&S White City	£4,575.82
908	Gateway Site, White City Place	£209,451.08
827/844/851	Former BBC TV Centre	£568,425.50
CIL	Strategic CIL	£9,909,982.29
TOTAL		£11,127,434.69



Figure 2: Image of the refurbished Town Hall and new Civic Square



Figure 3: Completed new Sands End Arts and Community Centre



Figure 4: The interior of Shepherds Bush Library showing the redecorated interior and refurbished equipment



Figure 5: Exterior of the new Nourish Hub in White City

AFFORDABLE HOUSING PROVISION

11. A total of £949,099 is to be drawn down for affordable housing provision as shown in Table 2. The affordable housing projects being delivered include Spring Vale, Mund Street and Farm Lane. These new developments are due to complete by 2022 and will provide genuinely affordable housing that will help to alleviate housing shortages and ensures residents that cannot afford to buy or rent privately have the chance to stay in the Borough.

Table No 2	Affordable Housing	
S106/AKA Ref	Site	Amount (£)
310	Watson House	£72,388.08
775	Palace Wharf, Rainville Road	£340,000.00
776	King's Mall Car Park, Glenthorne Road	£100,450.64
777	Chelsea Island	£299,876.88
867	M&S White City	£119,419.83
877	Nomis Studios, 45-53 Sinclair Road	£16,963.54
TOTAL		£949,098.97



Figure 6: Rendered image of what the Farm Lane development will look like



Figure 7: Ariel rendered image what the Mund Street development will look like

ECONOMIC DEVELOPMENT, TRAINING & SKILLS

12. A total of £829,711 was spent on the Economic Development Team's work in maximising job opportunities for local people, such as employment, training, apprenticeships, outreach and maximising tender opportunities for Local Businesses and local supply chain activities. This funding is being drawn from the developments in Table 3 below.

Table No. 3		
Economic Development, Training & Skills		
S106/AKA Ref	Site	Amount (£)
776	Kings Mall Car Park	£74,390.25
777	Chelsea Island	£163,748.66
823	Edison Court and Tesla Court	£83,984.95
830	271-281 Kings Street	£87,891.77
862	Bechtel House, 245 Hammersmith Road	£2,033.26
877	Nomis Studios, 45-53 Sinclair Road	£98,036.24
897	80 Woodlands Road	£13,360.49
919	Lavender Court 168-178 Westway	£19,985.72
927	Fulham Gasworks, Imperial Road	£12,991.58
929	Land Bounded by Fulham Gasworks and Railway Line (Chelsea Creek), Imperial Road London SW6	£198,332.00
941	Former Cyclotron Building	£74,955.59
TOTAL		£829,710.51

13. H&F's economic development activity in 2020/21 focussed on the immediate challenges faced by residents and businesses, providing early intervention for residents whose jobs and prospects have been impacted by the pandemic and supporting businesses to access grants, rate relief and later in the year to become COVID safe as lockdowns began to ease.

Table No. 4	Number of Beneficiaries
Residents engaged and provided employment support	440
Employment starts	143
Apprenticeship starts	42
Work Experience outcomes	192
Training outcomes	78
Businesses supported to access grants and rate reliefs	Over 400
Businesses supported to be COVID safe	Over 150
Digital Upskilling for businesses	Over 150
Business supported to extend their trading space outdoors	120

Residents aged over 50 supported to start their own business	30
Businesses signed up to increase trading sales on-line	703
1-2-1 Business advice sessions with a professional advisor	140

COMMUNITY SAFETY INITIATIVES

14. A total of £481,487 was put towards community safety initiatives such as the maintenance of the borough's CCTV network and the work of the Gang, Violence and Exploitation Unit, which provides community support to address gang-related activity, criminal exploitation (including knife crime and drug dealing), and sexual exploitation.

Table No. 5	S106 - Community Safety Initiatives	
S106/AKA Ref	Site	Amount (£)
413	West 12 – Concord Centre	£11,062.98
722	Chelsea Creek	£46,666.66
776	Kings Mall Car Park	£146,406.35
784	282 – 292 Goldhawk Road	£1,443.69
861	London House, 100 New Kings Road	£47,707.35
908	Gateway Site, White City Place, 201 Wood Lane	£158,975.40
929	Land Bounded by Fulham Gasworks and Railway Line (Chelsea Creek)	£69,224.63
TOTAL		£481,487.06

LOCAL PARKS AND OPEN SPACES

15. A total of £209,214 was invested in 16 local parks across the Borough (see Figure 8 below for a map of the parks invested in). This was for much needed improvements to park facilities and environments, aimed at enhancing user enjoyment and increasing park capacities and biodiversity. The funds are drawn from the s.106 agreements listed in Table 6 below, with funds being spent on local parks within proximity to each of the developments.

Table No. 6	Parks Projects	
S106/AKA Ref	Site	Amount (£)
296 (629 & 630)	Westfield	£1,111.42
468	Empress State Building	£15,133.62
503	West 12 Shopping Centre	£12,439.80
712	Janet Adegoke Leisure Centre	£238.04
716	Fulham Reach	£35,158.10
725	Ashlar Court, Ravenscourt Gardens	£48,694.35
752	174 Hammersmith Road	£3,349.24
758/887	Site at Junction of Western Avenue and Old Oak	£82.96

	Road	
776	Kings Mall Car Park, Glenthorne Road and 45 Beadon Road	£81,731.76
777	Land bounded by Harbour Avenue and Lots Road AKA Chelsea Island	£7,353.68
926	Fulham Football Club, Stevenage Road	£3,921.52
TOTAL		£209,214.49

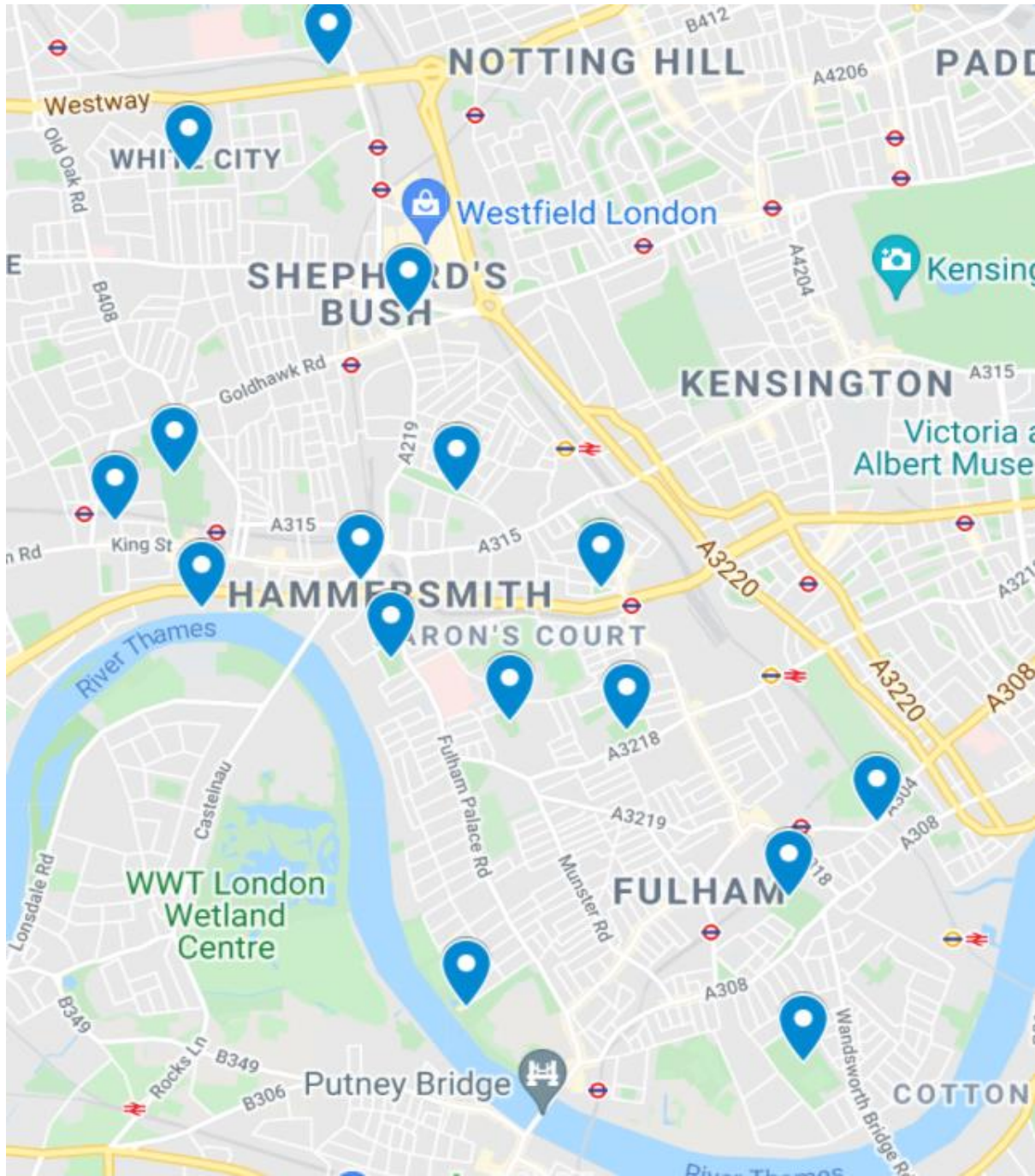


Figure 8: Map showing the Parks across Hammersmith and Fulham benefiting from s.106 money to fund improvements

TRANSPORT & PUBLIC REALM IMPROVEMENTS

16. A total of £570,163 was invested towards highway projects in the borough directly required because of developments taking place. This is being funded from:

Table No. 7	Highways – Transport and Public Realm	
S106/AKA Ref	Site	Amount (£)
657	Gate G	£1,053.74
721	1-51 Townmead Road	£140,558.33
723	26 Sullivan Road and 92-116, Carnwath Road	£4,634.67
843	Thames Tideway	£152,176.54
864	Mackenzie Trench House	£1,110.80
898	214 to 218 Shepherd`s Bush Road, 220 and 222 Shepherd`s Bush Road and 226 Shepherd`s Bush Road (Hammersmith Police Station)	£183,099.80
941	Wood Lane Hub Feasibility Study	£12,177.29
945	Fulham Police Station	£75,352.00
TOTAL		£570,163.17

ARTS AND CULTURE PROVISION

17. £148,364 was spent on Arts and Culture Development in the borough, including contributions towards implementation of actions contained in the Arts Strategy for Hammersmith and Fulham, supporting an Arts Development Officer, funding for Sands Lane Arts and Community Centre and a contribution to help fund delivery of Koestler House in Du Cane Road, which provides arts provision in the rehabilitation of offenders at Wormwood Scrubs Prison. All of the investment in arts and culture is being funded from the contribution secured from the current redevelopment of the Olympia Exhibition Centre.

Table No. 8	Arts and Culture	
S106/AKA Ref	Site	Amount (£)
943	Olympia Exhibition Centre, Hammersmith Road	£148,364.44
TOTAL		£148,364.44

COMMUNITY WELLBEING & SOCIAL INCLUSION PROJECTS

18. A total of £404,016 was spent towards community wellbeing and social inclusion projects to address the increased needs generated by population growth and change in the borough, including tackling domestic violence unit, food poverty initiatives and a Crisis Navigator scheme to assist rough sleepers.

Table No. 9	Community Wellbeing and Social Inclusion	
S106/AKA Ref	Site	Amount (£)
733	1-20 Seagrave Road	£45,789.77
927	Fulham Gasworks, Imperial Road	£347,056.84

943	Olympia Exhibition Centre, Hammersmith Road	£11,170.00
TOTAL		£404,016.61

SCHOOLS & EDUCATION

19. £337,159 was invested in schools and education initiatives, including climate education and targeted early intervention by link workers based in our schools. Funding for these school initiatives is being funded from the following developments:

Table No. 10	Schools/Education	
S106/AKA Ref	Site	Amount (£)
777	Land Bounded by Harbour Avenue and Lots Road	£29,474.00
784	282 – 292 Goldhawk Road	£7,685.00
843	Thames Tideway	£300,000.00
TOTAL		£337,159.00

ENVIRONMENTAL ENHANCEMENT & MONITORING

20. £75,184 was spend on addressing waste disposal / environmental protection and on-site monitoring of air quality, land contamination and environmental health. This was funded from the following developments:

Table No. 11	Environmental Improvement and Monitoring	
S106/AKA Ref	Site	Amount (£)
706	120 Broughton Road	£10,067.67
733	1-20 Seagrave Road and Others	£3,550.15
795	Earl's Court 2, Lillie Bridge Road	£1,566.49
843	Thames Tideway	£60,000
TOTAL		£75,184.31

NEIGHBOURHOOD CIL

21. The Neighbourhood component of CIL (15% of CIL receipts) is to be spent on community-led projects in the area in which the CIL receipt is raised. Community-led projects are not restricted to just physical infrastructure. It can be used for any purpose provided it is concerned with addressing the demands that development places on the area. For example, the money could be used to fund community events, social services and even affordable housing.
22. The current process for putting forward and agreeing community-led projects in Hammersmith and Fulham is via the crowd funding platform run on Council's behalf by [Spacehive](#). This allows community groups and individuals to put forward projects and to seek support from the community for these through raising the additional funds. Depending on the size of the project, up to £20k

in neighbourhood CIL can be pledged to an individual project. This typically represents a third of the overall project cost. If the project manages to raise the remaining balance, it clearly has community support and agreement. Table 12 shows some of the fantastic projects recently funded delivered.

Table No. 12: A Sample of Neighbourhood CIL Funded Projects				
Project	Description	Total Raised	No. of Financial Backers	H&F CIL
<u>Ravenscourt Park Community Glasshouses (spacehive.com)</u>	New glasshouses to be provided to offer a range of activities from school visits, volunteer gardening sessions for people including refugees and those with health and learning difficulties. A large central space that can be used for meetings, concerts & workshops.	£112,185	219	£20,000
<u>The Sands End Social Shack (spacehive.com)</u>	Build a new cabin with 2 separate areas for 3-7 yrs & 8-13 yrs.	£38,300	142	£10,000
<u>Living Space-Community on Parsons Green (spacehive.com)</u>	Living Space to renovate and enhance St Dionis, the church on Parsons Green, to create more accessible community space within. Want support specifically around the new kitchen pod.	£81,488	81	£10,000
<u>Make the Masbro Centre run on Sunshine! (spacehive.com)</u>	The Urban Partnership Group want to install 64 solar panels to the roof of the Masbro Community Centre, to generate its own electricity and use the funds saved for much needed community projects.	£45,569	180	£20,000
<u>Make Ray's Playhouse Shine Again! (spacehive.com)</u>	Ray's Playhouse, est.2011, is part of 50 years of community pre-school play. Generations of children played & thrived inside & out of the building but it is in dire need of renovation to keep it open.	£54,792	137	£5,000

S.106 & CIL MONITORING AND MANAGEMENT COSTS

23. £376,431 was spent in 2020/21 by the Council in administering, monitoring and managing s.106 and CIL contributions. Funds are specifically secured within s.106 agreements and through CIL (5% of the Borough CIL) to cover this expense to the Council. The split for 2020/21 was drawn £181,570 from the CIL admin and £194,861 from s.106 admin.