

2017/2018 Planning Obligations Annual Monitoring Report

1. Introduction and Background

- 1.1 Planning obligations, also known as Section 106 Agreements or developer contributions, are typically undertakings by developers or agreements between a Local Planning Authority and a developer in the context of granting planning permission. Their function is to make development acceptable, which would otherwise be unacceptable in planning terms. This typically involves commitment to provide something in-kind on site in a particular form (e.g. affordable housing) or money for the authority to undertake necessary works to mitigate the impact of the development.
- 1.2 This report deals with the financial contributions secured, received and spent from Deeds of planning obligations during the 2017/18 financial year.
- 1.3 The introduction of Newham's Community Infrastructure Levy (CIL) provides an alternative mechanism for development to make a contribution to infrastructure in the borough. Newham's CIL became effective on 1 January 2014. CIL places restrictions on the type of infrastructure that can be secured through planning obligations.
- 1.4 There will be a transition between the planning permissions which are accompanied by significant infrastructure laden planning obligations (the borough has numerous long-term, multi-phased schemes) and the planning permissions which will primarily make contributions to infrastructure through CIL, with scaled back planning obligations.

2. Planning Obligations Systems and Processes

2.1 Negotiation

- 2.1.1. Planning Officers negotiate the heads of terms of planning obligations with developers, as part of the planning application process. This negotiation is based on the development plan, including the London Plan and Newham's Core Strategy. The London Plan's two main priorities for planning obligations are Affordable Housing and Transport; Planning Officers will seek to secure this mitigation or community benefit first. The Council's priorities as expressed through the Local Plan remain the delivery of affordable housing and jobs for Newham residents.
- 2.1.2. Since the introduction of Newham's CIL, the types of planning obligations that can be secured has significantly diminished, to focus on site specific mitigation and non-infrastructure provisions. These include the delivery of affordable housing (including payments in lieu of onsite provision or affordable housing review mechanisms) and employment skills and training for local residents (including the commitment to the use of local labour and suppliers and also proportionate funding towards Workplace). The CIL should be the primary mechanism for most other types of infrastructure.

2.1.3. All planning applications with associated planning obligations are approved at one of the borough's Development Committees, where the heads of terms of the planning obligations are outlined to and agreed by Members.

2.2 Completion of Deeds of Planning Obligations

2.2.1. Once a planning obligations is completed and planning permission is granted, developers have generally three years within which they can choose to implement their planning permission. If the planning permission is not implemented, planning obligations lapse; therefore it is not guaranteed that the Council will receive all financial contributions secured by planning obligations.

2.2.2. If the planning permission is implemented, the planning obligations contributions are due at the triggers determined during negotiation and stipulated in the planning obligation.

2.3 Collection of Monies

2.3.1. To help ensure monies are collected in a timely manner all planning obligations include a Notification of Implementation form which the developer is required to submit to the Council, this helps the Council know when triggers have been reached.

2.3.2. Compensatory measures are in place, should a developer fail to notify and/or to make payment to the Council, late payment interest accrues to compensate for any loss of income to the Council.

2.4 Non-financial Obligations

2.4.1. Development should in the first instance be managed by conditions attached to a planning permission. However, there are some instances where non-financial matters must be dealt with through planning obligations.

2.4.2. There are a range of 'typical' obligations, including but not limited to the provision of on-site affordable housing; the use of local labour and apprenticeships; car clubs; operational assistance in the delivery of Travel Plans and facilitating the operation of 'car-free' developments.

2.5 Expenditure of monies

2.5.1. A Proforma system is in operation to facilitate the governance of monitoring the allocation and expenditure of planning obligation contributions:

- Proforma A is issued to the relevant beneficiary service area or stakeholder to notify them that monies have been received and the requisite restrictions on the application of funding. The service area or stakeholder complete Proforma A with a proposed project outlining details of spend including key milestones, resources, risks, project outcomes and benefits.
- Proforma B is to be completed by the relevant Project Manager when spend is completed and provides information on outcomes.

- 2.5.2. The approval to expend planning obligations monies is subject to the Council's constitution and two associated internal governance procedures which work in tandem, namely; the delegated approval of Regeneration and Planning for the allocation of monies and also the project management of capital investment by way of Verto, the Council's project management tool.
- 2.6 Planning Obligations and the Community Infrastructure Levy
- 2.6.1. The Community Infrastructure Levy (CIL) Regulations were introduced on 6 April 2010. Newham's CIL Charging Schedule became effective on 1 January 2014.
- 2.6.2. Newham's Regulation 123 List identifies the types of infrastructure that the levy may fund in full or part including, *inter alia*, infrastructure within or enabling access to Strategic Sites, community infrastructure, open space, sports and leisure facilities and local transport infrastructure. The actual list of infrastructure which could be funded via CIL is available at: www.newham.gov.uk/CIL and is the list that was approved by the full Council alongside the CIL Charging Schedule.
- 2.6.3. There should be no perceived or actual "double dipping" where a developer is required to pay for the same infrastructure twice (i.e. infrastructure which is on the Regulation 123 list cannot also be captured in planning obligations).
- 2.6.4. CIL cannot be used to fund or provide Affordable Housing and other site specific mitigation measures, for example Car Free developments. Therefore, planning obligations will still be necessary. The introduction of the CIL Regulations has scaled back the use of planning obligations and has provided 3 statutory tests which must be passed in order for a planning obligation to be a reason to grant planning permission.
- 2.6.5. Newham's CIL rates have remained unchanged since adoption, Newham's CIL Charging Schedule can be found on the Council's website (www.newham.gov.uk/CIL).
- 2.6.6. The borough's Local Development Scheme (LDS) has established a timescale for a review of the Newham CIL Charging Schedule. The LDS indicates a timescale for the CIL Charging Schedule Review alongside the Local Plan Review, which went into examination during Summer 2018. The review of the CIL Charging Schedule will follow the adoption of the Local Plan, expected to be adopted by full Council in December 2018.
- 2.6.7. How information is reported
- 2.6.8. The reader of this report should be mindful of the restrictions now imposed on what can be secured via planning obligations in recognition of the adoption of the Newham CIL Charging Schedule and the CIL Regulations.
- 2.6.9. The receipt and expenditure of monies in this financial year includes payments for infrastructure secured from planning permissions granted prior to the CIL regime being effective.

3. Secured Financial Planning Obligations

- 3.1 There were 31 Deeds of planning obligation completed between April 2017 and March 2018, of which 6 are Deed of Variations or Modifications to already approved schemes and 4 are Unilateral Undertakings.
- 3.2 Only where a Deed of Variation amends the amount of monies payable will this be reported to avoid double counting. In general most Deeds of Variation result from the issuing of Section 73 planning approval which changes planning condition(s) and results in a 'new' permission being issued typically along with the mitigation already agreed in the original planning permission.
- 3.3 A total of **£5,914,896** in financial contributions were secured from 23 planning obligations. Further details are provided in Table A: Secured by Purpose which outlines the total monies secured by types of site specific mitigation.

Table A: Secured by Purpose

Affordable Housing (off-site Provision)	£2,430,000.00
Highways, including Parking (CPZ, Car Club Management, etc)	£36,300.00
Sustainable Transport (bus stop improvements)	£15,000.00
Environmental Improvements (Public Realm)	£169,803.00
Sports and Leisure (opens space and parks improvements)	£65,450.00
Carbon Offset Contribution	£228,596.00
Economic Regeneration /Workplace (support for local labour, employment and skills programmes for local businesses)	£2,969,747.00
TOTAL SECURED	£5,914,896.00

3.4 Non-financial Planning Obligations

In this reporting year planning obligations have committed provisions towards:

- Local Labour provisions (18),
- Travel Plan (2),
- Car Club (11)
- Affordable Housing Review Mechanism (6)
- Nominations Agreement (7)
- Other (Design Development Strategy (2) and District Heating Network (1)
- Restriction on Parking Permits (19)

- 3.5 During the assessment of a planning application where an applicant demonstrates that they are not able to provide a sufficient level of Affordable Housing in their scheme (in line with planning policy) as a Local Planning Authority LBN take a pragmatic approach to enabling development and seek to secure Affordable Housing Review Mechanisms (AHRM).

- 3.6 Through the use of AHRMs this ensures that should viability improve during the development cycle that this uplift will contribute to the shortfall in previously agreed affordable housing for a particular scheme. This approach is in accordance with the Council's Core Strategy and emerging Local Plan.
- 3.7 AHRMs are recorded as non-financial obligations in this report as the funding is contingent upon financial viability and the certainty in delivery is not clear; like all planning obligations monies this should not be relied upon as a guaranteed funding source.
- 3.8 The London Plan includes a policy which Planning Officers have been including within their head of terms and are consequently more frequently appearing in planning obligations; namely carbon offset funding. The London Plan policy requires when these obligations are secured that they must be applied towards greenhouse gas reductions initiatives set out by the Council in a 'Carbon Offset Fund'. The first monies paid to the Council pursuant to this policy were received in 2017/18 and work to establish the borough's Carbon Offset Fund commenced in Summer 2018.
- 3.9 Some others fees are included within head of terms, to contribute towards the Council's costs associated with monitoring compliance with the deed of planning obligation, facilitating the delivery of Travel Plans and the administration of parking permit restrictions associated with development; these do not typically constitute planning obligations.
- 3.10 **Summary of Financial and Non-financial Obligations this Reporting Year**
- 3.11 An overview of the Deeds signed this reporting year and what they were secured for in principle is provided within Table B: Overview of Planning Obligations Secured for 2017/18.

Table B: Overview of Planning Obligations Secured for 2017/18

Planning Reference and Site Address	Total Secured £	Local Labour, Goods and Services	Travel Plan	Car Club	Affordable Housing Review Mechanism	Restrictions on Parking Permits	Other Mitigations
10/02277/FUL Development Land at 1 Ray Massey Way E6 1HZ	£0						v
15/02808/FUL 1 Knights Road, Silvertown, E16 2AT	£129,803	v		v	v	v	v
16/00224/FUL Pontoon Dock, North Woolwich Road, E16 2AF	£108,260	v		v	v	v	
16/00593/FUL Land At Former Camel Works Site, Connaught Road, E16	£0	v					
16/00796/FUL The Office Village Romford Road E15 4EA	£0	v		v	v	v	
16/01261/FUL 36 New Barn Street, E13 8JW	£0	v				v	v
16/02395/FUL Development Site At 39A To 49A Woodgrange Road E7 8BA	£1,781,125	v		v		v	v
16/02590/FUL London Design And Engineering University Technical College, 15 University Way, E16 2RD	£0	v				v	
16/02650/FUL The Railway Tavern ,131 Angel Lane, Stratford, E15 1DB	£205,595	v				v	
16/03301/FUL Kempton Mews, 2A Kempton Road, E6 2LD	£450,058	v		v	v	v	
16/03428/FUL Canning Town Area 8 Bounded By Peto Street North And Victoria Dock Road E16	£2,275,000	v		v	v	v	v
17/00363/FUL Royal Dock Service Station, North Woolwich Road, E16 2AB	£40,000	v	v	v		v	

17/00467/FUL 140-150 Earlham Grove, , E7 9AB	£433,122	v	v	v		v	v
17/00870/FUL Rear Of 19 To 29,Shaftesbury Road, E7 8P	£0					v	
17/01247/FUL East Ham Industrial Estate 1000 Newham Way E6 5JN	£231,950.	v		v	v	v	v
17/01444/FUL Land At Junction Rymill Street Dockland Street E16 2LH	£0					v	
17/01737/FUL IOD Skip Hire Ltd Oasis Park Stephenson Street E16 4ST	£6,300						
17/02002/OUT Land Adjacent To Jenkins Lane E6	£214,767	v					v
17/02285/FUL The Cart And Horses 1 Maryland Point E15 1PF	£36,576	v		v		v	
17/02609/FUL 11 - 13 Upton Lane E7 9PA	£2,340	v		v		v	
16/00558/FUL 149-53 Green Street E7 8JE	£0					v	
16/00312/FUL 66-68 New Barn Street E13 8JW	£0	v				v	
17/04183/S106 Areas 7 And IC Barking Road E16	£0						v
16/01812/FUL Land At 100 To 104 Dames Road E7 0EB	£0					v	v
16/01751/FUL Rear Of 12 Sebert Road E7 0NQ	£0						v
16/03928/VAR Royal Victoria Dock Western Gateway E16 1XL	£0	v					
14/01605/OUT DOV Silvertown Quays North Woolwich Road E16 1UR	£0						v

3 Received Planning Obligations Financial Contributions

- 4.1 Financial contributions paid to the Council as the Local Planning Authority include monies for the borough to spend on specific infrastructure, some to pass on to third parties (such as Transport for London) and some which can be allocated to other strategic infrastructure requirements.

4.2 All of the monies received by the Council through this part of the planning process are outlined in the Tables C and D.

4.3 The Council received a total of **£14,137,007.00** of planning obligations monies in this reporting period. This is broken down into the various beneficiary Service Areas or themes as outlined in Table C: Received by Purpose.

Table C: Received by Purpose

Affordable Housing (off-site provision)	£829,227.88
Highways, including Parking (CPZ, Car Club Management, etc)	£6,300.00
Sustainable Transport (bus stop improvements)	£15,167.10
Environmental Improvements and Public realm	£130,618.47
Community Infrastructure	£798,226.05
Environmental Monitoring	£73,753.00
Carbon Offset Contribution	£3,390.11
Economic Regeneration /Workplace (support for local labour, employment and skills programmes for local businesses)	£3,945,194.70
Standard Charge	£2,785,548.58
Royal Wharf*	£5,549,581.17
TOTAL RECEIVED	£14,137,007.06

* Includes adjustments by Financial Control following review of the 2016/17 Year End income

4.4 The 'Standard Charge' referred to in Table C: Received by Purpose is a result of planning permissions granted by the London Thames Gateway Development Corporation (LTGDC). The LTGDC had a tariff based mechanism to pool contributions from developments for strategic infrastructure. Each of the LTGDC Deeds of planning obligation has a slightly different way that the Standard Charge can be spent; a strategy for allocation of these monies is being progressed.

4.5 Typically site specific mitigation should be spent in the vicinity of the development site. To demonstrate which developments have made financial contributions this year refer to Table D: Received Deed.

Table D: Received by Deed

Planning Reference	Site Address	Total Received
03/0607 (07/90023/VARODA)	Stratford City Development Zone 1	£1,130,952.00
09/01612/LTGDC	Central House, 2 Broadway, E15 4QS	£1,105,800.00
10/90641/EXTODA	Stratford City Development (LCR Land)	£112,886.80
12/01881/OUT	Ivax Quays, Albert Basin Docks, E16 2QJ	£798,226.05
13/01228/FUL	London City Airport Hartmann Road, E16 2PX	£520,100.00
14/00618/OUT	Land North of Royal Albert Dock, Millman Road (ABP)	£835,944.85
14/00664/OUT	Gallions Quarter, Atlantis Avenue, E16	£129,085.90
15/01256/FUL	125 High Street South, E6 6EJ	£829,227.88
15/02808/FUL	1 Knights Road, Silvertown, E16 2AT	£130,618.47
16/00224/FUL	Pontoon Dock, North Woolwich Road, Silvertown, E16 2AF	£15,167.10
16/02575/FUL	Land adjacent to Jenkins Lane, Jenkins Lane East Ham	£152,146.89
16/03428/FUL	Canning Town Area 8 Bounded by Peto Street North and Victoria Dock Road, E16	£1,141,221.37
17/01737/FUL	IOD Skip Hire Ltd, Oasis Park, Stephenson Street, E16 4ST	£6,300
Supplemental Deed dated 10.02.2017 (08/02263/LTGDC)	Rathbone Market Redevelopment Site Barking Road, Canning Town E16	£1,679,748.58
15/00577/VAR	Royal Wharf	£5,549,581.17
TOTAL RECEIVED		£14,137,007.06

5. Spent Financial Contributions

- 5.1 A total of **£1,685,472.53** of planning obligations monies was spent by beneficiary Service Areas and relevant external stakeholders in 2017/18. Table E: Spent by Deed details the projects which have been delivered; funded in part or wholly by financial planning obligations.

Table E: Spent by Deed

Section 106 Reference and Development Site	Project	Amount Spent
Highways and Public Realm		£202,834.53
10/02291/FUL (10/90519/FUMODA) 2 - 12 High Street, Stratford E15 2PW	Home Zone and Raised Table, Shared Used surface between the carriageway and footway on Cooks Road and carriageway resurfacing on Cooks Road, E15	115,470.19
08/01790/FUL Chargeable Lane(Vacant land Margaret's Convents) E13	New crossing outside St Helens Catholic School, re-alignment works at the junction of Chargeable Street and improvement works towards safety for all road users	£87,364.34
Open Space and Leisure		£90,400.00
06/90011/FUMODA Site Of 82-90 High Street E15 2NE	Stratford Park Sports Improvements/Tennis Membership Scheme	£50,000.00
12/01318/FUL Empire House, 57 Broadway Stratford E15 2PX		£40,400.00
Economic Regeneration		£1,280,000.00
15/00577/VAR Royal Wharf	Workplace 17/18	£640,000
	Workplace 16/17**	£640,000
Transport for London		£112,238.00
Stratford City Development	London Buses – Sponsored Route Agreement	£112,238.00
TOTAL SPENT		£1,685,472.53

** Adjustments by Financial Control following review of the 2016/17 Year End expenditure

5.2 Planning obligation monies continue to contribute to vital infrastructure necessary as Newham grows. Table F: Spent by Purpose provides an overview of the types of infrastructure and mitigation provided by developer funding in the borough.

Table F: Spent by Purpose

Highways (including Parking/Public Realm/Traffic and Transportation)	£202,834.53
Open Space and Leisure	£90,400.00
Economic Regeneration/Workplace	£1,280,000.00
Transport for London	£112,238.00
TOTAL SPENT	£1,685,472.53

6 Summary

- 6.1 Newham continues to secure commensurate mitigation and community benefits through the planning process. Developments granted planning permission pre –CIL (large schemes) are still being implemented and making contributions together with planning permissions granted alongside the CIL regime being implemented too.
- 6.2 Mitigation has been secured, received and expended for community benefits by LBN and other stakeholders; a summary of which is in [Table G: Overview of Planning Obligation monies 2017/18](#) [Table G: Overview of Planning Obligation monies 2017/18](#).

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Table G: Overview of Planning Obligation monies 2017/18

Status:	Monies:
Secured	£5,914,896.00
Received	£14,137,007.06
Spent	£1,685,472.53

- 6.3 Non-financial obligations continue to ensure that development is acceptable to both existing and new residents in the borough.

2017/18 Community Infrastructure Levy (CIL) Report

1. Introduction and Background

- 1.1 The London Borough of Newham (LBN) is a Community Infrastructure Levy ('CIL') charging authority and collecting authority in accordance with the [Planning Act 2008 \(as amended\)](#) and the [Community Infrastructure Levy \(CIL\) Regulations 2010 \(as amended\)](#) ('CIL Regulations'). This enables a charge to be levied on new development in order to fund infrastructure that is needed to support development across the borough.
- 1.2 Following a full Council resolution on 30 September 2013 [Newham's CIL charging schedule](#) was adopted and came into force on 1 January 2014, which is charged and runs alongside the Mayoral CIL.
- 1.3 In accordance with Regulation 62 of the CIL Regulations a charging authority is required to report on the CIL receipts and expenditure for a reported year. This report satisfies this statutory requirement and facilitates the LBN's approach of being transparent and accountable.
- 1.4 This report summarises the position for the financial year from 1 April 2017 to 31 March 2018. The report allows for transparency and enables Members and the public to understand what infrastructure has been enabled and delivered following the receipt of CIL monies. In accordance with the CIL Regulations this annual report must be published on the Council's website by 31 December 2018.
- 1.5 The types of infrastructure which may be funded by the LBN's CIL are outlined in Newham's Infrastructure List or '[Regulation 123 List](#)' which is published on the Council's website, an extract of which is appended at the end of this report (Appendix A).
- 1.6 The LBN charging authority has issued an [instalment policy](#) for the payment of CIL which is published on the on the Council's website. The amount of CIL payable to LBN as the collecting authority in respect of a chargeable development is payable in accordance with Regulations 70, 71 and 72 of the CIL Regulations.
- 1.7 The charging authority has made no provision for a policy for accepting infrastructure payments in lieu of financial contributions.

2. CIL receipts and expenditure

- 2.1 This report reflects the CIL monies received and expended in the 2017/18 financial year as monitored by the LBN's Investment Team and ratified by financial records.
- 2.2 The total of the LBN CIL receipts in the reported financial year 2017/18 amounted to £7,225,689.17 in contributions from 69 chargeable developments.

- 2.3 As in previous years the approach to allocating CIL monies was undertaken annually.
- 2.4 In March 2018, a delegated report recommending projects to be funded by CIL. Following authorisation £3,150,056 of CIL receipts was allocated in accordance with the CIL Regulation 123 List.
- 2.5 Details of the amounts allocated are set out in Table A.

Table A: Overview of Projects to be funded in 2017/18

Overview	R123 List: Project expenditure	Allocation
Leisure and Sports	<i>Provision and improvement of community infrastructure:</i> Project management, commissioning and oversight of Tennis facility upgrade scheme, Atherton Leisure Centre fit out, Plashet Park restoration and Leisure Centres Strategic Works Programme	£201,043
Physical Regeneration	<i>Provision of a range of infrastructure projects including enabling access to Strategic sites</i> via projects such as the Leaway and Canning Town associated bridge connections; Royal Docks Infrastructure works; collaborative working with GLA on infrastructure investment and project delivery	£176,862
Community Neighbourhood	<i>Provision / Operation / Maintenance of Community infrastructure</i> throughout the borough; including Community facilities in the following areas: <ul style="list-style-type: none"> • East Ham • Beckton and Royal Docks • Custom House and Canning Town • Stratford and West Ham • Plaistow • Green Street • Forest Gate • Manor Park 	£1,019,800
PFI Schools Contribution	<i>Operation of Community infrastructure</i> sports/leisure facilities within LBN Schools; such as Rokeby and Lister Schools	£156,470
Greenspace	<i>Operation / maintenance of community public open space</i> throughout the borough.	£1,595,881
TOTAL FUNDING ALLOCATION	Provision / improvement / replacement/ operation / maintenance of infrastructure projects (incl. project management)	£3,150,056

- 2.6 The projects identified above will largely enable the provision of additional and enhanced infrastructure across the borough this includes a range of facilities for the benefit of Newham's residents.
- 2.7 The allocations listed in Table A encompass the development, and enabling of infrastructure projects with expansion of schools, and investment in leisure centres which help to enhance the health and wellbeing of Newham's residents. In addition to the allocations as detailed above, a balance of £4,075,633.17 in net CIL receipts has been carried forward to the financial year 2018/19; £380,627.13 of monies which could have been applied as administrative fees are included within the carried forward balance.
- 2.8 2017/18 was the fifth financial year that LBN has collected and reported on CIL income and expenditure, starting in 2013/14.
- 2.9 The Table B lists the details required by Regulation 62(4):

Table B: CIL Regulations reporting requirements

Regulation requirements	2017/18 (£)
(a) total CIL receipts	7,225,689.17
(b) total CIL expenditure	3,150,056
(c) summary details of CIL expenditure;	
(i) the items of infrastructure to which CIL (including land payments) has been applied	See paragraph 2.5 and Table A of this report
(ii) the amount of CIL expenditure on each item	See paragraph 2.5 and Table A of this report
(iii) the amount of CIL applied to repay money borrowed, including any interest, with details of the infrastructure items which that money was used to provide (wholly or in part)	NIL
(iv) the amount of CIL applied to administrative expenses pursuant to regulation 61, and that amount expressed as a percentage of CIL collected in that year in accordance with that regulation	0%
(d) the total amount of CIL receipts retained at the end of the reported year.	4,075,633.17

- 2.10 The LBN does not have a policy to facilitate infrastructure payments, consequently, this cannot be reported on.
- 2.11 Regulation 59A and 59C requires that the charging authority must allocate at least 15 per cent of CIL (Neighbourhood CIL) on priorities agreed in consultation with

the local community but this relates primarily to charging authorities that have a parish, town or community council. LBN does not have a parish, town or community council. Instead, the charging authority's approach is that the entire borough is considered as one single neighbourhood area for the purpose of Neighbourhood CIL. This means that all decisions on CIL expenditure have been made on a borough-wide basis.

3. Summary of CIL

- 3.1 There is often a delay in the time between planning permissions being granted for a chargeable development and the Developer implementing their planning permission; allowing for discharging pre-commencement conditions, arranging matters on site and confirming development finance. Payment of CIL is due within 60 days of commencement of development (also keeping in mind LBN's adopted Instalment Policy).
- 3.2 The LBN total CIL receipts for the financial year 2017/18 amounted to £7,225,689.17, of which c.43.6% has been allocated to infrastructure throughout the borough. The balance of £4,075,633.17 in LBN CIL receipts was collected in the March of the financial year 2017/18, from 4 developments. These monies have been carried forward to the financial year 2018/19 where the allocation will be based on the LBN's discretion, and the approach to allocate funding on an annual basis.

This annual report is published in accordance with Regulation 62 of the CIL Regulations.

Further general information regarding the CIL can be obtained from the [Planning Portal](#) and the Government's online [Planning Practice Guidance](#).

Appendix A

Extract of Newham's Regulation 123 List

Table 1: London Borough of Newham – Regulation 123 list

Infrastructure projects or types that will or may be wholly or partly funded by CIL
Provision, improvement, replacement, operation or maintenance of infrastructure within or enabling access to Strategic Sites identified in Newham's Core Strategy (with the exception of the infrastructure specified in the section 106 table below), and to meet the strategic objectives of the Council.
Provision, improvement, replacement, operation or maintenance of community infrastructure (as defined by Core Strategy Policy INF8) outside Strategic Sites identified in Newham's Core Strategy.
Provision, improvement, replacement, operation or maintenance of public open space outside Strategic Sites identified in Newham's Core Strategy
Provision, improvement, replacement, operation or maintenance of public sports and leisure outside Strategic Sites identified in Newham's Core Strategy.
Provision, improvement, replacement, operation or maintenance of local transport infrastructure outside Strategic Sites identified in Newham's Core Strategy.

Table 2: Indicative list of infrastructure which may be secured through a section 106 agreement for Core Strategy Strategic Sites

Infrastructure the Council will seek to be secured by section 106 agreement include:
Core Strategy Site S10 Abbey Mills - bridge connection over Manor Road to West Ham station
Core Strategy Site S11 Parcelforce – bridge connection over Manor Road to West Ham station
Core Strategy Site S15 Canning Town East - bridge connection over A13 to Barking Road
Core Strategy Site S18 Limmo - bridge connection from Limmo site to Canning Town station and access to station
Core Strategy Site S22 Minoco Wharf – provision of education facilities to serve developments within the site and hinterland
Core Strategy Site S19 Royal Albert Basin - provision of education facilities to serve developments within the site and hinterland

Review of the London City Airport 2017 Annual Performance Report with 2018 Update

1. Introduction and Background

- 1.1 On 26th July 2016 the Secretary of State for Communities and the Environment and the Secretary of State for Transport granted planning permission (13/01228/FUL) at London City Airport (LCA) for a major redevelopment (the City Airport Development Programme 1– CADP1). Attached to the permission are a S106 Agreement ('the 2016 S106 Agreement') and a number of planning conditions, which include a comprehensive network of controls covering matters that are potentially harmful to the amenity of local residents, in particular noise and air quality. Also included are a number of measures designed to maximise the economic benefits to the borough and surrounding areas, in particular targets for the employment of local labour and financial contributions towards training for jobs at the Airport.
- 1.2 A minority of the provisions of the 2016 S106 Agreement came into force on the grant of planning permission, with the majority of the remainder in force from October 25th 2017, the formal commencement date for CADP1. A small number of provisions of the S106 Agreement attached to permission 07/01510/VAR ('the 2009 S106 Agreement') remain in force for the present, the most significant ones being those related to the completion of outstanding work on the Sound Insulation Scheme.
- 1.3 LCA is required by the 2016 S106 Agreement to submit an Annual Performance Report (APR) to the Council by 1st June each year, summarising the performance against planning controls - the Section 106 Agreement and planning conditions - for the preceding calendar year. The Report must then be published on the website of the Airport and – using 'reasonable endeavours' - the London City Airport Consultative Committee (LCACC) website (www.lcacc.org) by 30th June each year and by the Council on its own website within 14 days of receipt.
- 1.4 As a matter of course the Council is consulted by LCA on the draft of the APR. It should be noted that there is no requirement in the 2016 S106 Agreement for the Council to approve the contents of the APR, but it can comment formally to LCA if considered appropriate following submission.
- 1.5 The 2017 APR is something of a hybrid, reporting on both 2009 and 2016 S106 Agreement requirements, although the requirement to report on 2009 S106 Agreement issues ceased on the formal commencement of CADP1 on 25th October 2017.
- 1.6 This report comprises:
 - a brief update on progress on the City Airport Development Programme (CADP1) planning permission and the proposed update of the 2006 Airport Master Plan;
 - a summary of the main issues covered by the 2017 Annual Performance Report. Updates for 2018 to date have been added for information where this is considered to assist clarity; and

- a list of submissions made by LCA and approvals/acknowledgements made by the Council in compliance with the 2009 and 2016 S106 Agreements.

2. City Airport Development Programme (CADP1 - 13/01228/FUL) and Proposed Airport Master Plan Update

- 2.1 The CADP1 permission, very briefly, comprises works to demolish some existing buildings and structures and provide additional infrastructure and passenger facilities (including a taxiway extension, four upgraded aircraft stands, seven new aircraft stands, a terminal extension, a new passenger pier and associated facilities). The number of permitted aircraft movements has been reduced to 111,000 in relation to those previously permitted by 07/01510/VAR.
- 2.2 LCA notified the Council of the formal commencement of CADP on 25th October 2017. However, after a reassessment of the development programme, LCA decided to move from two phases to a single phase and has reduced the length of the project by one year. The forecast completion date is 2022.
- 2.3 A number of applications for non-material changes to permission 13/01228/FUL were made and approved during 2017 and 2018, as were a number of resubmissions of Approvals of Details.
- 2.4 Preparatory works have commenced, with piling in King George V Dock – some of it taking place at night-time as permitted – underway from June 2018.
- 2.5 The current Airport Master Plan, which sets out proposals for the development of the Airport, was published in 2006. The Airport has informed the Council that the document requires updating, and that preparatory work on a new Master Plan has commenced. The Airport has appointed a Master Planning team, and a meeting with Council officers is scheduled for 10th October. The LCACC, on which the Council is represented at Member level, will be updated as the project progresses.

3. London City Airport 2017 Annual Performance Report - Main Issues and Updates

- 3.1 In summary, overall, there were no reported breaches of planning controls attached to permission 13/01228/FUL during 2017 or to date in 2018. The outstanding recorded breaches of control relating to permission 07/01510/VAR were resolved prior to the formal commencement of CADP on 25th October 2017.
- 3.3 The majority of the information in the APR was reported to Council officers throughout the year in accordance with the Airport's monitoring and reporting obligations.
- 3.4 The main issues in the 2017 APR, together with updates as appropriate for 2018, are considered to be as follows:

Education, Employment and Training – Total On-Site Airport Employment

- 3.5 The 2016 S106 Agreement requires LCA to use 'reasonable endeavours' to ensure that at least 70% of those newly recruited for jobs at the Airport are residents from

the 'Local Area'¹ and that at least 40% are residents of Newham. The nature of the requirement has shifted slightly from the 2009 S106 Agreement – previously it was the number living in the Local Area and Newham at the end of the year rather than at the point of recruitment; the new figures are therefore not directly comparable with the old. The target for employment of Newham residents has been increased by 5 percentage points compared to the 2009 S106 Agreement.

3.6 A construction employment target was introduced in the 2016 S106 Agreement. As this target had only been in place from October 25th then an accurate annual assessment was not possible for the purposes of this APR, but will be reported in the 2018 APR.

3.7 On 31st December 2017 there were:

- a total of 2,203 jobs (2,181 in 2016); and
- 1,940 full time equivalent jobs on-site (1,951 in 2016).

Of the total new jobs:

- 31% went to Newham residents; and
- 67% went to Local Area¹ residents.

3.8 As an update, the figures available for 2018 up to 30th June show an improvement since 2017, as follows:

- 34% of jobs recruited to went to Newham residents; and
- 68% of jobs recruited to went to Local Area¹ residents.

Education, Employment and Training – London City Airport Direct Employment

3.9 The 2016 S106 Agreement also requires LCA to use 'reasonable endeavours' to ensure that at least 70% of those newly recruited directly by the Airport are Local Area¹ residents and at least 50% are Newham residents. The latter target is a 15 percentage point increase from the 2009 S106 Agreement.

3.10 On 31st December 2017 649 people were employed directly by the Airport (from 621 in 2016).

Of the total jobs:

- 27% were taken by Newham residents (from 31% in 2016); and
- 66% were taken by Local Area¹ residents (from 70% in 2016).

3.11 As an update, the figures available for 31st August 2018 show a significant improvement since 2017, as follows:

- 49% of jobs recruited to went to Newham residents; and
- 72% of jobs recruited to went to Local Area¹ residents.

3.12 In terms of positions taken by new recruits from Newham in 2017, the Airport reports that the majority were front line services including jobs in airside operations; security, customer service and baggage handling (£23,000+) with one

¹ The 2009 S106 Agreement defines the Local Area as 'the local labour catchment for the Airport comprising the London Boroughs of Newham, Tower Hamlets, Hackney, Waltham Forest, Redbridge, Lewisham, Southwark, Barking and Dagenham, Greenwich, Bexley, Havering and Epping Forest District Council.'

in seven securing positions in junior and middle management roles which typically command an annual salary in the range of £23,000 – £60,000.

Noise

Sound Insulation Scheme (SIS)

- 3.13 The SIS commenced in 2009, was revised and improved in December 2011 and continued to operate throughout 2017. In summary, certain types of properties located within specified areas around the Airport are entitled to specified types of works to be carried out by and at the expense of the Airport. These are primarily residential, with some community buildings. Treated properties and those eligible for treatment are located in Tower Hamlets and Greenwich as well as Newham. The number of eligible properties varies from year to year in line with the variation of noise contours based on the previous year’s aircraft movements. The contours are published annually in the APR.
- 3.14 Progress on the SIS is reported annually in the APR. As SIS work programmes triggered by the 2014, 2015 and 2016 APRs are still under way, the SIS-related provisions of the 2009 S106 Agreement are retained, running in parallel with those of the 2016 S106 Agreement. The intention of the planning controls relating to the SIS is that noise insulation should be in place prior to the increase in noise levels. However, there have been delays to delivery of this project for various reasons which LCA and the Council are working together to try to resolve. LCA have been requested to agree to noise mitigation procedures for untreated eligible properties should an urgent need arise.
- 3.15 Table 1 below comprises details of properties eligible to benefit under the SIS work programmes under way and progress at 17th September 2018. Programmes triggered prior to 2014 (2009 – 2013) have been completed.

Year Eligibility Triggered	Total Potentially Eligible Properties on Publication of APR	Confirmed Eligible Properties - Contract Completed (Inclusive of tower blocks)	Confirmed Eligible Properties - Contract Completed (Exclusive of tower blocks)
2018 (from 2017 APR)	1,355	0	0
2016 (from 2015 APR)	327	N/A	3%
2015 (from 2014 APR)	484	13%	52%
2014 (from 2013 APR)	504	24%	56%

Table 1 – Sound Insulation Scheme Progress to 17th September 2018

Construction Sound Insulation Scheme (CSIS)

- 3.16 The objective of the Construction Sound Insulation Scheme (CSIS) is to ensure that noise arising from CADP overnight construction works is mitigated in eligible

residential properties to the south of the Airport. The noise source is primarily night-time piling work which commenced in June 2018 and is forecast to be substantially complete in January/February 2019. The CSIS programme is forecast for completion in December 2018. At 14th September 2018, 40% of noise insulation contracts had been completed.

- 3.17 The intention of the planning controls relating to the CSIS is that noise insulation should be in place prior to the increase in noise levels. However, there have been delays to delivery of this project for various reasons which LCA and the Council are working together to try to resolve. LCA have agreed to noise mitigation procedures for untreated eligible properties should an urgent need arise. However, the Airport reports that noise threshold levels specified in planning controls have not been triggered to date.

Air Quality

- 3.18 The approved Air Quality Monitoring Strategy (AQMS) required by Condition 57 of the 2016 permission includes the continued operation of two automatic air quality monitoring stations and a network of diffusion tubes. Information is reported quarterly to the LCACC and its Environmental Sub-Committee and annually in the APR.
- 3.19 In 2017 there were no instances where the statutory air quality objectives, set by the government for nitrogen dioxide and fine particulate matter (PM₁₀), were exceeded. The AQMS also requires LCA to install a PM_{2.5} monitor by December 2018. Preparations for this are under way.

Environmental Complaints and Enquiries

- 3.20 LCA is required to record complaints and enquiries that are received in relation to Airport operations, together with the response by the Airport. This information is forwarded to the Council fortnightly, reported quarterly to the London City Airport Consultative Committee, and annually in the APR.
- 3.21 In 2017, 320 complaints were received that were related to LCA operations, down from 356 in 2016.

Of these:

- 231 were related to aircraft noise;
- 42 were related to flight paths;
- 22 were related to aircraft frequency; and
- 25 were related to other issues.

Of the above:

- 81 were from two complainants; and
- 89% were from outside Newham.

- 3.22 The Council also received eight complaints directly; these were either responded to directly or acknowledged and passed on to the Airport to respond to. Five were related to noise, one to air quality, and one to television interference.

CADP- Related Complaints

- 3.23 The 2016 permission also requires that the Airport adopts a means of recording, reporting and dealing with complaints and enquiries relating to CADP construction. This commenced in 2017, with a final version agreed in principle with the Council in 2018. These are reported to LBN officers weekly and to the London City Airport Consultative Committee every quarter. The complaints received to date are from residents in North Woolwich, the most affected area and relate mainly to early morning noise disturbance. Investigations by LCA indicate that all noise levels, where CADP-related, are within limits permitted by planning and other controls. Nonetheless, there is clearly some disturbance and LCA and the Council are working together to try to mitigate this.

London City Airport Consultative Committee (LCACC)

- 3.24 The Airport has certain obligations regarding the efficient functioning of the Committee, although it is independent of LCA. In 2016 the LCACC appointed a new secretary and chair, elected a new set of Committee members, and rebuilt their website; it meets quarterly.
- 3.25 Following the election of a new Council in 2018, Councillors Asser, Brayshaw and Ruiz were nominated as Newham Council representatives on the LCACC, with Councillors Beckles and Wilson as deputies. The Council's Airport Monitoring Officer (AMO) and Head of Pollution Control also attend these meetings. The AMO issues a quarterly monitoring report that is published on the LCACC website:

<http://lcacc.org/meeting-papers-key-documents/recent-minutes-of-meetings/>

Neighbouring Authority Agreements

- 3.26 Both the 2009 and 2016 S106 Agreements require LCA to make 'reasonable endeavours' to enter into 'Neighbouring Authority Agreements' (NAAs) with LB Tower Hamlets and RB Greenwich, both of which are affected by LCA noise levels and therefore include a number of properties that are (and will be in future years) eligible for treatment under the Sound Insulation Scheme. Only RB Greenwich signed the 2009 NAA and neither borough has signed the 2016 version at present. LCA is therefore usually required to seek Newham Council advice on compliance relating to planning controls in the other two boroughs, primarily on the Sound Insulation Scheme, although the other boroughs do have an input into the process.

4. 2009 and 2016 S106 Agreements - Submissions and Approvals/Acknowledgements in 2017

Aircraft Noise Categorisation

- 4.1 The Council approved:
- provisional noise category – 'A' - for the Cessna 680A Citation Latitude aircraft;

- confirmation of noise category 'A' for the Embraer Legacy 500 aircraft;
- re-categorisation from noise category 'B' to category 'A' for the ATR72 aircraft;
- Noise flight trials and provisional noise category – 'A' for the Bombardier CS100 aircraft; and
- Provisional noise category 'A' for the Dassault Falcon F8X aircraft.

Financial Contributions

4.2 The following sums were received by the Council from the Airport during 2017 in compliance with the 2009 and 2016 S106 Agreements:

- Development Management Contribution - £53,255;
- ANCS Contribution - £25,199;
- Education Contribution - £115,898;
- Employment Contribution - £330,449;
- Environmental Health Monitoring Contribution - £73,753; and
- Annual Monitoring Payment – £83,267.

4.3 Other

- Notice of Implementation of CADP1 on 25th October 2017; and
- 2016 Annual Performance Report.