

2013-2014 Annual Monitoring Report

1. Introduction and Background

- 1.1 Section 106 Agreements, also known as Planning Obligations or developer contributions, are typically undertakings by developers or agreements between a Local Planning Authority and a developer in the context of granting planning consent. Their function is to make acceptable development, 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, community facilities) or money for the authority to undertake necessary work. Section 106 monies, by their nature, are mostly for capital works as they are for the provision of infrastructure necessary to mitigate the impact of the development (e.g. junction modifications, school extensions).
- 1.2 This report deals with the financial contributions secured, received and spent from Section 106 Agreements during the 2013-14 Financial Year.
- 1.3 The introduction of Newham's Community Infrastructure Levy (CIL) provides for another way for development to make a contribution to infrastructure in the borough. Newham's CIL back effective on 1 January 2014. Moving forward this places restrictions on the type of infrastructure that can be secured through Section 106 Agreements.

2. Current Section 106 Systems and Processes

2.1 Negotiation

- 2.1.1. In consultation with the Investment Team, Planning Officers negotiate the heads of terms of Section 106 Agreements with developers as part of the planning application process. This negotiation is based on national policy including the London Plan and Newham's Core Strategy. The London Plan's two main priorities for planning obligations are Affordable Housing and Transport and Planning Officers will seek to secure these benefits first. The Core Strategy states broadly that, the priorities for infrastructure delivery that accords, with the Core Strategy's objectives are family housing, community centres, education, intelligent infrastructure, open space, local transport and public realm improvements and strategic transport.
- 2.1.2. All planning applications with Section 106 Agreements attached are approved at Development Committees where the heads of terms of the Section 106 Agreements are outlined and agreed.

2.2 Signing of the Agreement and Implementation

- 2.2.1. Once a Section 106 Agreement is signed 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, the

Section 106 Agreement becomes redundant; therefore, all financial contributions secured by signed Section 106 Agreements will not necessarily be received by the Council.

2.2.2. If the planning permission is implemented, the Section 106 contributions are due at various stages of the development of the site which is determined during the negotiation of the Agreement and stipulated in the Agreement for that site.

2.3 Collection of monies

2.3.1. Processes and procedures have been tightened up as a result of the corporate review into the operation and management of Section 106 Agreements that was initiated in late 2008.

2.3.2. To help ensure monies are collected in a timely manner all Section 106 Agreements now include a Notification of Implementation form the developers are required to submit to the Council. However there are compensatory controls in place in case the developer fails to notify the Council, including linking in with Building Control to receive their monthly Commencement and Completion reports.

2.4 Spend of monies

2.4.1. In regards to spend, the Section 106 team have implemented a Proforma system to provide a clear audit trail for the spend of Section 106 monies comprising of three proforma:

- Proforma 1 is sent to the beneficiary service area when an Agreement is signed for the service area to send back with a brief description of how they would spend the money if the Council receives it and the name of the officer who would be the project manager
- Proforma 2 is sent to the project manager when the monies are received asking for more details of spend including key milestones, resources, risks, project outcomes and benefits
- Proforma 3 is to be completed by the project manager when spend is completed and asks for information on outcomes and lessons learnt.

2.4.2. A spend approval process was approved at Strategic Development Committee in September 2011 and implemented in October 2011. Members agreed to receive proforma to note spend of less than £20,000 and to receive proforma to approve spend of £20,000 and more. The first proforma went to Strategic Development Committee in December 2011.

2.5 Planning Obligations and the Community Infrastructure Levy

2.5.1. The Community Infrastructure Levy (CIL) Regulations were introduced on 6 April 2010. CIL charges are based on simple formulae which relate the size of the charge to the size and character of the development paying it. The

proceeds of the levy will be spent on local and sub-regional infrastructure to support the development of the area.

- 2.5.2. 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.
- 2.5.3. There should be no perceived or actual double dipping where a developer is required to pay for the same infrastructure twice.
- 2.5.4. CIL cannot be used to provide Affordable Housing and other on site mitigation measures, for example Car Free developments. Therefore, Section 106 Agreements will still be necessary but the introduction of the CIL Regulations also scaled back the use of Section 106 Agreements and has provided statutory 3 tests which the must be passed in order for a planning obligation to be a reason to grant planning permission.
- 2.5.5. Newham’s CIL rates are indicated in Table 1: Newham’s CIL Charging Schedule.

| | Charging Zone 1 Postcodes E15 (exclusive of the LLDC area), E16 and E3 (part)* | Charging Zone 2 Postcodes E6, E7, E12, E13, IG11 (part)* |
|---|---|---|
| Residential (Use Classes C3, C4) | £80 per sq metre | £40 per sq metre |
| Retail (Use Classes A1, A2, A3, A4, A5) | £30 per sq metre | £30 per sq metre |
| Hotels (Use Class C1) | £120 per sq metre | £120 per sq metre |
| Student Accommodation (Use Class C1) | £130 per sq metre | £130 per sq metre |
| All other uses | £0 per sq metre | £0 per sq metre |

Table 1: Newham’s CIL Charging Schedule

3. Total monies secured 2013-2014

3.1 In the 2013-2014 financial year a total of £9,578,692 was secured from sixteen Section 106 Agreements. Further details are provided in Table 2: Secured by purpose.

3.2 It is important to note that if the planning permissions linked with Section 106 Agreements are not implemented, then planning contributions will not be received by the Council. Furthermore, the choice to implement, and when to implement is down to the Developer and can happen at any point up to three years from the date of the grant of planning permission and there maybe a long time lag between issue of planning permission and payment of monies.

| | |
|---|-------------------|
| Affordable Housing | £4,250,000 |
| Sustainable Transport (e.g. bus stop improvements, DLR contribution) | £569,147 |
| Highways (site mitigation works) | £97,394 |
| Open Space (e.g. childrens' play space, Multi Use Games Area, park improvements) | £50,400 |
| Education (improvements to educational services and providing additional school capacity) | £2,664,783 |
| Environmental Improvements (e.g. planting, lighting, signage) | £838,152 |
| Parking (RPZ contributions) | £0 |
| Economic Regeneration (support for employment and skills programmes for local residents and businesses) | £485,136 |
| Community Facilities (e.g. library, local service centre, multi-use centres) | £605,000 |
| Environmental Monitoring (monitoring environmental impacts) | £18,680 |
| Health (provision of improved health facilities and services e.g. a new health centre) | £0 |
| TOTAL SECURED | £9,578,692 |

Table 2: Secured by purpose

3.3 Table 3: Secured by ward provides the sixteen signed Section 106 Agreements and the total financial contributions secured from each development by ward area, this does not necessarily mean that the monies will be spent in those wards.

| Ward | Site Address | Date Signed | Total Secured |
|---------------------------|---|-------------|-------------------|
| Plaistow South | Greengate Lodge, Cave Road Plaistow E13 9DX | 14/06/2013 | £219,144 |
| Stratford New Town | Land At Great Eastern Road (Angel Lane Cherry Park Zone 1) Stratford E20 | 30/09/2013 | £174,000 |
| | Empire House 57 Broadway Stratford E15 2PX | 27/06/2013 | £126,800 |
| Canning Town North | Ordnance Arms 110 Barking Road E16 1EN | 24/12/2013 | £250,000 |
| | Rawalpindi House 81 Hermit Road E16 | 24/12/2013 | £151,500 |
| Canning Town South | Former Goswell Bakeries And Vacant Warehouses Site Caxton Street North E16 | 13/12/2013 | £4,686,747 |
| | Shaftesbury House 107 Tarling Road E16 | 10/12/2013 | £134,550 |
| Custom House | 75 Berwick Road E16 3DR | 24/12/2013 | £47,813 |
| | The Stables Satisfied Road E16 | 24/12/2013 | £205,000 |
| Beckton | Land North Of Gallions Roundabout Woolwich Manor Way | 25/03/2014 | £27,500 |
| | Ivax Quays Albert Basin Royal Docks | 20/12/2013 | £2,899,500 |
| | Vacant Land Atlantis Avenue | 20/12/2013 | £400,000 |
| Royal Docks | Recycled Supplies Ltd Bradfield Road Silvertown | 15/11/2013 | £13,700 |
| | Royals Business Park Dockside Road E156 | 05/11/2013 | £236,238 |
| | Crescent Wharf North Woolwich Road Silvertown E16 | 19/12/2013 | £1,200 |
| West Ham | Land At 64 To 66 West Ham Lane E15 | 10/10/2013 | £5,000 |
| TOTAL SECURED | | | £9,578,692 |

Table 3: Secured by ward

4. Total monies received 2013-2014

- 4.1 The Council received a total of £4,131,981 from Section 106 monies in this period (including contribution from Stratford City zones 2 and 7 LCR and Stratford City zones 3-6 £924,598; Former WE5 - £375,000; Barrier Park East Third Instalment - £1,364,717 and other S106 Contributions totalling - £1,467,666). This is broken down into the various beneficiary service areas as outlined in Table 4: Received by purpose.

| | |
|---|-------------------|
| Affordable Housing | £0 |
| Sustainable Transport (e.g. bus stop improvements, DLR contribution) | £62,574 |
| Highways (site mitigation works) | £145,970 |
| Open Space (e.g. children's' play space, Multi Use Games Area, park improvements) | £809,919 |
| Education (improvements to educational services and providing additional school capacity) | £482,127 |
| Environmental Improvements (e.g. planting, lighting, signage) | £118,270 |
| Parking (RPZ contributions) | £74,065 |
| Economic Regeneration (support for employment and skills programmes for local residents and businesses) | £661,375 |
| Community Facilities (e.g. library, local service centre, multi-use centres) | £10,000 |
| Environmental Monitoring (monitoring environmental impacts) | £27,964 |
| Health (provision of improved health facilities and services e.g. a new health centre) | £0 |
| Former Site WE5 | £375,000 |
| Barrier Park East – Third Instalment | £1,364,717 |
| TOTAL RECEIVED | £4,131,981 |

Table 4: Received by purpose

- 4.2 Once monies are received the service beneficiary areas are notified by the Investment Team. Service Areas are required to complete Proforma 2 outlining the proposed project plan for spend and return this to the Investment Team. Proforma 2 is then taken to Strategic Development Committee for approval or noting depending on the size of the contribution.
- 4.3 The Council has generally five years to spend the monies unless otherwise stated in the relevant Section 106 Agreement. After this time monies may have to be repaid to the developer.

4.4 Table 5: Received by ward shows which Section 106 Agreements have made financial contributions, and in which ward the Development is in, this does not necessarily mean that the monies will be spent in those wards.

| Ward | Site Address | Date Signed | Total Received |
|-----------------------|--|-------------|-------------------|
| Custom House | Excel Exhibition Centre Sandstone Lane E16 | 27/05/2009 | £17,709 |
| | Royals Business Park Dockside Road West E16 | 05/11/2013 | £106,871 |
| Canning Town North | Park Vista Apartments 250 Hermit Road Canning Town E16 | 11/01/2013 | £15,000 |
| | Rathbone Market Phase 1 | 19/04/2010 | £103,270 |
| | Land Former 213 To 217 Barking Road E16 | 11/03/2014 | £30,000 |
| Canning Town South | Shaftesbury House 107 Tarling Road E16 | 10/12/2013 | £134,550 |
| Forest Gate South | Land at the Rear of 92 Clova Road | 23/03/2012 | £10,000 |
| West Ham | Land At 64 To 66 West Ham Lane E15 | 10/10/2013 | £5,000 |
| Royal Docks | Formerly Site WE5, Western Gateway E16 | 27/10/2005 | £375,000 |
| | London City Airport | 09/07/2009 | £144,905 |
| | Recycled Supplies Ltd Bradfield Road Silvertown | 15/11/2013 | £13,700 |
| | Barrier Park East | 14/12/2009 | £1,364,717 |
| Plaistow South | Greengate Lodge Cave Road Plaistow | 14/06/2013 | £222,391 |
| | Plaistow Hospital Samson Street, E13 9EJ | 22/03/2013 | £361,311 |
| Plaistow North | 210 Plaistow Road | 13/03/2013 | £39,360 |
| Stratford New Town | Zone 2 and Zone 7, LCR and HS1 Land, Stratford City, E15 | 30/03/2012 | £262,679 |
| | SC Modification Agreement Zone 3-6 SV | 28/03/2012 | £661,919 |
| | Empire House 57 Broadway 15 2PX | 27/06/2013 | £126,800 |
| | Site Of 82-90 High Street E15 2NE | 07/04/2008 | £136,800 |
| TOTAL RECEIVED | | | £4,131,981 |

Table 5: Received by ward

5. Total monies spent 2013-2014

5.1 A total of £4,711,536 of Section 106 monies was spent by beneficiary Service Areas and relevant external stakeholders. Table 6: Spent by purpose details the projects that have been delivered funded in part or whole by Section 106 monies.

5.2 Section 106 monies continue to contribute to vital infrastructure necessary as Newham grows.

| Site Address - the development the monies were received from | Project | Amount Spent |
|--|--|-------------------|
| Environmental Improvements and Public Realm | | £220,328 |
| Former WE1 and Excel 2 site | Lea Valley Linear Park | £30,000 |
| Former WE5 Royal Dock Site | Healthy Living Urban Beach Project | £38,533 |
| 196 High Street E15 F0017 | Stratford Broadway Public Realm Improvement Works | £20,000 |
| 27-41 West Ham Lane | Stratford Broadway Public Realm Improvement Works | £100,000 |
| Burford Wharf | Environmental Improvements | £361 |
| Former WE1 and 272-281 Victoria Dock Road E16 | Urban Sustainability Centre | £31,434 |
| Parking | | £102,340 |
| Hallsville Rd and Brunel St- The Sphere | RPZ Hallsville Rd and Brunel St | £1,420 |
| Flying Angel 287-289 Victoria Dock Road, and 113-115 Freemasons Rd | Custom House RPZ | £12,303 |
| 160-188 High Street E15 | Stratford Parking Demo | £13,348 |
| Lord Cage Site, | Plaistow North Parking Problem Area | £72,000 |
| 10 Vicarage Lane | Stratford RPZ Review | £3,269 |
| Open Space and Leisure | | £67,335 |
| 190-200 Plashet Grove E6 | Pashet Park HLF -'Park refurbishment works and associated project costs' | £63,911 |
| Cuckolds Haven Nature Reserve | Cuckolds Haven Nature Reserve - herbicide programme and treatment of Japanese Knotweed | £3,424 |
| Workplace - Economic Regeneration | | £2,826,768 |
| Stratford City Zone 1 | Construction Training and Recruitment | £255,243 |
| Stratford City Zone 1 | End User Employment (760 | £26,823 |

| | | |
|------------------------------|--|--------------------|
| Stratford City Zone 1 | Project Management | £37,258 |
| Stratford City Zone 1 | Business Support | £40,060 |
| Stratford City Zone 1 | Retail Training Fund | £153,367 |
| Stratford City Zone 1 | Interim Jobs Brokerage Scheme | £32,944 |
| Stratford City Zones 3-7 | Business Support and Development | £44,990 |
| Stratford City Zone 1 | Interim Jobs Brokerage | £100,302 |
| Stratford City Zone 1 | Education and Training | £1,737,150 |
| Stratford City Zones 2-7 | Practical Training and Construction | £74,370 |
| Stratford City Zones 2-7 | End User Training | £26,823 |
| Stratford City Zone 1 | Construction Training and Recruitment | £70,265 |
| Stratford City Zone 1 | End User Employment | £794 |
| Excel Phase 2 | Skills Training | £88,159 |
| London City Airport: | Training and Education | £138,221 |
| Sustainable Transport | | £ 1,494,765 |
| Stratford City Zone 1 | London Buses – Sponsored Route Agreement | £ 1,494,765 |
| TOTAL SPENT | | £4,711,536 |

Table 6: Spent by purpose

5.3 Table 7: Spent in wards provides an overview of the monies spent by the types of infrastructure and the wards they were spent in.

| Ward Spent in | Contribution Type | Total Spent |
|---------------------------|---|--------------------|
| Stratford New Town | Parking | £16,617 |
| | Environmental Improvements and Public Realm | £120,361 |
| | Sustainable Transport | £1,494,765 |
| Custom House | Parking | £12,303 |
| Canning Town South | Parking | £1,420 |
| Plaistow North | Parking | £72,000 |
| Canning Town South | Environmental Improvements and Public Realm | £99,967 |
| East Ham North | Open Space | £63,911 |
| West Ham | Open Space | £3,424 |

| | | |
|----------------------|-----------------------------------|-------------------|
| Whole borough | Economic Regeneration - Workforce | £2,826,768 |
| TOTAL SPENT | | £4,711,536 |

Table 7: Spent in wards

6. Projects delivered

6.1 This section showcases two projects or schemes that were delivered in this year and representative landmarks, from the Physical Regeneration Team is the Urban Beach Project and Economic Regeneration on the achievements of Workplace.

6.2 Newham Workplace

6.2.1. **Workplace – background information**

6.2.2. Section 106 funding has been pivotal in the establishment of Workplace in 2007 and its continuing success to date. Workplace is Newham’s bespoke employment and training service which is exclusively for residents of the Borough. In addition, Workplace helps employers across London to recruit quality staff and is a vehicle which can assist Developers in achieving their S106 local labour and supply chain obligations.

6.2.3. Services to residents include the following:

- Dedicated, professional one to one employment support
- Assistance with job searches to help them find the right role
- Careers Advice
- Work experience opportunities to boost their CVs
- Business start-up advice
- Work-related training
- Support to complete a CV
- Specialist support for those who have been out of work for a year or more

6.2.4. Services to employers and developers are as follows:

- Introduction to applicants who have the skills, experience and qualifications to meet employer needs
- Matching and screening of potential job applicants
- Organisation of bespoke, pre-recruitment training to meet employers’ recruitment and skills requirements
- Support to meet local labour and local supply chain targets outlined in S106 agreements
- Support to identify small local businesses who can supply local goods and services
- Project management of monitoring information which developers can use to demonstrate their effectiveness in meeting local labour and supply chain targets

6.2.5. Workplace - Achievements and Activities in 2013/4

6.2.6. In 2013/14 the service held a celebration (refer to photo below) to mark the achievement of supporting over 20,000 residents into work and over 13,000 residents into employer-led training since opening. Over 50% of those who have been supported by the service have been unemployed for more than one year.

6.2.7. Survey-based quantitative research into job sustainability was conducted during the year which shows that Workplace customers have high levels of sustainability: 88% sustain employment for a minimum of 3 months; 80% for a minimum of 6 months; 75% for a minimum of 9 months and 70% for a minimum of 12 months.

6.2.8. During 2013/14 Section 106 payments continued to provide a substantial contribution to funding and supporting the achievements of the service as outlined below:

- Cost of the service in 2013/14: £6.8m
- Income from S106 contributions: £2.7m (40.5%)



Sir Robin Wales, Mayor of Newham, meets Fernanda Caraffa who was the 20,000th resident placed into work by Workplace. She works at All Star Lanes in Westfield, Stratford.

6.3 Urban Beach Project

6.3.1. The beach became a new venue and attraction in the Royal Docks enhancing the public realm and attracting visitors to the area, while raising their impression of the place. With the backdrop of the Royal Docks the area has an enormous potential

to serve the wider London area and the London Borough of Newham's local residents with new and unique leisure uses.

6.3.2. Beach facts:

- The project attracted a total number of 21,080 visitors in 68 days.
- Of the 21,080 visits 57% were planned visits to the beach and 43% were unplanned.
- 11 Local jobs were through this project: 8 beach attendants, 2 local security staff and the additional decking to cover the sand for the winter period will be installed by a sole trader working together with apprentices from the local Building Crafts College.
- Following the survey 52% mentioned that the reason for coming to the beach was to enjoy a day out with family and/or friends, children and grandparents.
- 31% Of all visitors to the beach had not been to the Royal Docks before (70 people). Of this group 41 people came specifically to the area to visit the beach.
- On the question 'Would you recommend this area to your friends?' – 100% of the Visitors answered 'Yes'.



Residents enjoying a 'Punch and Judy' Show at Royal Victoria Beach, summer 2013

7. Summary

- 7.1 Newham continue to secure commensurate mitigation and community benefits for residents from development coming forward in the borough. Table 8: Key highlights; provides an overview of the monies Received and Spent this financial year.

| Section 106 Monies 2013-2014 | |
|-------------------------------------|------------|
| Total Secured | £9,578,692 |
| Total Received | £4,131,981 |
| Total Spent | £4,711,536 |

Table 8: Key highlights

- 7.2 The Balance for the 2013-2014 financial year shows the difference between monies received and spent in this year, more monies were spent than received.
- 7.3 The Overall Balance at Year End shows how much money was in the Section 106 account as at 31 March 2014. This sum comprises the balance for 2013-2014 financial year and monies that were already in the account from previous financial years.

2013-2014 CIL Report

1. Introduction and Background

- 1.1 Pursuant to Regulation 62 of the Community Infrastructure Regulations 2010 (as amended) a charging authority ('the Council') is required to report on Community Infrastructure Levy (CIL) receipts and expenditure for a reported year.
- 1.2 Newham's CIL Charging schedule was adopted by full Council on 30 September 2013 and came into effect on 1 January 2014.
- 1.3 This first report will summarise the position in this financial year and the position to date. Moving forward this annual report will allow for transparency and enable Members and the public to understand what infrastructure has been delivered following the receipt of CIL monies.
- 1.4 The types of infrastructure that may be funded by Newham'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 below:

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 Parcellforce – 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 |

1.5 The Council have provided an instalment policy for the payment of CIL which can be found on the Council's website.

1.6 The Council has made no provision for a policy for accepting infrastructure payments in lieu of financial contributions.

2. CIL receipts and expenditure

2.1 Newham's CIL came into effect on 1 January 2014, this report considers the monies received and expended in the 2013-14 financial year, from 1 January 2014 – 31 March 2014.

2.2 No monies were received by the Council in the 2013-14 financial year and thus no monies have been expended in this time. For clarity, in recognition of the requirements of Regulation 62(4) this is confirmed in the table below:

| | 2013/14 | Total to date |
|---|---------|---------------|
| (a) total CIL receipts | Nil | Nil |
| (b) total CIL expenditure | Nil | Nil |
| (c) summary details of CIL expenditure; (i) the items of infrastructure to which CIL (including land payments) has been applied, (ii) the amount of CIL expenditure on each item, (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), (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 | Nil | Nil |
| (d) the total amount of CIL receipts retained at the end of the reported year. | Nil | Nil |

2.3 The Community Infrastructure Levy (Amendment) Regulations 2014 made provision for a Charging Authority to also report where an infrastructure payment has been made – as noted above the Council does not have a policy to enable infrastructure payments, therefore this cannot be reported on.

3. Summary of CIL

3.1 Due to the effective date of the Newham's CIL only providing 3 months of reporting in the 2013-2014 financial year there have been no receipts or expenditure of Newham's CIL.

3.2 Similar to Section 106 Agreements there is likely to be a lag in time between planning permission 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. For CIL the trigger for payment is within 60 days of commencement of development (also keeping in mind Newham's adopted Instalment Policy).

3.3 It is difficult to forecast the number of CIL liable planning permissions that will be implemented and therefore moving forward this report will only focus on monies which have been received and expended in a given reporting year.

Review of London City Airport's 2013 Annual Performance Report

1. Introduction and Background

- 1.1 On 8 July 2009 the Development Control Committee resolved to grant planning permission at London City Airport (LCA) for an application to increase the number of aircraft movements from c.80,000 to 120,000 (noise factored) movements. Planning permission 07/01510/VAR was granted on 9 July 2009 subject to a Section 106 Agreement.
- 1.2 The Section 106 Agreement provided for numerous obligations to control operations at the Airport and sought to minimise and mitigate the impacts of the newly permitted development.
- 1.3 LCA is required to submit an Annual Performance Report to the Council on 1 July each year, summarising their performance against and compliance with the obligations in the Section 106 Agreement for the preceding calendar year. This report must then be published on the Airport Consultative Committee website (www.lcacc.org) by 31 July each year.
- 1.4 LCA has submitted five Annual Performance Reports to the Council relating to performance in calendar years 2009-2013. This is the second instance where the Strategic Development Committee has been advised of these reports.
- 1.5 This section reviews the 2013 Annual Performance Report as well as a brief note on compliance with the planning permission.

2. London City Airport's Annual Performance Report

- 2.1 LCA submitted their 2013 Annual Performance Report (APR) to the Council on 23rd June 2014. The Council's Airport Monitoring Officer, assisted by colleagues, reviewed the contents of the APR. In addition, a letter was issued by the Council indicating the ongoing discussions of the remaining obligations that require Council agreement and continuing negotiations to resolve issues of non-compliance.
- 2.2 Much of the information submitted in the APR will have previously been reported to the Council throughout the year. For example, the Airport submit quarterly reports on the numbers of aircraft movements, Officers from the Council attend bi-monthly meetings with the Airport and the consultants that deliver the Sound Insulation Scheme so as to be kept updated on the progress, there is also ongoing dialogue between the Council and various individuals at the Airport concerning the delivery of Action Plans and Strategies which have been approved under the Section 106.
- 2.3 The full APR, including appendices, is available to the public on the Airport's website (<http://londoncityairport.com/aboutandcorporate/page/ourenvironment>)

and also on the London City Airport Consultative Committee's website (<http://lcacc.org/environment/index.html#APR>).

3. Summary of the 2013 APR

3.1 Education Employment and Training

3.2 The current planning agreement requires LCA to use “*reasonable endeavours*” to ensure that at least 70% of full time equivalent jobs at the Airport are occupied by residents from the “*local area*”¹ including at least 35% occupied by Newham residents.

3.3 As at 31st December 2013 there were:

- 43 onsite employers;
- Of which, 30% of onsite employees lived in Newham; and
- 66% lived in the local area.

3.4 Furthermore, the current agreement also requires LCA to use reasonable endeavours to ensure that at least 70% of direct employees are residents within the “*local area*” and at least 35% are residents within the London Borough of Newham.

3.5 As at 31st December 2013, London City Airport Limited (owner/operator) is the largest onsite employer, with a total number of direct employees of 544.

- 24% of which live in Newham
- 67% in the local area

3.6 *Take Off Into Work Scheme (TOIW)*

3.7 TOIW is a programme that is delivered by LCA in partnership with Newham Workplace and East London Business Alliance (ELBA) and invites unemployed Newham residents to participate in airport-specific into work training. In 2013:

- 69 people took part in the programme;
- With 55 candidates obtaining employment at LCA.

3.8 Noise

3.9 *Sound Insulation Scheme (SIS)*

3.10 The SIS is an obligation required by the existing agreement and commenced in December 2011 and continued to operate in 2013.

¹ The existing section 106 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, Having and the area of Epping Forest District Council.

- 3.11 The Council, along with Officers from Tower Hamlets and Greenwich, are invited to attend bi-monthly meetings on the Sound Insulation Scheme (SIS). This scheme has evolved as the Airport has grown, and accounts for a significant proportion of the Section 106 Deed and the mitigation that is offered by the Airport. The most recent planning permission enhanced the scheme. The SIS is a two tiered scheme, which identifies properties which might be eligible for treatment based on modelled noise exposure levels and when their property was built. Those closest to the Airport (therefore exposed to a higher noise level) are offered enhanced works to their properties.
- 3.12 The delivery of the SIS is very complex, in Appendix 1 there is a summary of the stages that the Airport, or their appointed consultant, must undertake in order to discharge their obligation under the Section 106 for each eligible property.
- 3.13 A full table summary of Sound Insulation Scheme is available on page 18 of the 2013 APR. However Table 1, below, is an ongoing update of works for eligible properties since 2009:

| | Location | Total Properties | Notified | Works Permission Requested | No Response/ No Permission | Works Complete |
|-------|----------|------------------|----------|----------------------------|----------------------------|----------------|
| Total | N/A | 5,001 | 100% | 94.72% | 73.8% | 23.38% |

Table 1 - Ongoing Works for Eligible Properties Since 2009

- 3.14 The table below is a list of newly eligible properties in 2013:

| | Location | Total No. Properties | Notified | Works Permission Requested | responses/ no permission | No Completed Works | Borough |
|-----------------------|---|----------------------|----------|----------------------------|--------------------------|--------------------|-----------|
| First Tier – Phase A1 | Wards Wharf Approach E16, Inverness Mews E14, Naval Row | 239 | 100% | 100% | 99.58% | 0.42% | LBN/ LBTH |
| First Tier – Phase A2 | New Providence Wharf | 559 | 100% | 100% | 100.00% | 0.00% | LBTH |
| First Tier – Phase A3 | Ontario Tower, E14 | 254 | 100% | 0% | 100.00% | 0.00% | LBTH |
| First Tier – Phase B | Barrier Point Road and Berwick Road | 44 | 100% | 100% | 86.36% | 13.64% | LBN |
| First Tier – Phase C | Thamesmead, SE28 | 290 | 100% | 100% | 95.17% | 4.83% | RBG |

Table 2 - Newly Eligible Properties (2013)

- 3.15 As of December 2013, 23.38% of all eligible properties have received works offered in the scheme. LCA draw attention to the fact that all eligible properties have been issued with initial, subsequent and final opportunity letters.
- 3.16 Appendix 1 should be referred to when considering the progress made on delivering works to eligible first tier properties as reported in table 3.1 of the APR. The Airport is required to seek requisite permissions from all of those with an interest in a property before works can be undertaken. For most homes this is relatively straight forward. For some properties there are several layers of approval required including (but not limited to) freeholder, head leaseholder,

leaseholder, management company, resident management company, and occupier.

3.17 LCA recognise the aforementioned issues and have proposed the following promotional activity for 2014:

- Refreshed and simplified SIS technical information on the LCY website;
- Improved advertising of the scheme by refreshing the information associated to the current advertising activity; and
- Provide additional information to Councillors in through the year so information can be distributed to residents at local surgeries and events as appropriate .

3.18 *First Tier Works*: 361 new residential premises eligible for First Tier works with 76 within London Borough of Newham, 283 within the Royal Borough of Greenwich, and 2 within the London Borough of Tower Hamlets. 4 new public buildings are also eligible.

3.19 *Second Tier Works*: 6 new residential premises eligible – all within the London Borough of Newham with no newly eligible public buildings.

3.20 The table below details the schemes and what is offered.

| | Existing Glazing: Single | Existing Glazing: Double |
|---------------------------|---|--|
| First Tier Scheme | Secondary glazing OR a contribution towards the cost of installing double glazed windows which meet the airport's standards. Sound attenuating ventilators | Sound attenuating ventilators. |
| Second Tier Scheme | All properties within the Second-Tier Scheme should have already been treated by the 1998 Sound Insulation Scheme and should therefore already have either secondary or double glazing. | Secondary glazing to double glazed windows OR a contribution towards the cost of installing high acoustic specification laminated double glazed windows. Sound attenuating ventilators. |

Table 3 - SIS Schemes and Measures

3.21 Air Quality

3.22 The Air Quality Measurement Programme (AQMP) includes the continued operation of 2 automatic monitoring stations and a network of diffusion tubes, the quarterly results of which were reported to the LCA Consultative Committee (LCACC) and on the LCACC website (www.lcacc.org) throughout 2013.

3.23 There were no occasions where the statutory air quality objectives, set by The Government for nitrogen dioxide and fine particulate matter, were exceeded during 2013.

3.24 Air Quality Action Plan (AQAP). There are some instances where the Airport has not been able to comply with the timescales set forth in the Action Plans. The Airport Monitoring Officer and the LCA Environment Manager continue to hold bi-monthly meetings to ensure a regular and continual progress against these measures.

3.25 Surface Access

3.26 LCA has an adopted Travel Plan which includes targets to encourage passenger and staff travel by sustainable means to the Airport site. The Passenger Travel Plan is due to be updated. LCA advise that the preparation of this has commenced, however, the Airport and Airport Transport Forum (ATF) have decided that the publication of an updated plan would be premature pending the determination of the City Airport Development Programme (currently under consideration by the Council) and the finalisation of the Airport Surface Access Strategy.

3.27 Figure 8.1 of the APR (Table 4, below) indicates the following modal split for passengers:

'Figure 8.1 – 2013 Passenger Surface Access Statistics'

| Mode | 2012 | 2013 |
|-------------------------------|------|------|
| DLR | 54.5 | 59.3 |
| Black Cab | 14 | 12.5 |
| Bus | 0.5 | 0.5 |
| Minicab | 15.8 | 15.8 |
| Car (driven away) | 6.5 | 4.5 |
| Car Other (rental and parked) | 2.6 | 3.8 |
| Chauffer | 2.5 | 1.8 |
| Transfer | 3.5 | 3.8 |

Table 4 - APR 2013 Passenger Surfaces Access Statistics

3.28 69% of passengers access the Airport using public transport, including TfL licensed black cabs.

3.29 Environmental Complaints and Enquiries

3.30 The Council receive a fortnightly update if any complaints and enquiries are received by the Airport and what action the Airport undertakes. This information is also reported quarterly to the London City Airport Consultative committee.

3.31 92 Complaints regarding LCA operations were received during 2013:

- 69 were related to aircraft noise at LCY, 39 of these were from one particular individual;
- 6 were related to flight paths;
- 5 were related to ground noise; and
- 12 were related to other factors such as TV interference, dock wildlife and odour

4. Compliance with Planning Permission

- 4.1 Although the main purpose of this report is to summarise LCA's compliance with the existing s106, Members have requested that the report also make reference to compliance with the existing planning permission. These matters are addressed below:
- 4.2 Early Morning Take Off
- 4.3 LCA was granted planning permission on 9th July 2009 (planning reference 07/01510/VAR) to enable 120,000 (actual and noise factored) movements. During the 2013 calendar year the airport handled 73,640 total aircraft movements and 77,374 noise factored movements.
- 4.4 Only one of the 73,640 flights fell outside the permitted times set out in Conditions 6, 9 and 10. This one occurrence was due to an early morning take-off which was outside the restrictions of Condition 10 by 33 seconds. The reason for this was attributed to Air Traffic Controller error (fully explained in the APR). The Council reiterated the Planning Conditions to LCA and the National Air Traffic Services (NATS) reminded air traffic controllers of the early morning restrictions.
- 4.5 LCA ensured that no further breaches of flight timings occurred again in 2013.
- 4.6 RJ-100
- 4.7 As mentioned above there are several planning conditions related to the noise impacts of aircraft operating. Condition 7(2) [attached to decision notice 07/01510/VAR] relates to how each type of air craft must fit into one of five noise categories (see Appendix 2). Category A aircraft are between 91.6 – 94.5 PNdB, based on their annual average performance. I.e. every departure of an aircraft type is measured across the year and this total noise impact is divided by the number of operations.
- 4.8 For the 2013 calendar year the RJ-100 had a total of 7670 movements, which equates to 9664 noise factored movements. However, the Aircraft had an annual average noise level of 95.1dB and therefore operated outside its category by 0.6dB in 2013. Although, this was an improvement of 0.1dB from 2012.
- 4.9 The RJ-100 has been operating outside it's noise category since 2010, however there is now only one operator of this aircraft.
- 4.10 The Airport provide the Council with bi-monthly updates on the performance of the RJ-100, along with regular monitoring meetings, as part of the Council's process of engaging with LCA and the operator to minimise and ultimately reduce the impact of this aircraft's operations.
- 4.11 During 2013, the Operator instigated a number of measures in an attempt to reduce their noise impact on the local environ. This included:

- Changes to their take-off procedures (this involved significant analysis, training of pilots and changes to their in-flight data terminals offering advice to pilots)
- Ensuring that the aircraft with the lightest airframes are used at LCA
- Reduction in water carried on board and other non-essential items to reduce take-off weight
- (Safely) Limiting fuel load for essential purposes and revision of freight carried
- Flight trials – pilots required to take-off with specific flap setting to provide the best noise profile.

4.12 These measures, however, have not led to a change in noise performance.

4.13 The London Borough of Newham continues to work with LCA and the Operator on this matter and regularly reviews its available options. The Council will take appropriate enforcement action that is necessary and proportionate at that point in time.

5. Moving Forward

5.1 Ongoing general compliance meetings and subject specific meetings have been arranged to ensure there is ongoing dialogue between primarily the Council's Airport Monitoring Officer, but also other stakeholders in the local authority and various teams at the Airport charged with delivering different elements of the Section 106 Agreement.

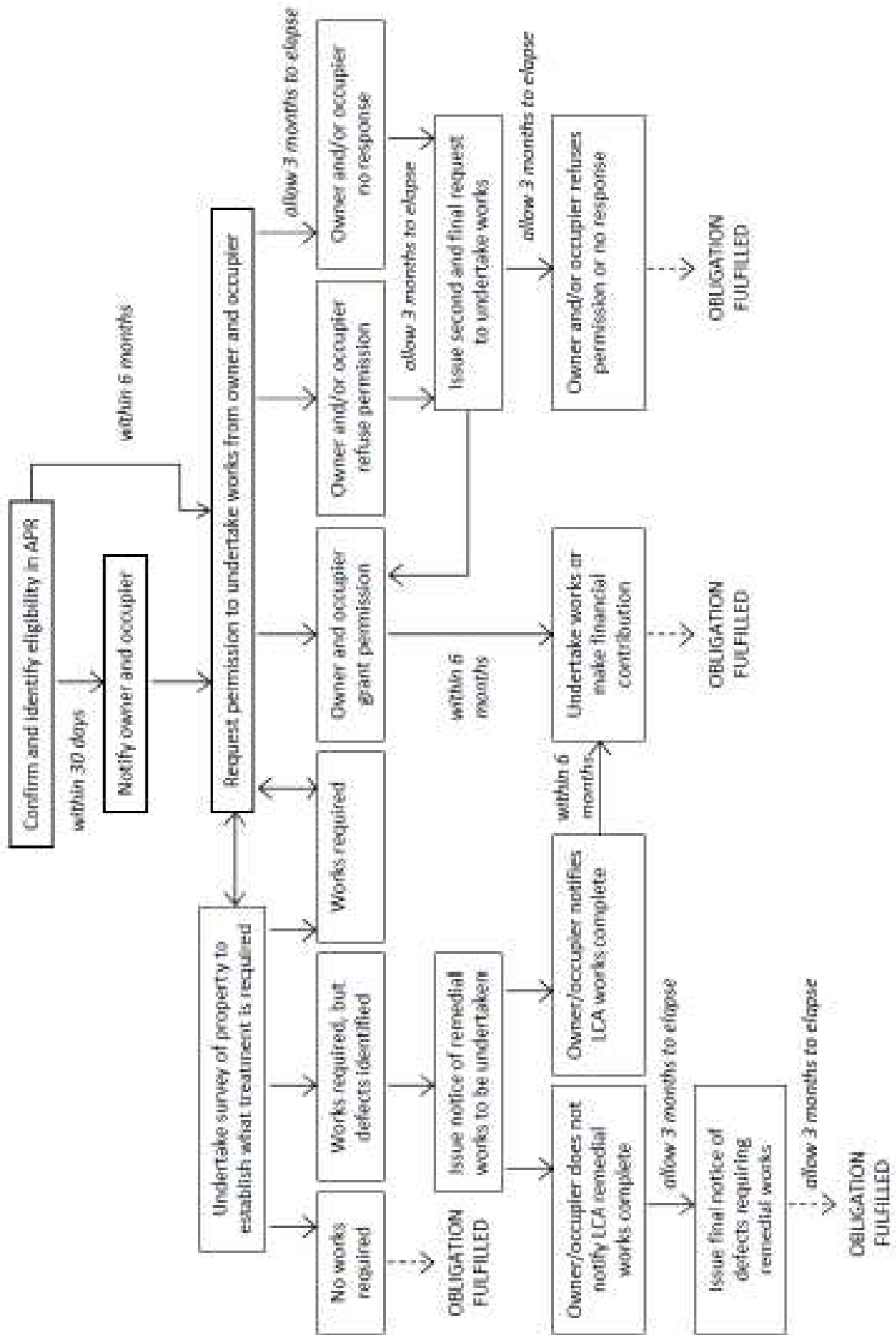
5.2 Whilst there is ongoing dialogue and reporting between the Airport and the Council, the APR is a consolidated review of progress with LCA narrative supported by technical appendices and data which is published online.

6. Conclusion

6.1 This review of London City Airport's 2013 Annual Performance Report provides the Committee with a broad overview of the Airport's performance against the Section 106 Agreement which Members approved in 2009.

Appendix 1 – SIS Work Procedure

Ninth Schedule, Parts 5&6 First Tier Works Procedure



Appendix 2 – Planning Condition 7 (attached to planning permission 07/01510/VAR)

- (7) (1) No type of aircraft may, save in an emergency, use the Airport unless the noise level of that aircraft complies with a category established in accordance with this condition.
- (2) Aircraft types using the airport shall be placed in categories and allocated noise factors as set out below:

| Category | Noise Reference Level | Noise Factor |
|-----------------|------------------------------|---------------------|
| A | 91.6-94.5 | 1.26 |
| B | 88.6-91.5 | 0.63 |
| C | 85.6-88.5 | 0.31 |
| D | 82.6-85.5 | 0.16 |
| E | Less than 82.6 | 0.08 |

- where the noise reference level is the departure noise level at the four noise categorisation locations shown on Plan P1 that accompanies this permission, expressed in PNdB and established as set out below.

