

Bexley Infrastructure Funding Statement 2019/2020

Bexley's Approach to Securing Contributions from Development December 2020

This Infrastructure Funding Statement has been produced in compliance with Regulation 62 of the Community Infrastructure Levy Regulations 2010 (as amended).

The London Borough of Bexley's Charging Schedule was approved by the Council on 2 March 2015 and came into effect on 30 April 2015.

Further information on the Community Infrastructure Levy (CIL) is available on the London Borough of Bexley's website: <https://www.bexley.gov.uk/cil>

Introduction

- 1.1. This Bexley Infrastructure Funding Statement 2019/20 sets out the income and expenditure relating to the community infrastructure levy (CIL) and section 106 (S106) agreement contributions that the Council has received for 2019/2020.
- 1.2. Its purpose is to help local communities and developers see how contributions have been spent and understand what future funds will be spent on, ensuring a transparent and accountable system.
- 1.3. The Council is now required to produce an infrastructure funding statement at least annually, in accordance with the Community Infrastructure Levy Regulations. This document is the borough's first infrastructure funding statement.

Community Infrastructure Levy – Collection and Expenditure

Community Infrastructure Levy (CIL)

- 1.4. The Community Infrastructure Levy (CIL) is one mechanism that the Council, as local planning authority, can use to capture funds from new development to deliver infrastructure. The CIL mechanism was established through the Planning Act 2008 and came into force under the Community Infrastructure Levy Regulations 2010. CIL enables Councils to use developer contributions more flexibly (e.g. several developments sharing the cost of a specific piece of infrastructure; or saving funds towards a specific long-term project investment).
- 1.5. The aim of CIL is to reduce uncertainty around the timetable for the planning application process – especially for larger developments – because of the sometimes long and tortuous negotiations associated with s106 agreements. CIL enables a single payment to be made by the developer to cover a range of infrastructure needs; and it allows pooling of contributions over time from different developments towards a single major infrastructure project that no one development could afford on its own.
- 1.6. Bexley's Community Infrastructure Levy (CIL) scheme came into effect from April 2015, replacing elements of the Council's previous policies on developer contributions through s106 agreements. The CIL revenue collected in the first three full years was £4.8m and while this exceeded pre-CIL estimates, the amounts are modest when compared to other boroughs like Tower Hamlets who received £39.7m over the same period.
- 1.7. The Council's allocation of CIL incorporates an internal 'call for schemes' from relevant delivery departments which are added to projects already in the Council's capital programme. The Council then evaluates these against strategic priorities, having regard to the CIL regulations, to update the prioritised list of schemes.

- 1.8. This process was previously informed by the Council's Regulation 123 List, which specified the sorts of infrastructure the Council would spend CIL receipts on. However, as a result of recent changes to the regulations this statement effectively replaces the Regulation 123 list. CIL receipts will be allocated on an annual basis to support the delivery of infrastructure projects in line with the borough's capital programme. CIL receipts will also be made available through the capital programme to support:
- Transport improvements
 - Educational, cultural, health and community facilities
 - Environmental and green infrastructure and public realm improvements
 - Sport and recreational facilities
- 1.9. The need for infrastructure to support development is set out in the Council's Core Strategy and includes an infrastructure delivery plan - <https://www.bexley.gov.uk/sites/default/files/2020-05/Bexley-Core-Strategy.pdf>. This, together with the identification of a funding gap to deliver the required infrastructure, also formed part of the justification for the introduction of a CIL charge in 2015.
- 1.10. Unlike section 106 agreements, the rate of CIL payable is both mandatory and non-negotiable. CIL is charged per square metre (gross floorspace) and must be paid once the development commences. The amount of CIL payable depends on where the development is located within the borough and the type of development.
- 1.11. The Borough's Annual CIL Rate Summary is set out at paragraphs 1.38 to 1.40 below. The Bexley CIL Charging Schedule and map of the charging zones are available to view at: <https://www.bexley.gov.uk/sites/default/files/2020-09/Bexley-CIL-charging-schedule.pdf>.

Bexley CIL Income 2019/20

Table 1.1: CIL Income 2019/20

Financial Year	Borough CIL (80%)	Neighbourhood CIL (15%)	CIL Admin (5%)	Total CIL Collected
2019/20 Qtr. 1	1,497,159	280,717	93,572	1,871,449
2019/20 Qtr. 2	340,526	63,849	21,283	425,658
2019/20 Qtr. 3	234,749	44,015	14,672	293,437
2019/20 Qtr. 4	95,699	17,944	5,981	119,623
2019/20 Total	2,168,133	406,525	135,508	2,710,167

1.12. In 2019/20, the largest amount of Bexley CIL received came from the following developments:

- Former Bexley Civic Offices, Broadway, Bexleyheath - £ 1,713,131
- Land at Southmere Village, Binsey Walk, Tavy Bridge, Southmere Drive and Mere Road - £414,139
- Former Linpac Corrugated Cases Ltd, Richmer Road, Erith - £382,508
- Progressive House 2 Maidstone Road, Sidcup - £68,256
- 26 And 26A Brampton Road, Bexleyheath - £43,704

1.13. The total value of CIL set out in all demand notices issued in 2019/20 = £633,366.

1.14. Tables 1.2 to 1.5 provide a breakdown of combined Bexley CIL receipts over the last four financial years. The 2018/19 figure represents the highest Bexley CIL income recorded since its adoption.

Table 1.2: CIL Income 2015/16

Financial Year	Borough CIL (80%)	Neighbourhood CIL (15%)	CIL Admin (5%)	Total CIL Collected
2015/16 Qtr. 1	0	0	0	0
2015/16 Qtr. 2	0	0	0	0
2015/16 Qtr. 3	0	0	0	0
2015/16 Qtr. 4	£125,802	£23,588	£7,863	£157,253
2015/16 Total	£125,802	£23,588	£7,863	£157,253

Table 1.3: CIL Income 2016/17

Financial Year	Borough CIL (80%)	Neighbourhood CIL (15%)	CIL Admin (5%)	Total CIL Collected
2016/17 Qtr. 1	£205,623	£38,554	£12,851	£257,029
2016/17 Qtr. 2	£35,710	£6,696	£2,232	£44,637
2016/17 Qtr. 3	£399,573	£74,920	£24,973	£499,466
2016/17 Qtr. 4	£406,239	£76,170	£25,390	£507,798
2016/17 Total	£1,047,145	£196,340	£65,447	£1,308,931

Table 1.4: CIL Income 2017/18

Financial Year	Borough CIL (80%)	Neighbourhood CIL (15%)	CIL Admin (5%)	Total CIL Collected
2017/18 Qtr. 1	£73,276	£13,739	£4,580	£91,596
2017/18 Qtr. 2	£68,567	£12,856	£4,285	£85,709
2017/18 Qtr. 3	£32,781	£6,146	£2,049	£40,976
2017/18 Qtr. 4	£186,997	£35,062	£11,687	£233,747
2017/18 Total	£361,621	£67,804	£22,601	£452,026

Table 1.5: CIL Income 2018/19

Financial Year	Borough CIL (80%)	Neighbourhood CIL (15%)	CIL Admin (5%)	Total CIL Collected
2018/19 Qtr. 1	£121,885	£22,853	£7,618	£152,356
2018/19 Qtr. 2	£536,622	£100,617	£33,539	£670,777
2018/19 Qtr. 3	£1,555,484	£291,653	£97,218	£1,944,355
2018/19 Qtr. 4	£222,653	£41,748	£13,916	£278,317
2018/19 Total	£2,436,644	£456,871	£152,290	£3,045,805

Mayoral CIL

1.15. In addition to local CIL, the Mayor of London also has powers to raise CIL. The Mayor's Community Infrastructure Levy (MCIL1) was introduced in 2012 to help finance Crossrail, the major new rail link that will connect central London to Reading and Heathrow in the West and Shenfield and Abbey Wood in the East. The Mayor has adopted a new charging schedule MCIL2 to help pay for Crossrail 2; it came into effect on 1 April 2019 and supersedes MCIL1.

1.16. The Total Mayoral CIL received in 2019/20 = £1,292,546. The largest amount of Mayoral CIL received came from the following developments:

- Former Bexley Civic Offices Broadway, Bexleyheath - £652,300
- Land at Southmere Village, Binsey Walk, Tavy Bridge, Southmere Drive and Mere Road - £145,958
- Former Linpac Corrugated Cases Ltd, Richmer Road, Erith - £221,271
- Part of Erith Quarry Site, Fraser Road, Erith - £104,483
- Progressive House, 2 Maidstone Road, Sidcup - £26,323

CIL Expenditure for 2019/20

- 1.17. The Regulations state that a Local Planning Authority's CIL receipts should be allocated as follows:
- 80% for large infrastructure projects (Borough CIL or BCIL);
 - 15% for "Neighbourhood CIL" (NCIL) for smaller, more local projects. In other Council areas, this needs to be allocated direct to Neighbourhood Planning Forums or Parish Councils – neither of which applies to Bexley; and
 - up to 5% to offset the costs of administering the scheme.
- 1.18. Up to September 2019 when considering on what infrastructure projects CIL income could be spent, authorities needed to publish a 'Regulation 123 List' with details of the individual projects and project themes for CIL spend. To avoid double-charging, authorities could not seek additional developer contributions through s106 agreements for the projects or project themes on the Reg 123 List. The List applied solely to the 80% BCIL; the 15% NCIL was not subject to the same spending restrictions and could be used for any project benefitting (and supporting development of) the relevant local area. NCIL may be used to contribute towards BCIL projects, but not the other way around.
- 1.19. For NCIL (but not BCIL), local authorities must consult with the public on priorities for projects in their area that could be paid for through NCIL. That consultation needs to be undertaken every two years.
- 1.20. Table 1.6 below sets out the total CIL expenditure on allocated projects for the reporting year and is followed by detail on the nature of these projects

Table 1.6: CIL Expenditure 2019/20

Project	CIL Expenditure 2019/20
Thamesmead Library	£18,674
Cleeve Meadow School SEN Provision	£2,013,400
Learning and Enterprise College IT Equipment	£351,775
Flood Risk Improvements	£17,720
The Engine House Project	£257,595
Bexleyheath Town Centre Public Realm Project	£53,701
Bexleyheath Town Centre Revitalisation Phase 2 Implementation	£8,554

Playground Improvement Programme	£133,311
Hall Place Improvement Works	£15,247
Hall Place Building & Gardens	£36,586
Total	£2,906,564

- 1.21. **Thamesmead Library** – a new library in Southmere Village as part of the Abbey Wood and South Thamesmead Housing Zone. This will provide a two-storey community building comprising a library with a cafe area at ground floor and flexible community space on the first floor managed by Peabody Trust.
- 1.22. **Cleeve Meadow School SEN Provision** - completed in August 2020 and provides highly specialised education for 120 pupils between 11 and 19 years of age, who have moderate learning difficulties and may have associated additional needs.
- 1.23. **Learning and Enterprise College IT Equipment** – deployment of new ICT equipment across all sites.
- 1.24. **Flood Risk Improvements** – A programme of defence and mitigation improvement works in flood risk areas.
- 1.25. **The Engine House Project** - a new facility aimed to help Bexley entrepreneurs start and run new/fledgling businesses aligned to the creative Tech sector. The 2019/20 funding was used to create a 3d tech studio and co-working space.
- 1.26. **The Bexleyheath Town Centre Public Realm Project** - the purpose of this project was to create a more welcoming ambience and quality environment in the town centre to help attract increased footfall and to maintain the town’s reputation as a shopping and leisure destination. The programme of priority improvements included decluttering the pedestrian area from the Kings Arms through to the Market Place and extending the life of the remaining street furniture.
- 1.27. **Bexleyheath Town Centre Revitalisation (BTCR) Phase 2 Implementation** – BTCR Phase 2 introduced transport and public realm improvements along Albion Road; the funding in 2019/20 was used to make refinements to the scheme following a review of its operation.
- 1.28. **Playground Improvement Programme** – rolling programme of renewal and replacement of playground equipment at a number of parks including Riverside Walk, East Wickham Open Space, Franks Park, The Dell and Footscray Meadows.
- 1.29. **Hall Place Improvement Works** – contributed to a range of works including the visitor centre, site signage, visitor interpretation, access gates and footpaths.
- 1.30. **Hall Place Building and Gardens** - installation and development of new show gardens i.e. Japanese garden, Mediterranean garden, raised garden and Know gardens fencing work

- 1.31. Table 1.7 below sets out the amount of CIL receipts which were allocated but not spent in the reporting year. These have subsequently been reprofiled into future years.

Table 1.7 CIL Allocation not Spent 2019/20

Project	CIL Allocation 2019/20
Thamesmead Library (see above for details)	£641,000
Street Tree Planting	£46,000
Total	£687,000

Retained CIL Receipts & Future CIL Expenditure 2020/22

- 1.32. The total amount of CIL collected before the reported year and allocated within the reported year = £2,483,913. The value of retained CIL receipts at the end of 2019/20 = £2,988,303 all of which were allocated as set out in the table below. This incorporates £2,243,701 collected within the reporting year and retained at the end of the reporting year (of which £1,837,176 is borough CIL and £406,525 is neighbourhood CIL) and £744,602 of receipts from previous years and retained at the end of the reporting year (all of which is Neighbourhood CIL).

Table 1.8: Future CIL Expenditure

Project	CIL Spend 2020/21	CIL Spend 2021/22
Flood Risk Management (Allocation 2)	£200,000	£134,000
Changing Places	£25,000	£80,000
Hall Place	£60,000	£0
Thamesmead Library (Allocation 2)	£641,000	£462,000
Street Tree Planting	£46,000	£50,000
Erith Links (Allocation 3)	£950,000	£0
Sidcup Library	£0	£100,000
Erith Riverside Centre	£107,000	£0
Playground Improvement	£133,000	£0
Total	£2,162,000	£826,000

CIL Administration

- 1.33. Up to 5% of CIL funds and 4% of Mayoral CIL can be retained annually to cover administrative expenses (as per the CIL Regulations, as amended). In 2019/20, the total CIL administrative expenses totalled £168,098 (4.2% of total funds collected).

Section 106 Collection and Expenditure 2019/20

Section 106

- 1.34. Planning obligations under Section 106 of the Town and Country Planning Act 1990 (as amended), commonly known as s106 agreements, are a mechanism which make a development proposal acceptable in planning terms, that would not otherwise be acceptable. They are focused on site specific mitigation of the impact of development. S106 agreements are often referred to as 'developer contributions' along with highway contributions and CIL. They are negotiated on a site-by-site basis and need 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. The amounts and uses of s106 are often prescribed by the associated legal agreement although there is sometimes an element of flexibility. The allocation of these monies are integrated with the capital programme process.

Section 106 Agreements Signed in 2019/20

- 1.35. Developments with notable S106 agreements signed in 2019/20 include:

- The Cooperative Food, 124 Station Road, Sidcup - £666,816
- Land East of Maiden Lane, Crayford - £108,550
- 36 Hatherley Road, Sidcup - £94,428

- 1.36. The total amount of money to be provided under all planning obligations entered into during 2019/20 = £1,019,205

Section 106 Financial Contributions Received 2019/20

- 1.37. Total receipts in 2019/20 came from 5 sites and totalled £239,098 as set out in Table 1.9 below:

Table 1.9: Total s106 Receipts 2019/20

Application No.	Site Address	Receipt Date	Amount (£)
18/03154/FULM	Development at Arthur Street, Erith	11/10/2019	£15,000.00
18/01926/FULM	26 And 26A Brampton Road Bexleyheath	25/02/2020	£6,582.50
18/01437/FULM	Land At 156 - 168 West Street And 1-6 St Francis Road, Erith	27/09/2019	£31,300.31

18/01437/FULM	Land At 156 - 168 West Street And 1-6 St Francis Road, Erith	27/09/2019	£63,893.63
16/01251/FULM	Land at Southmere Village, Binsey Walk, Tavy Bridge, Southmere Drive and Mere Road	04/12/2019	£20,000.00
13/00918/FULM	Former Electricity Generating Station Norman Road, Belvedere	09/10/2019	£102,321.29

Non-Monetary Contributions Received in 2019/20

1.38. The non-monetary contributions to be provided under planning obligations that were entered into in 2019/20 are summarised in Table 1.10 below.

Table 1.10: Non-Monetary s106 Contributions 2019/20

Application No.	Site Address	Non-Financial Contribution	No. of Affordable Units
19/00941/FULM	Land East of Maiden Lane, Crayford, Kent, DA1 4LX	Highway Agreement, Buffer zone permission and management plan.	35
18/03154/FULM	10 Charing House, Arthur Street, Erith, DA8 2ET	Local employment skills	256
18/02745/FULM	36 Hatherley Road, Sidcup, Kent, DA14 4AS	Parking permit restrictions, viability reappraisal	0
18/2578/FULM	Former Belvedere Police Station, 2 Nuxley Road, Belvedere, DA17 5 JF	Affordable Housing	8
18/2252/FULM	Southmere Development, Harrow Manorway, SE2 9AE	Construction of Library	0
18/02135/OUTM	Land East of Junction of Yarnton Way and Picardy Manorway, Belvedere	Affordable Housing	24
18/1214/FULM	The Co-operative Food 124, 124A and 124B Station Road Sidcup DA15 7AB	Car club spaces, parking permit restrictions, viability reappraisal	0
18/00440/FULM	152, 152A, a54, 156 and 160 Crayford Road, Crayford	Early viability reappraisal	0
18/00203/FULM	45 Sidcup Hill, Sidcup, DA14 6HJ	Car club spaces, highway works agreement, parking permit restrictions	6
17/02106/FUL	David Lloyd Leisure Plc, Baugh Road, Sidcup, DA14 5ED	Provide community events	0

Section 106 Expenditure 2019/20

Table 1.11: s106 Expenditure 2019/20

Project	S106 Spend 2019/20
Erith Links – Pier Road and Pier Square design and Erith Pier Review	£76,443
106 Sidcup High Street, Library and Cinema Development	£80,138
Bus Stop Accessibility - B13 Bus Route	£46,000
East Rochester Way Alleyway Surfacing	£28,000
Town Centres - Bexleyheath Town Centre Public Realm	£107,059
Total	£337,640

1.39. The total amount of money during 2019/20 which was spent in respect of monitoring = £4,523.

Section 106 Balance at the end of 2019/20

1.40. The balance of S106 remaining at the end of 2019/20 = £3,569,439.

1.41. The future allocations for this balance are set out in Table 1.12 below. A small proportion of the balance, some 6.5%, remains unallocated pending identification of suitable future projects. All monies received prior to the reporting year have been allocated.

Table 1.12 Future s106 Allocations

Category	Balance at end of 2019/20	Allocated	Unallocated
Transport	£1,565,506	£1,541,079	£24,427
Public Realm	£91,282	£79,069	£12,213
Health	0	0	0
Open Spaces	£72,904	£47,000	£25,904
Community	£85,657	£85,657	0
Sports	£52,730	£26,791	£25,940
Employment	£24,498	0	£24,498
Education	0	0	0
Affordable Housing	£1,459,116	£1,459,116	0
Carbon Offset	£70,746	0	£70,746
Other	£147,000	£100,000	£47,000

Total	£3,569,439	£3,338,712	£230,728 (6.5%)
-------	------------	------------	-----------------

London Borough of Bexley Annual CIL Rate Summary 2019/20

1.38 The London Borough of Bexley's current CIL Charging Schedule took effect on 30th April 2015. The relevant rates and the nature of development to which they apply, together with the latest indexation is set out in Table 1.13 below.

Table 1.13: London Borough of Bexley CIL Rates

Development Type	CIL Rate (£/m ²)	Indexed Rate
Residential, Hotel and Student Housing Zone 1	£40	£51.78
Residential, Hotel and Student Housing Zone 2	£60	£77.67
Supermarket and superstore and retail warehouse development (over 280m ²)	£100	£129.46
All other uses	£10	£12.95
Medical, health and emergency services which are publicly funded	Nil	Nil
Development used wholly or mainly for the provision of education as a school or college under the Education Acts or as an institution of higher education	Nil	Nil

1.39 The index figure for the calendar year in which the charging schedule containing rate R took effect = 258. The index figure for the calendar year 2020 = 334. The resulting indexed rate is shown in the final column of the above table.

1.40 The Mayoral CIL rate covers the entire borough and is set at £25/m².