

CABINET
5 JULY 2021

Report title: Developer Contributions and NCIL Delivery Framework

Wards: All

Portfolio: Deputy Leader (Planning, Investment and New Homes) Councillor Matthew Bennett

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Report summary

Lambeth continues to suffer from the challenges of COVID, including the consequential economic and financial crisis, compounded by the at least transitional difficulties arising from BREXIT. With unemployment rising to 21,000 from a pre-pandemic base of 9,000, this has already, and threatens to further, compounded inequalities in our community. We need to secure investment in our borough to provide not only the jobs and opportunities for local people to succeed, but also to provide funding for outstanding public services.

Despite the COVID crisis, there is reason to be optimistic: investors, businesses and partners, continue to be confident about the underlying health of our economy. This is driven by our location and ability to offer COVID-safe working and living environments, with short travel times either within the capital or linked in one journey via the myriad of trains, particularly via Vauxhall and onto Waterloo Station, the busiest station in the country.

Investors are continuing to take their pipeline forward in Lambeth, with planning consents in the last 12 months including 3,240 new homes, and 12,182m² of office space. Looking forward, we have a further 8,500 new homes in the pipeline and 106,000m² of commercial space, which we can be confident will be built out over the next three years. Securing more office and commercial space is crucial for the economic well-being of the borough and the provision of high-quality local jobs. Lambeth is one of only three inner London boroughs to have seen a loss of office floorspace in the past 3 years, largely as a result of permitted development rights.

Each of these developments will provide a range of public benefits, driven by our forthcoming revised Local Plan, which will form part of the statutory Development Plan for planning decisions in the borough, and which is a key document in supporting the Borough Plan. This development pipeline, and the increased developer contributions that will be derived from it, will serve to meet a number of the Borough Plan objectives, including delivering sustainable and inclusive growth, helping to build resilience and independence in our communities and the creation of successful and attractive places in which to live, work and visit. The benefits will include the payment of significant developer contributions, comprising community infrastructure levy (CIL) and S106 payments, in addition to

increased Council Tax and business rates payments. The council has proposed new, higher rates of taxes on private development, so that a greater share of growth is shared across our local communities.

Planning regulations control the spending of the monies. However, it is incumbent on the council to ensure that these monies are spent in a way that ensures both the changes in the urban environment arising from development are managed effectively and that the benefits of these developments are felt by our communities. It is recognised by both the Council and developers within the borough, that this must be done more effectively, particularly given the strength of the development pipeline. For example, there are major proposals that may potentially come forward (subject to receipt of planning permission) that could create significant opportunities for our community; these include the creation of a world leading life sciences campus at Royal Street, and the Council's own redevelopment at 49 Brixton Station Road.

With further financial austerity and the need for the Council to fund costs arising from COVID, these monies are an increasingly important part of the Council's income. They provide both capital and revenue income streams which are fundamental to the Council's ability to deliver core public services in addition to its ambitions set out in the borough plan and other strategies. In setting its budget moving forward, the Council has taken a prudent view of the income to be realised. However, as set out in this paper, there is the potential for greater income. Increasingly, the council's ability to invest in Lambeth and to fund public services is being determined, in no small part, by the decisions made at Planning Applications Committee.

This report sets out analysis of developer contributions over the last five years, and our projected income over the next five years, analysis of community priorities for spend and allocations to date, and recommendations for the allocation management of the further funding anticipated. We are clear that we need to continue to negotiate S106 contributions, an offset of development value, aimed primarily at managing the localised impacts of development. We are also clear that CIL, as a tax on the value of development, needs to be managed in a way which looks across the borough at local need when allocating money for investment and services.

Risk analysis of the potential impact of the current planning white paper on this income is also included, while this does present some longer-term risk, the report concludes that any change in regime will not impact for some time.

Finance summary

This report contains information on the development contributions the Council has received and expects to receive in the future. Where projections of future years are made these amounts would be expected to vary due to wider economic conditions and potentially government policy.

The levels of developer contributions received and expected has enabled the Council to develop a significant capital programme for the years 2020-24 which was agreed by Cabinet in July 2020, along with funding key revenue activity around Regeneration and Employment and Skills.

Recommendations

1. To note the projected developer contributions forecast to be received over the next five years including income from S106 agreements, to mitigate the local impacts of development, Community Infrastructure Levy (CIL), the majority of which must be spent on infrastructure (build and management), while a proportion (referred to as Neighbourhood CIL or NCIL) can be spent on broader interventions to address the impact of growth.

2. To agree the 4 CLIPs (Co-operative Local Investment Plans) as an articulation of residents' priorities; and note Lambeth residents' 10 neighbourhood priorities (as set out in paragraph 2.3), as expressed through analysis of the 4 CLIPs, Residents' Survey and the adopted SOWN (South Bank and Waterloo Neighbours) Neighbourhood Plan
3. To note the budget allocations, including those that have been made by the Capital Investment Programme agreed by Cabinet in July 2020, such that the Council has allocated funds in accordance with the priorities established by residents.
4. To agree a new delivery framework to respond to the requirement of the National Planning Policy Framework (NPPF) and related guidance regarding the engagement in local communities about how NCIL should be invested and reported, as set out in Section 2.

1. **CONTEXT**

Developer contributions types, regulations and guidance

- 1.1 Developer contributions comprising Community Infrastructure Levy (CIL) and Section 106 (S106) planning obligations are mechanisms administered by the planning system to secure financial and non-financial contributions (including affordable housing), or other works, to provide infrastructure to support development and mitigate any negative impacts.
- 1.2 S106 agreements, which are authorised by Section 106 of the Town and Country Planning Act 1990. are legal agreements entered into between the local planning authority and those with an interest in the land to be developed. They are usually referred to as planning obligations and provide for financial contributions to compensate for any loss or damage caused by the development, or to mitigate a development's wider impact. As a result, the spend that results from S106 is mainly capital spend in the vicinity of the development site in question in order that its impacts are appropriately mitigated. The agreements can also be used to secure revenue contributions to cover matters such as increased maintenance costs. In addition, S106 agreements also secure revenue contributions to support employment and skills work by the Council. These contributions tend to be spent in a wider area, based on population need.
- 1.3 It should be noted that S106 obligations also cover many other matters, which may govern the ways in which elements of a development may be used (for example, as affordable housing or workspace) or to manage the way in which the development is to be constructed or occupied (for example, requiring delivery of employment and training initiatives during the construction of the development, or limiting the issue of parking permits once built).
- 1.4 CIL is a planning charge, introduced by the Planning Act 2008, as a tool for local authorities in England and Wales to help deliver infrastructure including transport, schools, health facilities and parks, which are needed to support the development of their area. It came into force through the CIL regulations 2010. The main rationale for CIL is to help finance the wider infrastructure needed to support ongoing development (existing and future), rather than to mitigate or manage the local impact of the individual developments. CIL is required to be spent strictly towards "the provision, improvement, replacement, operation or maintenance of infrastructure."
- 1.5 The Localism Act 2011 laid the ground for the introduction of measures that would require CIL charging authorities to allocate a "meaningful proportion" of levy receipts to help neighbourhood communities accommodate the impact of new development. In 2013, provision was made in the Community Infrastructure Levy (CIL) Regulations that a proportion of the levy collected may be

spent to address “the demands that development places” on a local area. This proportion which is called Neighbourhood CIL may be spent on non-infrastructure items. The amended regulations established the “meaningful proportion” for the Neighbourhood element, as being 15% for areas without a Neighbourhood Plan and 25% for areas with a Neighbourhood Plan. The regulation does not determine what a local area constitutes.

- 1.6 The national Planning Practice Guidance (PPG) sets out how the government expects local authorities to approach the spending of the neighbourhood portion. Where there is no parish or town council, as is the case in Lambeth, the guidance provides that the local authority must consult with the community, on how best to spend 15% of the CIL collected from developments. This 15% of local CIL receipts is capped each year at £100 (indexed from the year of the adoption of CIL) per Council tax dwelling located in the neighbourhood area. If the neighbourhood area has a neighbourhood plan in place, the allocation for Neighbourhood CIL rises to 25% without the cap. The regulations also place a duty on the charging authority to balance neighbourhood wishes with wider requirement to ensure growth and relief of cumulative impacts from developments are managed across the borough.
- 1.7 A neighbourhood plan gives communities direct power to choose where they want new homes, shops and offices to be built, have their say on what those new buildings should look like and what infrastructure should be provided. Once made, a neighbourhood plan forms part of the development plan and sits alongside the local plan prepared by the local planning authority. Decisions on planning applications will be made using both the local plan and the neighbourhood plan. The CIL guidance states: “Where a neighbourhood plan has been made, the charging authority and communities should consider how the neighbourhood portion can be used to deliver the infrastructure identified in the neighbourhood plan as required to address the demands of development. They should also have regard to the infrastructure needs of the wider area.” It is important to note that this guidance does not necessitate that the NCIL money raised in an area covered by a neighbourhood plan must be spent in that area.
- 1.8 There is currently one adopted Neighbourhood Plan in the borough, prepared by South Bank and Waterloo Neighbours (SOWN) comprising most of the entire Bishops’ ward. It was ‘made’ on 16 December 2019. The SOWN Neighbourhood Plan now forms part of the Council’s planning policy framework and includes a costed neighbourhood infrastructure plan which aligns with the Council’s own priorities. This means after 16 December 2019, the Council must also take into account the priorities set out in the SOWN Neighbourhood Plan when making decisions on spending Neighbourhood CIL collected from developments in the local area covered by SOWN. NCIL for SOWN will comprise 25 per cent of CIL receipts from developments that commence in the SOWN area after 16 December 2019.
- 1.9 There are other Neighbourhood Fora in the borough, who are at various stages of preparing neighbourhood plans. The Kennington, Oval and Vauxhall Neighbourhood Forum are seeking to re-designate which will be the subject of a consultation in the new year. If re-designation is confirmed the Forum have indicated that they want to progress a Neighbourhood Plan which is currently in draft. The Norwood Planning Assembly were in contact with the Council earlier in the year to advise that they are working on a draft plan which could in due course be put out for the first round of consultation; however at the present time a draft plan has not been submitted. The Tulse Hill Neighbourhood Forum designation is due to expire in 2021 and they have not advised that they are working on a plan. Finally, there was also an intention from certain members of the local community to create a Neighbourhood Forum in Herne Hill, although to-date no formal application for designation has been made.

Management of developer contributions in Lambeth: introduction

1.10 The Council uses developer contributions to finance investment in parks and open space, transport and highways, affordable housing, education and other community facilities as well as employment training. Cabinet agreed a capital budget in July 2020 that includes an assumption that £132.94m of CIL or S106 will be available to fund capital budget items over the period 2020/21 to 2024/25, which represents 36% of the General Fund capital budget. This is based on the money already banked at the time the budget was set and a prudent projection of monies likely to be received over the period to 2024/25, that the Council would expect to exceed. Lambeth is one of the top five London boroughs for accruals of CIL since 2018, the others being Tower Hamlets, Brent, Wandsworth and Camden.

1.11 In presenting data regarding historic and projected developer contributions, the developer contributions have been divided into four categories:

- (a) Category 1: Strategic CIL- this is the amount of CIL net of the neighbourhood contribution, i.e NCIL, which provide capital funding to fund strategic infrastructure to support growth.
- (b) Category 2: S106 (excluding employment and skills) – these are the S106 based contributions which provide capital funding to fund the local impacts of development.
- (c) Category 3: NCIL – this is the neighbourhood proportion of CIL, which can be used flexibly to manage the impacts of growth.
- (d) Category 4: S106 employment and skills – these are the S106 contributions which can only be used to support employment and skills activities.

Category 1: Strategic CIL (ie exc. NCIL): Income, Spend & Allocations 2015-20

1.12 **Table 1** shows the Strategic CIL income received over the time period 2015-20. As Strategic CIL has to be used on infrastructure to support growth across the borough, there isn't any correlation between where CIL is accrued and spent. Over the last 5 years the accruals have been dominated by developments in Vauxhall, whereas the spend is more even, reflecting spending on a number of borough wide allocations such as the annual highways programme. A larger portion of spend is evident in Brixton, reflecting the larger population in the central area of the borough, and key investments, such as the Brixton Windmill Education Centre.

Table 1: Strategic CIL Income, Spend and Allocations 2015-20 (£m, excluding NCIL)

Neighbourhood area	CIL Income	CIL Spend	CIL allocated not spent	Spend plus Allocated	CIL Income	CIL Spend	CIL Spend Plus Allocated	Spend + Allocated Per Head of Pop
	£m	£m	£m	£m				
Bishops	1.99	0.73	2.10	2.84	5%	5%	11%	529
North Lambeth	27.24	1.37	1.19	2.56	74%	9%	10%	166
Stockwell	1.12	1.95	0.74	2.69	3%	13%	11%	125
Clapham	4.97	2.89	1.43	4.32	13%	19%	17%	241
Brixton	0.88	3.62	3.25	6.87	2%	24%	27%	247
Streatham	0.38	2.50	0.83	3.33	1%	17%	13%	132
Norwood	0.26	1.80	0.61	2.41	1%	12%	10%	128
Total	36.85	14.86	10.16	25.02				

Note:

£16m of borough wide allocation, notably highways and employment have been distributed on the basis of area population.

1.13 **Table 2** shows the S106 spend excluding employment & skills allocations. As would be expected there is strong correlation here between where the monies have been accrued and where they are spent, as the vast majority of S106 contributions are negotiated to mitigate the local impacts of development - although clearly where development occurs close to ward or CLIP area boundaries the spend can be both local and in a different area, which explains the slight discrepancies. The slight discrepancy with Streatham is due to their being spend of S106 in 2015, which was accrued in 2014, through the Streatham Hub project, which secured the Ice Rink.

Table 2: S106 Income, Spend and Allocations 2015-2020 (excluding Employment & Skills)

Neighbourhood area	S106 Income	S106 Spend	S106 allocated not spent	Spend plus Allocated	S106 Income	S106 Spend	S106 Spend Plus Allocated	Spend + Allocated Per Head of Pop
	£m	£m	£m	£m	%	%	%	
Bishops	14.46	9.50	3.52	13.01	26%	31%	24%	2,425
North Lambeth	28.89	11.01	14.35	25.36	52%	37%	47%	1,640
Stockwell	3.05	2.29	0.89	3.18	5%	8%	6%	148
Clapham	3.74	0.96	1.14	2.10	7%	3%	4%	117
Brixton	2.30	1.20	1.81	3.01	4%	4%	6%	108
Streatham	2.73	4.72	1.26	5.98	5%	16%	11%	237
Norwood	0.63	0.47	0.70	1.17	1%	2%	2%	62
Total	55.80	30.16	23.66	53.82				

Note:

c. £2.8m related to boroughwide projects has been distributed according to population.

The higher Streatham percentage is driven by income pre-2015

Total Projections 20-25: Category 1 - Strategic CIL (ie exc. NCIL) plus Category 2 - S106 (exc. Employment & Skills))

1.14 **Table 3** shows the developer contributions forecast to be payable to the Council during the next five years from 2020/21 until 2024/25, both for Category 1 (Strategic CIL) and Category 2 (S106, exc. E&S). The CIL forecast is based on all developments where PAC has resolved to grant consent, including those where the CIL liability notices (setting out payment required on commencement of development) have yet to be served. The S106 forecast based on consented schemes.

Table 3: Developer contribution forecast (exc. NCIL and S106 employment & skills)

Planning status	As at 31 March 2020	2020/21	2021/22	2022/23	2023/24	2024/25	Grand Total
	£m	£m	£m	£m	£m	£m	
Unspent CIL (including unspent allocated £10.6m)	26.65						26.65
Consented (CIL Liability Notice issued)		2.46	14.46	8.36	7.28	19.06	51.62
Planning Applications Committee (PAC) decided awaiting S106 (CIL Liability Notice not issued)			23.54	26.95			50.49
CIL Total (exc. NCIL)	26.65	2.46	38	35.31	7.28	19.06	128.76
Unspent S106 (including unspent allocated £14.95m)	42.23						42.23
Consented (S106 agreement completed)		3.94	3.97	35.86	13.2	1.77	58.74
S106 Total (exc. Employment & Skills)	42.23	3.94	3.97	35.86	13.2	1.77	100.97

Funding the Council's capital programme

1.15 Clearly the Council does not know exactly which developments will come forward or progress to the stage when payments are triggered, so the numbers largely represent an estimate, which is made to ensure that a capital programme can be constructed based on both on income already received and that which can be expected. An overview of the projected development income compared with existing commitments within the capital programme is shown in **Table 4**

Table 4 – Projected Income vs Budget Expectation

Income Type	£m
CIL Collected but Unspent at 01/04/20	26.65
Projected CIL 2020-25	102.11
S106 Collected but Unspent at 01/04/20	42.23
Projected S106	62.5
Total	233.49
Capital Budget Expectation from Strategic CIL and S106	132.94

1.16 The table shows that the amount of development funding received has the potential to exceed the amount expected to fund the capital programme in coming years. However, the budgets have to been set prudently because the numbers will vary over time for a number of reasons;

- Some of the collected monies will have been allocated and spent in early 2020-21 on capital projects carried over from previous years (around £25m)
- Some S106 monies will have specific requirements that are outside the existing capital programme
- Costs of monitoring S106 and CIL will need to be funded from these monies
- Some consented projects (S106 and CIL) will not be built out and thus no income will be received
- Some projected projects (CIL) will not reach planning stage and thus no income will be received
- Some projects that the Council is not aware of at present will come forward and increase income
- Both the Covid-19 Pandemic and Brexit increase the uncertainty over the level of income that could be received going forward.

1.17 In the medium term if the level of development income does exceed the requirement to fund existing services and budgets the Council will have the option to either;

- Increase the level of activity (revenue or capital) funded from development contributions or
- Reduce the level of borrowing required to fund the capital programme and thus reduce the pressure on revenue budgets due to borrowing costs.

1.18 The current capital budget includes an assumption of £244.46m borrowing. However, this borrowing envelope was established and deemed affordable before the COVID-19 Pandemic and the Council may wish to reduce this amount due to the ongoing impact of Coronavirus on the Government's funding of local government in addition to the effect on the Council's own revenue income and expenditure. If the Council is able to reduce its borrowing requirements it will need to make less revenue savings in the future.

1.19 **Table 5** below shows the capital projects with the largest spend from Developer Contributions to date. In addition to the projects where spend has taken place, there are also many projects where

an indicative funding allocation has been made from developer contributions, and many items in the CIP where developer contributions are the anticipated source of funding. These are shown in **Table 6a and 6b** respectively. There will be some overlap with Table 5 where projects are not complete and thus the full allocation has not been spent as yet. The final funding source will be dependent on the timing of the expenditure.

Table 5 Top Capital Developer Contribution Spend Items (during years 2015 – 20)

Spend Item	Spend £m
HIP Highways Improvement Programme 2017-18	4.43
Highways Investment Programme 2019-20	4.11
Woodmansterne Secondary	2.50
Westminster Bridge Road Regeneration Scheme	2.35
Akerman Road Housing Project	1.36
Clapham Park Phase 2 Primary Care Development	1.27
Archbishops Park	1.23
Vauxhall Park	0.99
Keybridge House PH2 (Wyvil Primary Expansion)	0.84
Loughborough Junction Works Affordable Workspace	0.79

Table 6a – Remaining Allocations (committed but not yet spent) from Development Contributions (Larger than £500k)

Spend Item	Allocation Remaining (£m)
Wyvil Primary School	3.21
Highways Investment Programme 2019-20	2.52
Waterloo Roundabout / City Hub Redevelopment	2.51
Transforming Vauxhall Funding Agreement	2.36
Loughborough Junction Works Affordable Workspace	1.11
Regenerating Brixton's Rec Quarter - Good Growth Fund	0.82
Hubert Grove Footbridge Refurbishment	0.77
Sudbourne Primary Ph2	0.74
Vauxhall Park	0.69
VNEB Development Infrast Del S106Rev 2016-17	0.51

Table 6b – CIP Allocations likely to be funded from Development Contributions

Theme	CIP £m
Transport/Public Realm	44.18
Highways Improvement Programme	24.38
Energy, Flood Prevention and Climate Change Response (inc Clean Air)	20.15
Waste and Recycling	14.36
Waterloo and South Bank Economic Recovery (inc Spine Route)	10.39
Parks and Play	10.34
Archive	10.00
Brixton Rec	7.27
Cemeteries	5.75
Brockwell Hall	2.58
Libraries	2.45
Primary Care Contribution	2.00
Community Facilities	0.93

Category 3: NCIL and Category 4: Employment & Skills S106: Income & Allocations 2015-20

1.20 NCIL and S106 Employment & Skills can be used to fund revenue activities. Tables 7, 8 and 9 show details of income and allocations. It can be seen that while there is some correlation between the income and spend of these funds, there is some divergence. This is driven because the allocations have been made with consideration of need, for example – employment & skills funds are spent based on where learners are, in addition to focusing on those geographies which are experiencing most development. It should be noted that the NCIL allocations to date, do factor in a prudent assessment of NCIL income over the next five years, as is set out below.

1.21 The table does reflect some recent significant allocations that have been made to respond to the priorities reported in this document and the pattern of need across the borough, in particular:

- Employment & skills, which is a £5m allocation agreed in a CMDDR in January 2021 focusing on interventions which give local people the best opportunity to access the coaching, skills and qualifications they need to thrive in the future labour market including the growth sectors in the digital and creative, life science low carbon economy. In its first 3 years, an NCIL spend of £3m is anticipated as part of a £15m investment by the Council with its partners to support the Skills and Employment strategy. The NCIL funding is targeted to address barriers to entry and progression and progression who may otherwise remain unemployed or in low paid work; and
- Following the analysis of community priorities, it is recommended that a £4m budget be allocated for a Community Connections Fund, with the decision of the detailed management and allocation of the fund to be delegated to the Cabinet Member for Planning, Investment & New Homes, in discussion with the Leader.
 - The aim of the fund is to support community resilience by building connections within and between communities, building capacity in communities to deliver and enable systematic change, tackling specific challenges and improving outcomes, as identified in partnership with communities. It will complement the Social Value Fund which is borough wide.
 - Priority will be given to projects or ways of working which have already demonstrated impact against one or more of the borough plan outcomes, but there will also be an opportunity for new ideas to be developed, with support provided to assist this idea development.
 - The fund will be tiered, so that a combination of larger and smaller allocations will be made. The focus will be on impact, and therefore it is anticipated that priority will be given to larger allocations with the potential for greater impact on the most challenging issues facing communities.
 - The initial allocation of £4m will be spent in the following two geographies:
 - Areas where there are the greatest community tensions arising from growth – Bishops and North Lambeth & Waterloo / SOWN;
 - Areas where there are the highest areas of deprivation - Stockwell and Brixton.
- Projects will be identified through existing partnership routes, including Lambeth Made Safer, and Neighbourhood Working. It is anticipated that project partners may include, not for profits and social enterprises, unincorporated community groups, education providers including schools and local businesses. It is also anticipated that some projects will be council-led and delivered, primarily through front-line services.

- A cross Council working group of officers would sift and prioritise project ideas, with the Cabinet Member for Planning, Investment & New Homes agreeing final allocations, in discussion with the Leader. In prioritising projects, particular focus will be given on evidence for need and confidence of impact, and the involvement of the community in measuring progress and impact. During the process of evaluation, there will be feedback and input sought from ward councillors and where appropriate SOWN and capacity building to result in fundable proposals can be provided.

1.22 It should also be noted that the allocations in table 9 included a Local Economy Hardship Fund to support Lambeth businesses during the COVID emergency. Ultimately further government funding for COVID response was made available. However, this NCIL allocation has been maintained, given the continuing criticality of supporting our businesses to ensure to seek to maximise the economic and employment opportunities for our residents at this particular time. The nature of this spend will be subject to future decision making.

Table 7 – NCIL Allocations by Neighbourhood Area

Neighbourhood area	NCIL Income	NCIL Spend	NCIL allocated not spent	Spend plus Allocated	CIL Income	CIL Spend	CIL spend Plus Allocated	Spend per Household
	£m	£m	£m	£m				£
Bishops	0.35	0.03	1.78	1.8	5%	3%	14%	336
North Lambeth	4.81	0.13	2.35	2.49	74%	16%	19%	161
Stockwell	0.20	0.21	2.24	2.45	3%	25%	19%	114
clapham	0.88	0.10	0.92	1.02	13%	11%	8%	57
Brixton	0.16	0.15	2.43	2.58	2%	17%	20%	93
Streatham	0.07	0.13	1.29	1.43	1%	16%	11%	57
Norwood	0.05	0.10	0.97	1.07	1%	12%	8%	57
Total	6.52	0.85	11.98	12.84				

Table 8 – S106 Employment & Skills by Neighbourhood Area

Neighbourhood area	S106 income	S106 Spend	S106 allocated not spent	Spend plus Allocated	S106 Income	S106 Spend	S106 Spend Plus Allocated	Spend plus Allocated per Househo Id
	£m	£m	£m	£m				£
Bishops	2.01	0.11	0.02	0.13	40%	3%	3%	24
North Lambeth	1.37	0.53	0.10	0.62	27%	15%	15%	40
Stockwell	0.23	0.77	0.14	0.91	5%	22%	22%	42
clapham	0.31	0.47	0.09	0.56	6%	14%	14%	31
Brixton	0.89	0.78	0.14	0.92	18%	22%	22%	33
Streatham	0.17	0.48	0.09	0.57	3%	14%	14%	23
Norwood	0.08	0.33	0.06	0.39	2%	9%	9%	21
Total	5.06	3.47	0.64	4.10				

Note: Distribution of spend has been calculated using geographic location data from those supported during 19-20

Table 9 – NCIL Allocations made by Date

Project name	Neighbourhood Area*	Allocation Amount £m
Youth Promise / Employment & Skills	Borough-wide	5,000,000
Community Connections	Waterloo, North Lambeth, Brixton, Stockwell	4,000,000
Local Economy Hardship Fund	Borough-wide	1,393,750
SOWN Community infrastructure	Waterloo (North Lambeth)	1,000,000
Grant Funding to Youth Organisations	Borough-wide	490,000
Maintenance of Parks and Open Spaces - Park attendants	Borough-wide	269,494
Covid Emergency Response	Borough-wide	170,000
North Lambeth and Stockwell CLIPs - Parks Improvement Officer	N Lambeth and Stockwell	92,886
Commonplace Consultation Platform	Borough-wide	90,000
Improving Access to Cycle Storage on Housing Estates	North Lambeth, Stockwell, Norwood	80,000
CrowdFund Lambeth (CFL)	Borough-wide	70,000
CLIP Investment Programme Air Quality	N Lambeth, Stockwell, Norwood	45,000
Public Realm Improvements Spurgeon Estate CLIPS Prog	Stockwell	40,000
Expansion of Project Smith Community Connectors	Stockwell	30,000
Binfield Road Street Market	Stockwell	30,000
Myatts Field Park Resilience Funding	Stockwell	20,000
Disabled Go - CLIPS Project	Stockwell and Norwood	9,300
Total		12,830,430

Note: Where an allocation is Boroughwide or across more than ward, it has been re-allocated on the basis of population, for the purposes of Tables 7 and 8

Category 3: NCIL and Category 4: Employment & Skills S106: Projections 20-25

1.23 Table 10 shows the projected income for both NCIL and S106 Employment & skills over the next five years. Table 11 provides a reconciliation for the NCIL allocations back against the allocations made.

Table 10: Forecast NCIL and S106 Employment & Skills

Planning status	As at 31/03/2020	2020/21	2021/22	2022/23	2023/24	2024/25	Grand Total
	£m	£m	£m	£m	£m	£m	£m
Unspent NCIL (including unspent allocated £0.9m)	3.72						3.72
Consented (CIL Liability Notice issued)		0.43	2.55	1.47	1.29	3.36	9.10
Planning Applications Committee (PAC) decided awaiting S106 (CIL Liability Notice not issued)			4.15	4.76			8.91
NCIL Total	3.72	0.43	6.70	6.23	1.29	3.36	21.73
Unspent S106 (including unspent allocated £63k)	2.89						2.89
Consented (S106 agreement completed)		0.39	1.28	1.32	0.82	0.35	4.16
S106 Employment & Skills Total	2.89	0.39	1.28	1.32	0.82	0.35	7.05

Note:

Discrepancy between unspent NCIL in this table and table 7 – this is due to timing differences, larger allocations have been made recently.

Table 11 – Projected Income vs NCIL Budget Expectation

Description	£m
NCIL Collected but Unspent	3.72
Projected NCIL 2020-25	18.01
NCIL Total Expected	21.73
Cost of Recently Agreed Projects	
Jobs and Employment	5.00
Community Connections	4.00
SOWN Community Infrastructure	1.00
Potential NCIL Balance	8.70

Impact of the white paper

- 1.24 The Ministry of Housing, Communities and Local Government recently concluded consultation on its White Paper Planning for the Future which has proposed extensive changes to the planning system. A new consolidated Infrastructure Levy incorporating both CIL and S106 is being considered. These changes will require an Act of Parliament and new Regulations to implement the legislation and will not affect schemes that already have planning permission. The White Paper states the Government’s intention is that the new Infrastructure Levy will deliver more money for local infrastructure than does CIL and S106 obligations currently.
- 1.25 There have been over 44,000 representations to the White Paper. Many respondents, including Lambeth, have argued that the proposals will require significant revision if they are to meet the objectives of securing a similar or higher level of funding for local infrastructure and to mitigate the impacts of growth, whilst being sufficiently flexible to enable sustainable development to come forward notwithstanding the local market conditions prevailing in a particular area.
- 1.26 Accordingly, at the time of writing, there remains considerable uncertainty as to the form in which the new proposals may come forward. For this reason, and taking into account the time required to pass the new primary and secondary legislation required, it is anticipated that the existing system of CIL and S106 is likely to remain through until the mid 2020s and possibly beyond.

Neighbourhood CIL: Existing delivery framework

- 1.27 On 16 January 2017, the Cabinet approved Co-operative Local Investment Plans (CLIPs) as a recommended delivery framework to respond to the requirement of the National Planning Policy Framework (NPPF) and related guidance regarding engagement with local communities about how the Neighbourhood Funding element of the Community Infrastructure Levy (CIL) should be invested.
- 1.28 The report set out a three-stage process for engagement, with the objective of identifying a set of priority themes and delivery plans within a particular local geography, the three stages being:
- **Stage 1:** Establishing the context and the Council's priorities for investment (reviewing socio-economic data, existing/planned infrastructure in the area, residents' priorities)
 - **Stage 2:** Engagement methodology: On-line survey and street surveys to target hard to reach and seldom heard voices
 - **Stage 3:** Decision-making, publication and review of CLIP
- 1.29 The Cabinet report also set out specific criteria for the allocation of Neighbourhood CIL to enable the Council to address the impacts of the developments more widely across the Borough and to meet outcomes in the Borough Plan. This established that funding could be allocated beyond CLIP boundaries in accordance with the following criteria:
- CLIP areas which are co-terminus to high growth CLIP areas and are also experiencing the impacts of major development
 - Cross-boundary projects; and,
 - Cross-borough priorities that deliver outcomes in the Council's Borough Plan. These will include projects that reduce inequality by supporting jobs and training and activities and services for young people and vulnerable communities.
- 1.30 The report noted that the CLIPs do not allocate funds, rather, they identify priorities for neighbourhood investment informed by local engagement. Allocations for projects agreed in the CLIP will be delivered through the Council's established processes once projects have been needs assessed, scoped and costed through the relevant governance process for capital or revenue and service investment.
- 1.31 The Council had previously elected to allocate an additional 10% of CIL for local spend. Although without a Neighbourhood Plan, the regulations governing the spend of this increase in community spending are those of CIL, i.e, this additional 10% can only be spent on infrastructure.

2. PROPOSAL AND REASONS

Analysis of community priorities

- 2.1 Appendix 1 sets out four completed CLIPs, which it is recommended are now agreed as an articulation of community priorities for spend in these areas. Each CLIP identifies priorities and also includes exemplar delivery plans which set out types of priority projects.
- 2.2 Each CLIP collected data via street surveys and on-line to identify the priorities. Table 12 sets out the established priorities in each CLIP area. Across all four CLIPs it can be seen that Young People, and Employment and Skills Training were identified as key priorities, with parks a clear third.

- 2.3 For those areas that do not have a CLIP, the residents survey can be used to identify the top 3 priorities for spend of CL. It should be noted that the categories included in the residents' surveys were not the same as had been included in the CLIPs process, and therefore there is some data inconsistency. It should be further noted that Employment & Skills was not given as an option in the residents' survey.
- 2.4 The SOWN identifies a series of themes which were identified through local consultation. Some elements of these over-arching themes are focused on planning policy, as is rightly the focus of a neighbourhood plan, but certain aspects of them can be used to help understand the priorities for spend of developer contributions, as identified by SOWN. This is also identified in **Table 12**.

Table 12: Priorities identified by CLIPs and resident surveys

	Young People	Employment and Skills Training	Parks, Open Space & Air Quality	Stronger Communities	Waste	Community Safety	Health	Education	Business support
Waterloo*	X	X	X						
North Lambeth*	X	X		X					
Stockwell*	X	X	X						
West Norwood*	X	X	X						
Streatham**	X					X	X		
Brixton**	X					X		X	
Clapham**					X	X	X		
SOWN		X	x	x					X

*Results derived from consultation as part of the CLIPs process

**Results derived from consultation from the Residents' Survey

- 2.5 Each CLIP also includes a delivery plan, which sets out project ideas, and can be used to provide further detail as to residents priorities. Over the 4 CLIPs there are a total of 93 project type ideas, which can be classified into the following typologies, in order of frequency across the four CLIPs:
- Greening – greening and improvements to public open spaces, including parks, open access estate areas and public realm.
 - Air quality – improved air quality, with a particular focus on tree planting
 - Urban connections – projects focused on knitting together different parts of the city, for example, with improved wayfinding and pedestrian routes.
 - Stronger communities – projects focused on enabling different parts of the community to meet and know each other to build community resilience.
 - Employment & skills – projects focused on improving access to employment and training.
 - Youth and play – projects focused on youth provision and play facilities.
 - Cycle parking facilities – projects focused on improving cycle parking facilities
 - Waste – projects focused on improvement of waste management and recycling.
 - Public transport improvements – projects focused on improving public transport.
 - Community safety – projects focused on improving safety or designing out crime.
- 2.6 The frequency of these against the CLIP areas is identified in Table 10. The SOWN Neighbourhood Plan also includes some reference projects, which has since been updated, these have been analysed against these CLIP typologies to identify where there is consistency in priorities, this is also set out in Table 13. From the analysis of the SOWN projects identified, there are a small number, mainly concerning business support and community facilities which fell outside the consensus revealed from consultation elsewhere in the borough.

Table 13: Delivery plan typologies

	North Lambeth	Norwood	Stockwell	Waterloo	Total	Included in SOWN list
Greening	3	1	2	9	15	X
Youth, play and sports	5	3	4	3	15	X
Waste	3	2	2	5	12	
Community safety	3	3	1	4	11	
Urban connections	1	1	3	4	9	X
Stronger communities	3	2	1	2	8	
Employment & skills	1	1	1	4	7	X
Cycle parking	1	1	2	1	5	
Misc	-	1	2	2	5	
Air quality	3	-	1	-	4	X
Public transport	-	1	-	1	2	
Total	23	16	19	35	93	

Funding of community priorities

2.7 Table 14 brings together all of the community priorities from the various sources (CLIPs, residents survey and SOWN), and identifies where the funding will be allocated from to meet the expressed community priority. It can be seen from this analysis that the funding decisions that have been made, respond to the community priorities established.

Table 14: Funding of priorities

Priority	Funding strategy
Youth, play and sports	CIP Parks £10.338m
Employment & skills	NCIL: £5m Allocation S106: Ongoing S106 allocations
Greening / Parks	CIP: Parks & Play £10.338m CIP: Sustainable Transport / Public realm £44.178m
Waste	CIP: Waste and Recycling £14.361m
Community safety	CIP: Highways Improvement Programme £24.378m CIP: Public protection/CCTV £1.5m
Health	CIP: Primary Care Contribution £2.0m
Education	CIP: Schools – £34.515m
Urban connections	CIP: Highways Improvement Programme £24.378m CIP: Sustainable Transport / Public realm £44.178m CIP: Spine route / Public realm Waterloo £10.388m
Stronger communities	NCIL: Community Connections £4m
Cycle parking	CIP: Sustainable Transport / Public Realm £44.178m
Air quality	CIP: Climate Change Response £20.150m
Public transport	Strategic lobbying point
Community facilities	CIP: VCS Buildings – £4.587m NCIL: £1m SOWN community infrastructure

Recommended delivery framework

2.8 It is timely to reconsider and review the effectiveness of the process, and to refine our processes moving forward. Officers together with an independent advisor have reviewed the process, and come to the following conclusions:

- (a) The identification of specific projects was never the intention of the CLIP process. Nevertheless, the current engagement approach, by asking people to identify project ideas, has given rise to confusion as to the purpose of the process.
- (b) Similarly, while the previous cabinet report does make it clear that it is not guaranteed that NCIL will be spent within the area within which it is accrued, the CLIPs process has also

given rise to confusion about what this means and a lack of clarity as to the level of linkage between location of accrual and location of spend.

- (c) The process is inconsistent with current national guidance, which advocates the use of existing processes to understand resident priorities. Comparing the data from the CLIPs versus that from the residents survey, it is not clear that any additionality has been gleaned, from a process which has been time-consuming, rather it is duplicating information. From an equalities point of view, the residents survey is much more rigorous in its sampling approach. The process did not involve business, as was originally anticipated.
- (d) Many of the residents priorities identified via the CLIP process are priorities which are consistent with the Council's priorities for the spend of strategic CIL, and indeed, much of strategic CIL is used to fund priority spend in programmes that have a local manifestation, for example, parks and play allocations. While the process did not identify or seek to understand priorities for spend which can be funded by NCIL, which cannot be funded by CIL, for example, there is support for employment & skills and other non-infrastructure interventions which are managing the impact of growth.
- (e) Given that many of the neighbourhood priorities will be funded through the Council's Capital Investment Programme, the additional 10% CIL allocated locally has not in fact been necessary. As the figures show, as a result of Lambeth's urban topography, every area of the borough has received CIL which exceeds this allocation. Given that this allocation, can also not be used for 'NCIL purposes' without a Neighbourhood Plan, this additional allocation has not had any effect.

2.9 A reformed approach is also required given how circumstances have changed since 2017:

- (a) Firstly national legislation has changed. The September 2019 amendments to the CIL Regulations now require the publication of an Annual Infrastructure Funding Statement that will provide details of spent and unspent allocations for both CIL and S106 for an entire financial year. Lambeth already has a fully functioning monitoring system in place that will enable the authority to comply with this requirement. The Infrastructure Funding Statement for 2019/20 has now been published on the Council's website. The report includes details of spent and unspent allocations for Neighbourhood CIL.
- (b) Secondly, as mentioned above, there is the potential for new Neighbourhood Plans to come forward, particularly in the Kennington, Oval and Vauxhall, and Norwood Planning Assembly areas.
- (c) Thirdly, greater agility is required going forward in the way the Council manages income, given the need at a time of overall financial pressures to manage developer contributions effectively. In this regard it should also be noted that additional income secured through developer contributions can be substituted into capital budgets to enable reduced borrowing.
- (d) Finally, the recent pandemic has shown how quickly and suddenly needs and priorities can change following unforeseen and unpredictable events. It is hoped that this revised approach builds in a kind of controlled flexibility that will allow the council the ability to respond to what is inevitably a changing future landscape of needs and priorities in a fairer manner.

2.10 It is recommended that the groupings of wards established through the CLIPs be maintained going forward as a basis for understanding the different geographic areas of the borough and mapping spend. These 'Neighbourhood Areas' will therefore remain as:

- (a) Waterloo / SOWN area (Bishop's ward)
- (b) North Lambeth (Prince's and Oval wards)
- (c) Stockwell CLIP (Larkhall, Stockwell and Vassall wards)
- (d) Clapham (Clapham Town, Clapham Common, Thornton and Ferndale wards)
- (e) Brixton (Brixton Hill, Tulse Hill, Coldharbour and Herne Hill wards)

- (f) Streatham (Streatham Hill, St Leonard's, Streatham Wells and Streatham South wards)
- (g) Norwood (Knight's Hill, Thurlow Park and Gipsy Hill wards)

2.11 Officers did consider whether it was possible to report data at a ward level. It has been concluded that this is both difficult to achieve and risks presenting an inaccurate picture. This is due to the majority of spend either physically crossing ward boundaries, or its benefits crossing boundaries (for example a school). Providing data at ward level would require many individual apportionment decisions to be made which would create significant system complexity, and risk distorting the picture. For this reason, the neighbourhood geographies are recommended as the basis for reporting and monitoring. It is recognised that members, residents and other key stakeholders want to understand in more detail the nature of capital spending in their areas, and to this end officers are investigating the development of a more graphical (likely an interactive map format) basis for displaying this information. This geographic reporting will include wider capital spend as the capital projects delivered by the Council often utilize a variety of capital funds including developer contributions. This is determined by the timing of the projects and the best utilisation of the available capital funds at the time.

2.12 It is further proposed that the mechanism for engagement with local communities in these neighbourhoods makes use of the following approaches:

- (a) *Annual resident surveys*. The Council's resident surveys take place each May. The Council would achieve cost savings if the Council moved to an approach of regularly using residents' surveys and existing networks to identify local community priorities. It also has the advantage of being statistically representative sampling.
- (b) *Lambeth Made Safer Communities and neighbourhood working*. the Council has committed to regular and facilitated dialogue and action with our communities about how to build community resilience and improved safety through the LMS Communities forums. In parallel, through our Neighbourhood Working pilots we are emphasising the need to design and deliver services and projects in neighbourhoods by pooling the detailed knowledge of our front-line staff and our VSC partners.
- (c) *Annual Neighbourhood reviews*. Ward councillors together with any BIDs in the neighbourhood area, would undertake an annual review of developer contribution spend, and any changes in local priority emerging from the resident data.
- (d) The above sources will be used to produce an annual State of the Borough report, which will provide a more detailed insight on community priorities both borough-wide and broken down by neighbourhood areas. This will be produced corporately and will help to inform corporate policy, strategy and decision making across the Council and partnership working.

2.13 This combination of hard data and insight will be used to inform further capital allocations, and will also be used to inform:

- (a) *S106 negotiations*. Planning officers will become more aware of the specific needs of local areas that will be impacted by new development. This will help identify more targeted mitigation measures that may be needed to address the impact of new development on local areas, in addition to identifying added social value non-financial obligations.
- (b) *Detailed programmes within the five-year CIP*. Service areas within the Council have been allocated a fixed capital budget to spend in the next five years. These service areas are expected to draw up an annual programme, including a detailed schedule of works. Feedback from resident surveys and ward councillor reviews will help to inform these programmes, project design and implementation, and achieve better outcomes. It should be noted that funding sources for these works will be identified which could include CIL or S106, the actual funding source will depend on which is the most efficient source at the time that spend takes place. The Council will seek to delay the need for borrowing which incurs interest costs where possible.

- 2.14 For the reasons given above, it is recommended that:
- (a) The Council formally reverts its position around the additional allocation of 10% CIL to a local level. Such that all CIL is managed through the Council's Capital Investment Programme, with the resident priority information being used to inform the process for the profiling of individual spend within the Capital Investment Programme.
 - (b) NCIL spend will be on the basis of need, to best manage the impacts of growth across the borough, noting that it would be expected that many of these programmes, such as Employment & Skills will bring benefit to the whole borough. The accrual and spend of NCIL will continue to be tracked by neighbourhood geography so that there is transparency of spend. In terms of the CIL regulations, the whole of the borough will be regarded as the local area.
- 2.15 Systems are already in place to enable effective budget management and financial reporting in accordance with the regulations pertaining and to provide an audit trail of accrual and spend of developer contributions to mitigate impacts of development. Reporting routines will be further developed and executed, such that annual data can be presented to Cabinet.

3. FINANCE

- 3.1 As noted within the main report, developer contributions are an increasingly important source of funding for the Council's capital programme. As the level of capital receipts available drops markedly and the availability of external grant funding from central and regional government organisations such as TfL is increasingly uncertain, the Council is largely reliant on developer contributions or borrowing to fund its capital programme.
- 3.2 In setting the capital programme for the period 2020-21 to 2024-25 which was agreed by Cabinet in July 2020, there was an expectation that £132,941,000 of S106 or CIL will be available as a funding source, the majority of which is still to be received. This represents 36% of the General Fund capital budget and without these monies the capital programme would be much smaller as the ability to borrow to fund the capital programme is limited by the impact of interest costs on the revenue budget which was under pressure even before the effect of COVID-19.
- 3.3 Clearly the amount of CIL or S106 available will vary subject to the level of confidence in the wider economy and potentially due to proposed government policy changes. If the amount of CIL received exceeds the amount required to be included in the capital programme, then the Council will need to decide whether to use the additional monies to programme additional capital spend or to reduce the dependence on borrowing within the capital programme. This is likely to be dependent on the wider revenue budget position post COVID-19.
- 3.4 Although developer contributions are identified as a significant capital funding source, which projects will ultimately be funded by CIL or S106 is only determined at the time that spend takes place, as the Council's capital financing will endeavour to use the most efficient funding method at all times to reduce the cost of borrowing.

4. LEGAL AND DEMOCRACY

- 4.1 Section 206 of the Planning Act 2008 allows the Council (as a charging authority) to charge CIL in respect of development of land in the Borough. The overall purpose of CIL is to ensure that costs incurred in providing infrastructure to support the development of an area can be funded

(wholly or partly) by owners or developers of land. Development is defined in Section 209 of the Planning Act 2008 subject to qualifications in the Community Infrastructure Levy Regulations 2010 (the CIL Regulations) as: (a) anything done by way of or for the purposes of the creation of a new building; or (b) anything done to or in respect of an existing building.

- 4.2 CIL only becomes due on commencement of development. Regulation 7 of the CIL Regulations stipulates when development is treated as commencing. In general terms this is the earliest date on which any material operation begins to be carried out on the relevant land.
- 4.3 Section 216 of the Planning Act 2008 and the related Community Infrastructure Regulations 2010 (as amended) requires the Council to apply CIL or cause it to be applied, to funding infrastructure. Infrastructure includes facilities such as roads and other transport facilities, educational facilities, medical facilities, sporting and recreational facilities, and open spaces.
- 4.4 Regulation 59 of the Community infrastructure Regulations 2010 requires the council to apply CIL to funding the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area.
- 4.5 The government’s on-line Planning Practice Guidance explains that CIL can be used to fund a very broad range of facilities and that this flexibility gives local areas the opportunity to choose what infrastructure they need to deliver their Local Plan. It also advises that local authorities must spend CIL on infrastructure needed to support the development of their area. The levy can be used to increase the capacity of existing infrastructure or to repair failing existing infrastructure, if that is necessary to support development.
- 4.6 This proposed key decision was entered in the Forward Plan on 15 March 2021 and so the necessary 28 clear days’ notice has been given. The report will be published for five clear days before the decision is considered by Cabinet. Following publication of the minutes, should the recommendations be approved, a further five clear days (the call-in period) must then elapse before the decision becomes effective. If the decision is called-in during this period, it cannot be enacted until the call-in has been considered and resolved.

5. CONSULTATION AND CO-PRODUCTION

- 5.1 This report was produced after a detailed analysis of the four completed CLIPs since 2017 – namely Stockwell, Norwood, North Lambeth and Waterloo. CLIPs for Clapham, Brixton and Streatham had not been completed. The engagement process from the four completed CLIPs had asked residents to identify priority projects for neighbourhood investment. The priorities across the areas were very similar. From this analysis, ten common project types were identified as set out in paragraph 2.3 which informed allocations for the Capital Investment Programme and NCIL that has been approved by the Cabinet for the next five years.

6. RISK MANAGEMENT

- 6.1 The main risks with the proposed course of action recommended by this report are as follows:

Risk Register

Item	Risk	Likelihood	Impact	Score	Control Measures
	Understanding of community priorities will not capture the	3	4	12	The broader approach advocated in this paper will

	views of those communities who have traditionally had less engagement with the Council and may have less time and digital awareness to be able to engage					mitigate this risk by using a variety of different engagement processes; including surveys (where we are now able to use a variety of engagement techniques), ward member discussions, feedback from Lambeth Made Safer Communities discussions, feedback through the BIDs and so forth. This multi-faceted approach will enable outreach to a greater range of different viewpoints
	Communities and other stakeholders may perceive the move to classify the whole borough as the 'Local Area' for NCIL purposes as meaning that priorities in their area may not receive funding	3	2	6		This risk will be mitigated through the annual reporting processes as described in this report: namely through showing how capital spending is reaching all parts of the borough; by showing how this spending is clearly informed by and aligned with community priorities; and by demonstrating how NCIL spending has been focused on areas of greatest need to respond not only to community priorities but also core Borough Plan objectives around creating opportunity and tackling inequality and exclusion

Key

Likelihood	Very Likely	4	Likely	3	Unlikely	2	Very Unlikely	1
Impact	Major	8	Serious	4	Significant	2	Minor	1

7. EQUALITIES IMPACT ASSESSMENT

7.1 Officers undertook an EIA on these proposals on the 21st April 2021 and this is attached at Appendix 1 of this report. The EIA concluded that the proposals are considered to have a positive impact on people with protected characteristics, as they will enable more effective allocation and expenditure of developer contributions against Borough Plan and local community priorities; and ensure expenditure can be targeted on the basis of need. They will also provide more transparency in how spending has been, and will be, undertaken; which will provide greater accountability and build more confidence in the process.

- 7.2 These proposals were reported to the Council's Equalities Panel on the 15th June 2021. The panel raised various questions related to the proposals such as: how will the use of the annual residents' survey reach those with protected characteristics and those communities we do not hear from as much; how do we make sure that visibility of developer contribution spend is increased; what is the rationale for the proposed NCIL allocation in the Waterloo area; does the existence of a Neighbourhood Plan bind the Council in how allocations are made; where there is no Neighbourhood Plan does that reduce the influence of the community over how and where allocations are made; and how can we reassure local communities that the designation of the whole borough as the 'local area' for NCIL purposes will not result in their neighbourhood areas losing out on investment.
- 7.3 In response to these questions it was advised as follows: The annual residents' survey is undertaken by DJS Research who consult around 2000 residents and use the knowledge we have on the different demographic groups in the borough to ensure they reach a broad cross section from across those groups. The lack of visibility and transparency of some developer contribution spend historically, such as NCIL, has been recognised and is a driver behind some of these changes which aim to increase transparency through annual reporting broken down by neighbourhood area, and through initiatives such as the Community Connections Fund. The expenditure in Waterloo is underpinned by the gap analysis that was undertaken, as set out in this report, on where resident priorities (which in the Waterloo area are expressed through the SOWN Neighbourhood Plan) have not been addressed by the capital spending undertaken in recent years; this has led to the proposed allocation of NCIL funds towards community facilities in the area. It was explained that the existence of an adopted Neighbourhood Plan does not bind the Council in its allocation decisions on capital spend/developer contributions; instead the Council has due regard to the local priorities expressed in such plans and also Borough Plan objectives and the need to target investment to where need is greatest. Given the need to have regard to community priorities across the different parts of the borough, this ensures that those residents who do not have a Neighbourhood Plan adopted in their area do not lose influence over these allocations. Finally, the approach advocated in this report, which will increase transparency of where allocations are made, and will more clearly show how capital investment is responding to community priorities, coupled with the targeting of NCIL funding particularly to those areas of greatest need, should reassure communities across the borough that the approach is equitable.

8. COMMUNITY SAFETY

- 8.1 There are no direct community safety implications arising from the recommendations in this report.
- 8.2 CIL and S106 may in due course be spent on projects that contribute towards community safety.

9. ORGANISATIONAL IMPLICATIONS

Environmental

- 9.1 None arising from the recommendations in this report, although in due course, CIL and S106 may both provide for environmental improvements that will benefit the local population in Lambeth, including improving air quality and responding to climate change.

Health

- 9.2 None arising from the recommendations in this report, although in due course, CIL and S106 may both provide for infrastructure and improvements in healthcare facilities that will benefit the local population in Lambeth.

Corporate Parenting

- 9.3 Not applicable.

Staffing and accommodation

- 9.4 None.

Responsible Procurement

- 9.5 None arising from the recommendations in this report. While CIL and S106 provide funding for expenditure on infrastructure and other measures that support or deal with the impact of development, the responsibility for the procurement of such expenditure will lie with the department and service tasked with the delivery of that project.

Good Quality Jobs with Fair Pay and Decent Working Conditions

- 9.6 None arising from the recommendations in this report although in due course, CIL and S106 may provide funding for measures that indirectly ensure fair pay and decent working conditions.

Quality Apprenticeships, targeted Employment for Lambeth residents and Lambeth Priority Group

- 9.7 None arising from the recommendations in this report although in due course, Neighbourhood CIL and S106 may provide direct funding for schemes that deliver quality apprenticeships and targeted employment for Lambeth residents and Lambeth priority groups.

Reduce Emissions: Lambeth Council has a commitment to being Zero Carbon by 2030

- 9.8 None arising from the recommendations in this report although in due course, CIL and S106 may provide funding for schemes that will help reduce carbon emissions and enable Lambeth to achieve Net Zero Carbon by 2030.

Single Use Plastics

- 9.9 Not applicable.

Positive Health and Wellbeing

- 9.10 Not applicable.

Other Offers (Innovation)

- 9.11 Not applicable.

10. TIMETABLE FOR IMPLEMENTATION

10.1 The table below details the stages and deadlines for implementing the recommendations:

Activity	Proposed Date
Date published on Forward Plan	15/3/2021
Cabinet Decision	5/7/2021
Minutes published	9/07/2021
End of Call in Period	16/7/2021
Implementation of new framework	Post decision and requisite publication period

AUDIT TRAIL

Consultation				
Name and Position/Title	Lambeth Directorate	Date Sent	Date Received	Comments in paragraph:
Councillor Matthew Bennett	Deputy Leader (Planning, Investment and New Homes)	18.06.2021	23.06.2021	
Eleanor Purser and Sara Waller, Strategic Directors	Sustainable Growth and Opportunity	18.06.2021	22.06.2021	
Christina Thompson, Director of Finance and Property	Finance and Property	23.04.2021	27.04.2021	
Greg Carson, Legal Services	Legal and Governance	21.05.2021	21.05.2021	4.1 -4.5
Christian Scade/Wayne Chandai, Democratic Services	Legal and Governance	18.06.2021	24/06/2021	
Rob Bristow, Director of Planning, Transport and Sustainability	Sustainable Growth and Opportunity	23.04.2021	18.06.2021	Throughout
Catherine Neal, Head of Business Development and Investment Monitoring	Sustainable Growth and Opportunity	23.04.2021	18.06.2021	

REPORT HISTORY

Original discussion with Cabinet Member	23.11.2020
Report deadline	23.06.2021
Date final report sent	24.06.2021
Part II Exempt from Disclosure/confidential accompanying report?	No
Key decision report	Yes
Date first appeared on forward plan	15.03.2021
Key decision reasons	3. Meets community impact test.
Background information	Planning Act 2008 https://www.legislation.gov.uk/ukpga/2008/29/contents CIL Regulations 2010 (as amended) https://www.legislation.gov.uk/ukdsi/2010/9780111492390/contents
Appendices	Appendix 1 - EQIA