

An Introduction to Infrastructure Planning: S106 & CIL

Places OSSC Training

March 2023

Ben Dixon MRTPI – Infrastructure Planning Team Leader

Introduction to Infrastructure

- The timely delivery of high-quality infrastructure is fundamental to supporting development and ensuring Havering is a great place to live, work, socialise and invest.
- What is Infrastructure? – buildings, structures & facilities required to support the operation of society.
- How is infrastructure funded – Capital, Developer Contributions (S106 & CIL), external funding

Infrastructure Planning Team

Established Autumn 2020

- **Ben Dixon** MRTPI | Team Leader
- **Vacant** | Deputy Team Leader (currently out to recruitment)
- **Shoko Sakuma** | Planning Officer
 - Projects, Data Analysis, Policy, Engagement
- **Rema Patel** | CIL & S106 Contributions Monitoring Officer

Email us at: Infrastructureplanning@haverling.gov.uk

IP Team - Key Responsibilities

- Work collaboratively across the Council to manage policies, processes and systems required to: plan, fund, deliver and monitor all infrastructure projects.
- Manage the Council's infrastructure governance procedures.
- Support services and officers to secure and spend developer contributions (S106 & CIL).
- Provide technical guidance on complex CIL & S106 matters.
- Statutory reporting on CIL & S106 receipt and expenditure in the annual Infrastructure Funding Statement (IFS).

Developer Contributions

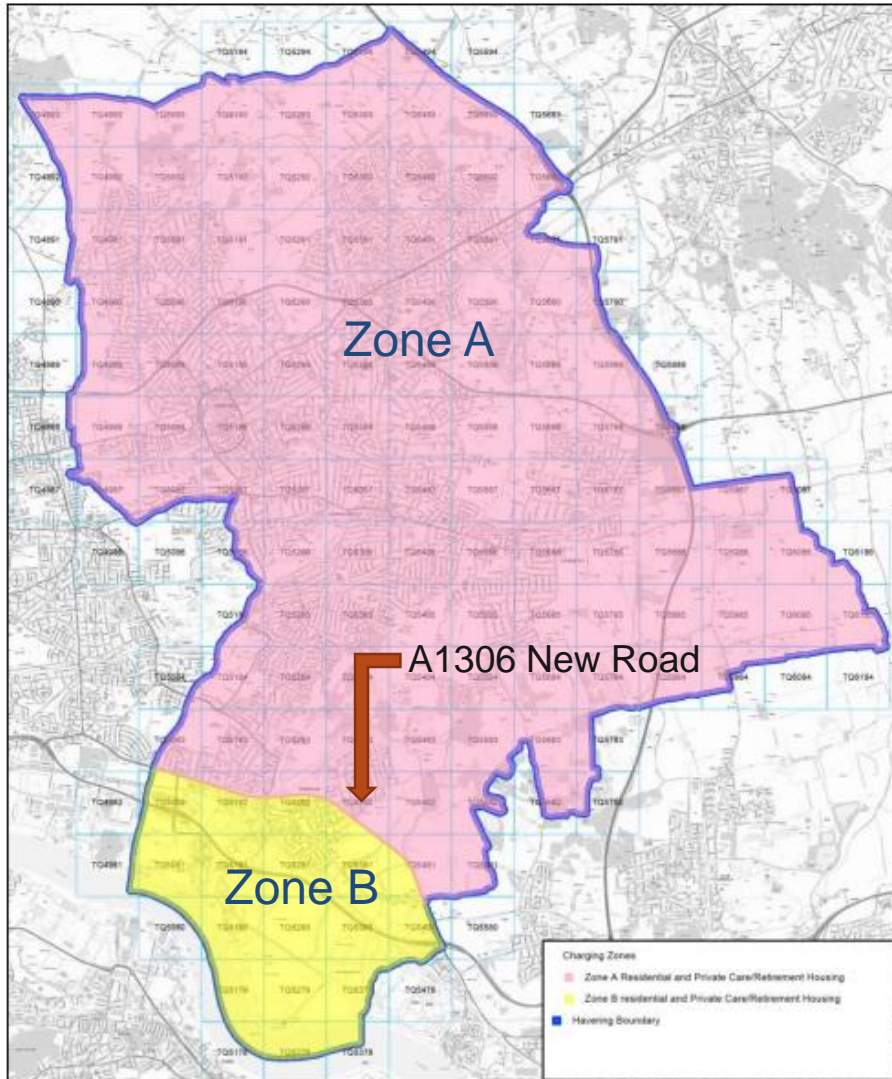
- There are 2 types of developer contributions:
 - 1) Community Infrastructure Levy (CIL)
 - 2) S106 Contributions

Community Infrastructure Levy (CIL)

What is CIL?

- Established in the Planning Act 2008 and bound by the Community Infrastructure Levy Regulations.
- Essentially a tax levied on development when construction works commence.
- Mayors CIL came into effect in 2012 - this is collected and passed to TfL to fund Crossrail.
- Havering CIL came into effect on 1st September 2019.
- Havering charges CIL for new residential, retail & hotel development.
- No CIL is charged for Affordable Housing, self-build housing or extensions to existing homes.
- Havering CIL Charging Schedule has 2 zones with different rates.

CIL Charging Schedule



Zone A is north of the A1306 New Road
Zone B is south of the A1306 New Road

The rates charged in Zone A are higher than for Zone B.

For Zone A – housing development pays £125/sqm
For Zone B – housing development pays £55/sqm

The rates are different due to different land values, property sales prices, and costs of development e.g. land contamination remediation, flood mitigation and other constraints etc.

The rates were viability tested by experts in 2018 just prior to adoption of CIL in 2019 to make sure they would not negatively impact on delivery of development, while delivering close to the maximum reasonable amount of contribution from developers of any site.

What can CIL be spent on?

There are 2 types of CIL that can be spent differently:

1) Strategic CIL

- Currently what is set up in Havering.
- Will comprise between 95% and 70% of CIL receipts

2) Neighbourhood CIL (NCIL)

- Not currently set up in Havering
- This can comprise between 15% - 25% of CIL receipts

What can Strategic CIL be spent on?

Delivering any **physical infrastructure required to support the development** of the borough.

Planning Act & CIL Regulations set out the types of infrastructure that can be funded, including:

- *Transport & Highways*
- *Schools & Education facilities*
- *Hospitals, doctors surgeries, other health and social care facilities*
- *Parks, play areas, public realm, green spaces, cultural and sports facilities*
- *Flood defences*
- *Police stations and other community safety facilities e.g. cctv*
- *District heating schemes*

What can Strategic CIL **NOT** be spent on?

- Cannot be spent on the provision of services or employment of people (as this is not physical infrastructure).

What can Neighbourhood NCIL be spent on?

- Much more flexibility with spend of 15 - 25% of CIL receipt.
- Can spend on anything required to support development of an area.
- This can include funding services, events and people.
- Can be spent borough-wide, or on a ward / area basis.
- Match funding can be secured through crowd funding e.g. Spacehive
- Havering may wish to explore the implementation of NCIL in 23/24.
- Investigations into NCIL operation at other Councils already undertaken.
- Paper to be presented to IPaDB (SLT) and Theme Board in coming months, setting out potential NCIL options for consideration.

CIL Governance Bodies in Havering

- Infrastructure Steering Group of Officers (ISGO) – meets monthly
- Infrastructure Planning & Delivery Board (IPaDB) – meets every 6 weeks
- Theme Board
- Cabinet (for bids over £0.5m)
- Full Council (for bids over £0.5m)

CIL Funding Bid Process

- 1) Council 'Lead Officer' assigned to project seeking CIL funding.
- 2) Early pre-bid discussion to assess if bid meets legislative requirements.
- 3) CIL Funding Request Bid Application form completed and submitted.
- 4) Initial assessment of bid by IP Team Leader using scoring matrix.
- 5) Bid presented to ISGO for discussion and visibility.
- 6) Bid presented to IPaDB for assessment.
- 7) Bids 'approved in principle' by IPaDB then presented to Theme Board for Member oversight and scrutiny.
- 8) Approved bids over £0.5m reported to Cabinet and then Full Council as part of annual Capital Programme setting.

Assessment & Decision on CIL Bids

- Two-speed system – small bids up to £50k and large bids over £50k.
- Small bids can be approved for funds to be released at any time of year.
- Large bids will generally only be approved for funding to be released as part of the annual Capital Programme for the forthcoming year.
- Large bids over £0.5m have to be approved by Cabinet and then Full Council as part of the annual Capital Programme setting.

CIL Bid Scoring Matrix

Bid Project Scoring Criteria

- Meets demonstrated infrastructure needs (set out in IDP)
- Mitigates impact of new development
- Demonstrated carbon reduction
- Meets key aims of the Havering Climate Change Action Plan
- Delivers Public Health benefits
- Delivers community, social and economic benefits
- Part funding / match funding is already secured
- Readiness for delivery

CIL Receipts to Date

The Council has been collecting CIL since 1st September 2019. To date the Council has received over £5.1m in CIL.

Year	CIL received in year
2019/20	£0.030m
2020/21	£0.538m
2021/22	£2.481m
2022/23 (to date)	£2.080m
Total	£5.130m

CIL Funding of Projects

Projects Allocated CIL Funding	Amount	Date of Allocation
Creation of parking on grass verges (various locations)	£0.806m	2020/21
Covid Memorial, Hornchurch Country Park	£0.224m	2021/22
Traffic calming on Sunrise Avenue, Hornchurch	£0.050m	2021/22
Primary School Cycle & Scooter Parking (various locations)	£0.050m	2022/23 Q3
Lamp column replacement for EV charging (various locations)	£0.050m	2022/23/Q3
Rom Valley Way Active Travel Improvements Phasing & Delivery Study	£0.026m	2022/23 Q3
Glass Recycling Pilot Project (various locations)	£0.006m	2022/23 Q3
CCTV Control Room upgrade & relocation to Romford Central Library	£0.750m	2022/23 Q4*
Liveable Neighbourhoods Romford Ring Road (LNRRR) Improvements	£1.200m	2022/23 Q4*
Beam Parkway – Active travel improvements and Linear park	£1.000m	2022/23 Q4*
Total CIL Allocated	£4.162m	
Total remaining Unallocated CIL	£0.968m	

*bids over £0.5m still to be agreed by Full Council in March as part of annual budget setting

S106 Developer Contributions

What are S106 Contributions?

- Also known as 'Planning Obligations'.
- Financial contributions are negotiated by planning officers, with agreement from developers, as part of the planning application process.
- Contributions are secured as Obligations within a S106 Legal Agreement attached to a planning permission.
- Contributions are **ONLY** to pay for **mitigation of specific, demonstrated and justified impacts of development** that would not be adequately funded by CIL.
- Contributions agreed by developers are legitimately included in development viability assessments.
- Increased contributions often limit or reduce the amount of affordable housing that can be secured – therefore a balance needs to be struck between contributions and quantum of affordable housing.

Applying S106 Obligations

All S106 Obligations must meet the 3 statutory tests of being:

- 1) necessary to make the development acceptable in planning terms;**
- 2) directly related to the development; and**
- 3) fairly and reasonably related in scale and kind to the development.**

Spending S106 Contributions

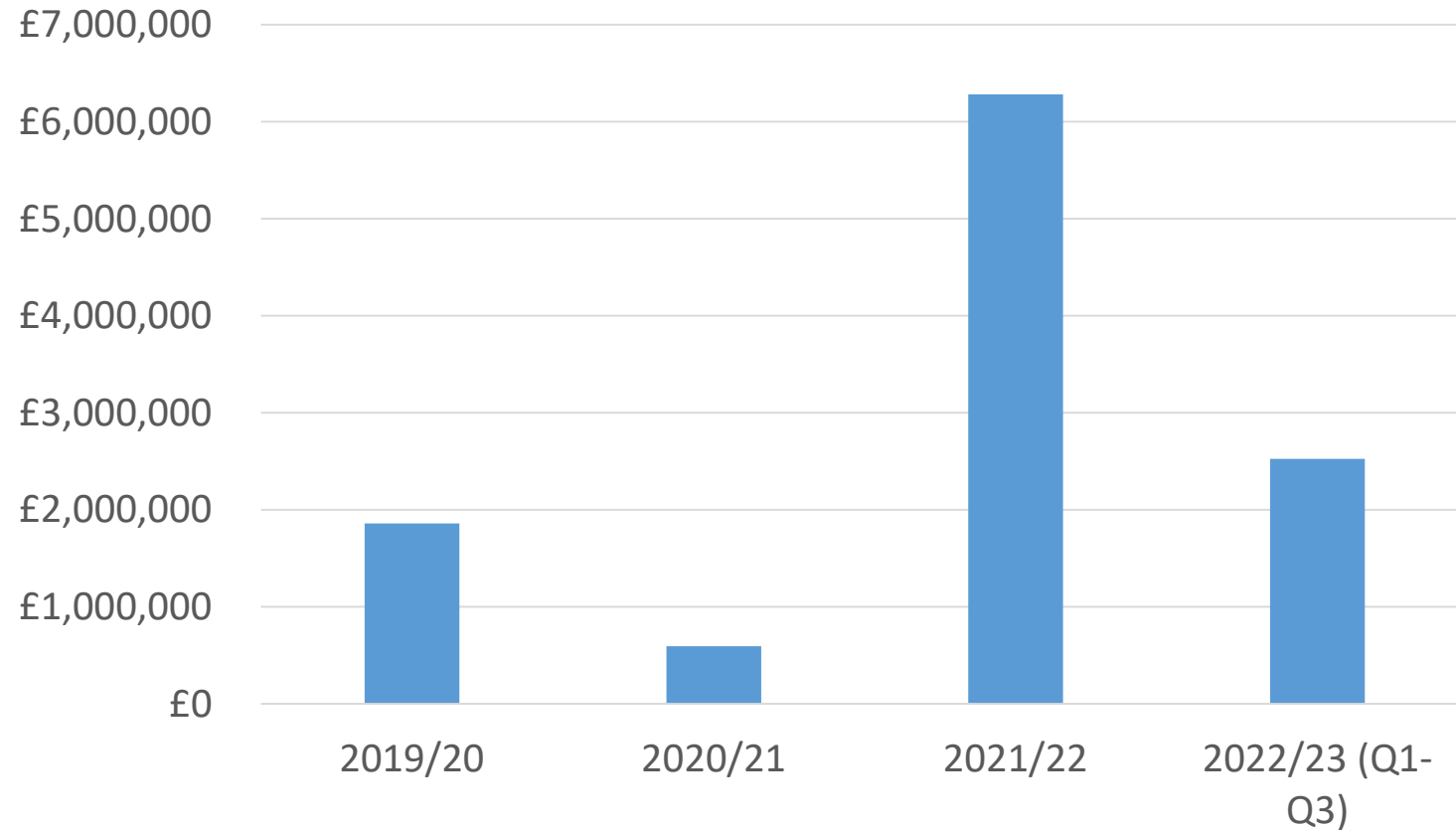
What can S106 Contributions be spent on?

They can **only** be spent on the specific defined projects that would mitigate the impact of development, as set out in the detailed wording of the legal agreement agreed with the developer.

Examples of common S106 Contributions:

- School expansion / new school
- Highways improvements (new crossings, cycle lanes, site access etc)
- Parks, playspace and public realm improvements
- Public transport improvements (e.g. bus capacity – where demonstrated as required by TfL)
- Affordable housing (where on-site provision is not possible)
- Healthcare (when demonstrated as required by the NHS)
- Employment, skills and training
- Carbon Offsetting

S106 Contributions Received



In 2020/21 the Council received £6.28m in S106 contributions, considerably more than any recent year. These contributions were secured from developments permitted over multiple previous years.

S106 - Available to Spend

- The Council is currently holding £13.5m in S106 contributions that will be spent over the next few years to deliver infrastructure for the borough.
- £8.73m (65%) is currently allocated against a live project.
- £4.79m (35%) is currently awaiting allocation to an appropriate live project.
- As a result of work by the Infrastructure Planning Team the trend is for increased % of funds allocated to a live project – helping to get S106 spent on delivering infrastructure.

S106 Spent to Deliver Infrastructure Projects

Over the last 3 years the Council has spent £9.661m of S106 to deliver infrastructure projects.

The following slides show extracts from the Council's published annual Infrastructure Funding Statements setting out the items of infrastructure which have been funded over the last 3 years.

S106 Spend in 2021/22

Items of Infrastructure	Spend
Mezzanine Floor at Harold Hill Library for Community Hubs	£150,000.00
Pedestrian Crossing - Waterloo Road, Romford	£9,443.46
Controlled Parking Zone (CPZ) - Former Harold Wood Hospital	£4,186.80
Highways Works - Former Oldchurch Hospital Site (Swan)	£4,771.20
St Edward's Primary School, Romford - ARP Expansion	£740.00
St Edwards Academy Site, Romford - Land Transfer	£36,000.00
Mead Primary School, Harold Hill - Expansion (Phase 4)	£18,000.00
Royal Liberty School, Gidea Park - Expansion from 4 to 5 FE (Phase 4)	£6,498.63
Lime Academy Forest Approach, Harold Hill - New Nursery	£78,619.51
Clockhouse Primary School, Collier Row - ARP Expansion	£134,358.88
Beam Parkway Linear Park & Active Travel Route	£225,427.10
Harold Wood Bus Capacity Improvements (funds passed to TfL Busses)	£578,919.07
Covid Memorial Woodland Project - Hornchurch Country Park (Carbon Offset Fund)	£66,543.44
Employment and Skills Activities / Job Brokerage	£20,000.00
Noak Hill Sports Complex - 2 New Football Pitches and other improvements	£89,000.00
Dagnam Park - 2 New Football Pitches	£120,000.00
Myplace Youth & Community Centre - Harold Hill	£224,050.00
Grand Total	£1,766,558.09

S106 Spend in 2020/21

Items of Infrastructure	Spend
Waterloo Road Crossing Works	£125,090.28
Former Harold Wood Hospital - Bus Gate Enforcement	£30,242.69
Former Harold Wood Hospital - Controlled Parking Zone	£6,283.59
Former Oldchurch Hospital Site - Highways Works	£38,386.46
Rainham Road near Dunningford Close Pedestrian Access Works	£14,098.35
Romford Town Centre Public Realm Improvements	£7,344.08
Beam Parkway Project	£280,389.49
Crownfield Junior School, Collier Row - Expansion 3FE to 4FE - Phase 3	£71,496.64
James Oglethorpe School, Upminster - Bulge 1.5FE to 2FE - Phase 3	£12,802.04
Hylands Primary, Romford - Expansion 2 to 3 FE Phase 3	£6,000.00
Brady Primary, Rainham - Expansion - 1 to 2 FE Phase 3	£234,358.90
Mead School, Romford - 1FE Expansion Phase 4	£286,308.97
Royal Liberty School, Romford - Expansion	£23,728.50
Nelmes Primary School, Hornchurch - SEN Places	£183,961.54
Forest Approach Academy, Romford - New Nursery	£174,500.25
Redden Court School, Romford - 5 to 7 FE Phase 4	£125,000.00
Bower Park School, Romford - 6 to 7 FE Phase 4	£66,053.73
Healthcare Provision - Payment to NHS Havering CCG	£53,900.00
Employment and Skills Activities / Job Brokerage	£34,107.97
Elmhurst Lodge - Green Landscaping Works	£5,000.00
Roneo Corner Highways Works	£11,654.89
Grand Total	£1,790,708.37

S106 Spend in 2019/20

Items of Infrastructure	Spend
Whybridge Infant School, Rainham - Expansion	£30,681
Waterloo Road, Romford – Pedestrian Crossing Works	£51,850
Crow Lane, Romford - Cycling Scheme	£380
Torrence Close, Hornchurch - Highway Works	£1,422
Former Harold Wood Hospital, Romford - Bus Gate Enforcement	£2,405
Rainham Landfill - Highway Maintenance	£35,418
Gooshays Drive, Romford - Footway Improvements	£6,484
Gooshays Drive, Romford - Highways Improvements	£10,820
Former Harold Wood Hospital, Romford - Controlled Parking Zone	£6,354
Former Harold Wood Hospital, Romford - Gubbins Lane Pedestrian Crossing	£455
Former Harold Wood Hospital, Romford - Station Transport Facilities	£30,081
Market Place, Romford - Loading bay and pedestrian dropped kerbs	£3,500
Contributions to TfL – Bus and Junction Improvements	£295,000
River Rom Naturalisation, Romford	£23,310
Crownfield Junior School, Romford - Expansion 3 to 4FE	£216,000
Broadford Primary School, Romford - Expansion 2 to 3FE	£30,199
Crownfield Infant School, Romford - Expansion 3 to 4FE	£23,820
James Oglethorpe Primary School, Upminster – Expansion 1.5 to 2FE	£42,000
Corbets Tey School, The Avelon Centre, Upminster – 16+ SEN Provision	£128,824
Hylands Primary School, Romford - Expansion 2 to 3FE	£204,183
Rainham Village School - Expansion 2 to 3FE	£30,000
Towers Infant School, Hornchurch - Nursery Provision	£30,000
Brady Primary School, Rainham - Expansion 1 to 2 FE	£484,026
Mead Primary School, Romford - Expansion 1FE	£453,566
Bretons Outdoor Recreation Centre, Hornchurch - Football Changing Rooms	£10,894
St Peter's Primary School, Romford - Expansion 1 to 2FE	£30,000
Drapers' Pyrgo Priory School, Romford - Expansion	£30,000
Whybridge Junior School, Rainham - Expansion	£30,302
Redden Court School, Romford – Expansion 5 to 7FE	£1,311,083
Royal Liberty School, Romford - Expansion 4 to 5FE	£1,295,182
Bower Park School, Romford – Expansion 6 to 7FE	£424,856
Marshalls Park Academy, Romford - Expansion 6 to 8FE	£790,670
SEGRO, Beam Reach Business Park - Job Brokerage	£40,140
Grand Total	£6,103,905

Infrastructure Delivery Plan (IDP)

- Key Policy Document for Infrastructure Planning in Havering
- Lists & costs all planned, needed & desired Infrastructure Projects
- Calculates the Infrastructure Funding Gap – the gap between known funding and anticipated costs
- Informs CIL Charging Schedule review & Local Plan update
- Current IDP 2018 – published online
- New IDP – first draft almost complete
- New IDP – scheduled to be published by end of 2023

Thank You

Questions?