

2014-2015 Planning Obligations 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 permission. 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 2014-15 Financial Year.
- 1.3 The introduction of Newham's Community Infrastructure Levy (CIL) provides for alternative mechanism for development to make a contribution to infrastructure in the borough. Newham's CIL became effective on 1 January 2014. Moving forward, this places restrictions on the type of infrastructure that can be secured through Section 106 Agreements.
- 1.4 There will be a transition between the planning permissions which are accompanied by significant infrastructure laden Section 106 Agreements (LBN have numerous long-term, multi-phased schemes) and the planning permissions which will primarily make contributions to infrastructure through CIL, with scaled back 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 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 and Planning Officers will seek to secure this mitigation or community benefit first. The Council's priorities remain the delivery of affordable housing and jobs for Newham residents.
- 2.1.2. At a local level, the Core Strategy supports infrastructure delivery that accords with the Core Strategy's objectives including the provision of commensurate levels of family housing, community facilities, education, intelligent infrastructure, open space, local transport and public realm improvements and strategic transport.

2.1.3. Since the introduction of Newham's Community Infrastructure Levy, the types of planning obligations which 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) , In addition, employment skills and training for local residents (including the commitment to local labour and suppliers and also proportionate funding towards Workplace). The CIL should be the primary mechanism for most other types of infrastructure, please refer to paragraph 2.6.2.

2.1.4. 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 to and agreed by Members.

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 lapses; therefore it is not guaranteed that all financial contributions secured by signed Section 106 Agreements will 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. To help ensure monies are collected in a timely manner all Section 106 Agreements now include a Notification of Implementation form which the developers are 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 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 a Section 106 Agreement.

2.4.2. There are a range of 'typical' obligations, including the provision and maintenance of on-site affordable housing, the use of local labour and services or providing that future residents do not benefit from parking permits.

2.4.3. The monitoring of these obligations has transferred from Development Management to the Investment Team.

2.5 Expenditure of monies

2.5.1. In regards to spend, the Investment Team have implemented a Proforma system to provide a clear audit trail for the expenditure 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.

2.6 Planning Obligations and the Community Infrastructure Levy

2.6.1. 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.

2.6.2. 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 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.

2.6.4. 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 has also scaled back the use of Section 106 Agreements and has provided 3 statutory tests which must be passed in order for a planning obligation to be a reason to grant planning permission, in accordance with paragraph 2.1.3.

2.6.5. Newham's CIL rates are indicated in Table 1: Newham's CIL Charging Schedule.

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

2.7 How information is reported

- 2.7.1. This is the first full year where applications have been granted planning permission within the context of the new CIL regime. The reader of this report should be mindful of the restrictions now imposed on what can be secured via Section 106 Agreements (section 3 of this report).
- 2.7.2. 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. Section 106 Financial Contributions Secured

- 3.1 There were 21 Section 106 Agreements completed between April 2014 and March 2015, 13 of which are Deed of Variations to already approved schemes. 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 approvals which change planning conditions and result in a 'new' permission being issued generally along with the mitigation already agreed in the original planning permission.
- 3.2 A total of £3,835,552.99 in financial contributions were secured from six Section 106 Agreements. Further details are provided in
- 3.3
- 3.4 Table 2: Secured by **Purpose** which outlines the total monies secured by types of site specific mitigation.

Table 2: Secured by Purpose

Affordable Housing (off-site provision)	£3,416,626.00
Highways, (site mitigation works), Parking (CPZ and RPZ contributions) and Environmental Improvements	£65,926.99
Public Realm	£100,000.00
Education (improvements to educational services and providing additional school capacity)	£163,000.00
Economic Regeneration/ Workplace (support for employment and skills programmes for local residents and businesses)	£90,000.00
TOTAL SECURED	£3,835,552.99

- 3.5 Table 3: Secured by Agreement provides the financial contributions secured from each development.

Table 3: Secured by Agreement

Site Address	Planning Reference	Total Secured
222-226 Green Street Forest Gate E7 8LE	14/00057/FUL	£310,000.00
14-22 Water Lane E15 4NL	12/01016/FUL	£2,000.00
Legacy Tower 88 Great Eastern Road Stratford E15*	13/00322/FUL/LLDC	£2,690,666.00
Vacant Land At 26 To 34 Tidal Basin Road, Silvertown E16	14/01128/VAR	£,500,000.00
Pumping Station, Tidal Basin Road Silvertown E16 3BX	13/02356/VAR	£ 60,926.99
Vacant Houses And Garages At, 140-150 Earlham Grove, Forest Gate E7 9AB	14/00530/S106	£ 268,960.00
Newham Sixth Form College Prince Regent Lane E13 8SG	14/01812/FUL	£3,000.00
TOTAL SECURED		£3,835,552.99

* LBN is not the Local Planning Authority, but is a signatory to the main Stratford City Section 106 Agreement to which this development forms part of; the only monies reported here are where LBN are the direct beneficiary in the Section 106 Agreement

3.6 Section 106 Non-financial Obligations

3.7 In this reporting year Section 106 Deeds have secured obligations towards:

- Local Labour provisions (3),
- Travel Plan (2),
- Car Club (1) *and*
- Affordable Housing Review Mechanism (2)

3.8 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.

3.9 Through the use of Affordable Housing Review Mechanisms this ensures that should viability improve during the development cycle that this uplift will contribute to the shortfall in Affordable Housing for a particular scheme. This approach is in accordance with the Council's Core Strategy.

3.10 Summary of this reporting year

3.11 An overview of the Deeds signed this year and what they secured in principle is provided at Table 4: Overview of Planning Obligations.

Table 4: Overview of Planning Obligations

Site Address	Planning Reference	Total Secured £	Local Labour	Goods & Services	Travel Plan	Car Club	Affordable Housing Review Mechanism	Other mitigation
222-226 Green Street Forest Gate E7 8LE	14/00057/FUL	310,000.00	*	*				
14-22 Water Lane E15 4NL	12/01016/FUL	2,000.00			*			*
Legacy Tower 88 Great Eastern Road Stratford E15*	13/00322/FUL/LLDC	2,690,666.00	*	*				
Vacant Land At 26 To 34 Tidal Basin Road, Silvertown E16	14/01128/VAR	500,000.00				*	*	
Pumping Station Tidal Basin Road E16 3BX	13/02356/VAR	60,926.99						
Vacant Houses And Garages At, 140-150 Earlham Grove Forest Gate E7 9AB	14/00097 NONDET	268,960.00						
Newham Sixth Form College Prince Regent	14/01812/FUL	3,000.00	*	*	*			

Lane E13 8SG								
Minoco Wharf North Woolwich Road E16 2BG	14/01734/ VAR						*	

4. Section 106 Financial Contributions Received

- 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 Table 5: Received by Purpose and Table 6: Received by Section 106 Agreement.
- 4.3 The Council received a total of £10,383,341.70 of Section 106 monies in this reporting period. This is broken down into the various beneficiary Service Areas as outlined in Table 5: Received by Purpose.

Table 5: Received by Purpose

Affordable Housing	£4,176,988.42
Highways (including Parking/Public Realm/Traffic and Transportation/Reduced Parking Fees)	£384,497.08
Transport for London	£662,531.90
Public Realm/Regeneration	£102,642.00
Open Space and Leisure	£111,287.93
Education	£629,322.67
Economic Regeneration/Workplace	£997,950.65
Community Trust	£52,552.00
Standard Charge	£3,265,569.07
TOTAL RECEIVED	£10,383,341.70

- 4.4 The 'Standard Charge' referred to in Table 4 is as 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. When the LTGDC ceased to be and the planning powers for certain parts of the borough returned to the Council these planning obligations were transferred. Each of the LTGDC Section 106 Agreements has a slightly different way that the Standard Charge can be spent but indicatively it should be spent on infrastructure in the Lower Lea Valley.
- 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 6: Received by Section 106 Agreement.

Table 6: Received by Section 106 Agreement

Planning Reference	Site Address	Total Received
11/01362/FUL	Royals Site 2.3 Dockside Road	£82,554.08
12/01385/FUL	232-236 Green Street Forest Gate London E7 8LE	£150,780.37
12/01016/FUL	14-22 Water Lane E15	£2,000.00
08/02263/LTGDC/LBNM	Rathbone Market Phase 1	£3,355.00
13/01969/FUL	Land North Of Gallions Roundabout	£27,597.14
12/01910/FUL	Royals Business Park Dockside Road West Beckton London E16	£132,147.52
10/90641/EXTODA	Zone 2 and Zone 7, LCR and HS1 Land, Stratford City, E15	£721,949.00
10/90651/VARODA	SC Modification Agreement Zone 3-6 SV	£2,470,373.48
07/01510/VAR	London City Airport	£43,573.14
12/01576/FUL	Vacant Land Atlantis Avenue E16	£201,973.00
09/00311/OUT	Land to east of Excel, E16	£18,156.00
11/00856/OUT	Minoco Wharf - Royal Wharf	£1,180,313.12
13/00322/FUL/LLDC	Legacy Tower 88 Great Eastern Road	£2,427,666.00
12/01753/FUL	210 Plaistow Road	£28,788.10
12/02024/FUL	Rawalpindi House 81 Hermit Road E16 4HR	£155,872.75
12/00221/FUMODA	Unite - Land at Angel Lane / Great Eastern Road E15	£175,518.00
09/01612/LTGDC and 14/00981/S106	Broadway Chambers E15	£239,500.00
11/00662/LTGDC	Area 7 Phase 1	£1,962,000.00
10/90285/FUMODA	Plot 24 Stratford City Development	£51,205.41
13/01461/FUL	Caxton Works/Goswell Bakeries	£308,018.67
TOTAL RECEIVED		£10,383,341.70

4.6 Section 106 non-financial obligation achievements

- 4.6.1. A commitment to the provision of local labour during construction and the use of local goods and services seeks to share the economic benefit of development in the borough with local residents and businesses.
- 4.6.2. Whilst achieving and exceeding the local labour targets during construction is a borough priority it is acknowledged that it is not always practicable. The Economic Regeneration team work proactively with developers and contractors to ensure that the economic benefits of development are shared with Newham residents. The following stakeholders are noted for their commendable efforts of working with LBN in attempting to enhance opportunities for local residents and businesses: Barratt Homes, Galliford Try, Bouygues Development and Telford Homes.

5. Section 106 Financial Contributions Spent

- 5.1 A total of £6,768,351.21 of Section 106 monies was spent by beneficiary Service Areas and relevant external stakeholders. Table 7: Spent by Agreement details the projects which 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.

Table 7: Spent by Agreement

Section 106 Reference and Development Site	Project	Amount Spent
Affordable Housing		£3,115,895
01/1276 Woolwich Manor Way	Council Affordable Housing Scheme	£19,000.00
00/644 110 Garvary Road		£90,000.00
00/0697 Royal Victoria Dock		£678,000.00
04/0161 Holbrook House, Holbrook Road		£83,325.00
04/0344 Royal Victoria Dock WE5		£495,188.00
10/02308/FUL Land At Corner Of Shirley Street And St Luke's Square, E16		New Share – Council's Shared Equity Scheme
10/90651/VARODA Stratford City Development	£1,237,141.00	
Environmental Improvements and Public Realm		£141,114.76
06/02261/FUL Former WE1 Royal Victoria Dock	Lea Valley Linear Park-Lea Valley & Royal Docks	£79,912.34
09/00311/Out Excel Phase 2A	Lea Valley Linear Park-Lea Valley & Royal Docks	£ 34,908.00
04/0344 Royal Victoria Dock WE5	Healthy Living Urban Project	£16,301.00
00/0560 Royal Victoria Dock	Newham Big Days Out Project	£9,993.42
Highways and Parking		£200,973.40
05/003121 110-118 Romford Road	Provision of Dropped Crossings	£5,957.00
04/0994 4 -6 University Way E16	Signage Fees	£413.00
04/0161 Holbrook House, Holbrook Road	Removal of redundant crossovers and provision of new dropped crossings.	£12,366.39
06/02133/FUL 112-122 Woodgrange Road E7	Highways Improvements completed.	£33,913.89

11/00088/FUL Travelodge, Royals Business Park	Royal Docks North South Corridor- improvements to Royal Albert footpath between DLR Station and pedestrian crossing	£20,773.00
00/0735 339 Katherine Road	Completion of improvements to Katherine Road Corridor	£20,973.00
12/01385/FUL 232-236 Green Street E7	Green Street Project	£83,250.00
06/02173/FUL Phase II 95-99 Barking Road	Provision of new dropped crossings and introduction of short stay parking in and around Barking Road and Canning Town	£14,997.07
06/00127/FUL Lord Gage Site E16	Plaistow North Parking Problem Area – Consultation	£1,568.00
05/0212 10 Vicarage Lane E15	Stratford RPZ Review – Printing Fees	£6,407.00
Flying Angel 287-289 Victoria Dock Road and 04/0254 113-115 Freemasons Road	Custom House RPZ-Public Consultation	£355.00
Open Space and Leisure		£170,000.43
07/01799/FUL 190-200 Plashet Grove E6	Plashet Park HLF -'Park refurbishment works and associated project costs'	£10,420.43
03/2068 Site WE1, Royal Victoria Dock	Redevelopment of Watersports Centre	£159,580.00
Workplace - Economic Regeneration		£385,587.70
Stratford City Zone 1	Construction Training and Recruitment	£196,766.26
Stratford City Zone 2-7	Construction Training and Recruitment	£94,049.80
08/01162/FUL Lee Tunnel & Beckton STW Extension	Skills Training and Recruitment	£50,000.00
09/00311/OUT Excel Phase 2	Skills Training	£44,771.90
Health		£72,000
04/0608 40 Warton Road E15	Funding for Stratford Health Centre E15	£72,000.00
Transport for London		£ 2,682,779.92
Stratford City Zone 1	London Buses – Sponsored Route Agreement	£ 2,511,452
11/0856/OUT Minoco Wharf E16	TFL Crossrail payment	£115,559.05
10/00369/FUL Pumping Station E16	TFL Crossrail payment	£25,887.50
13/01461/FUL Caxton Works Goswell Bakeries E16	TFL Crossrail payment	£29,881.37
TOTAL SPENT		£6,768,351.21

5.3 Table 8: Spent by Purpose provides an overview of the types of infrastructure and mitigation provided by Developer funding in the borough.

Table 8: Spent by Purpose

Affordable Housing	£3,115,895.00
Public Realm/Regeneration	£141,114.76
Highways (including Parking/Public Realm/Traffic and Transportation/Reduced Parking Fees)	£200,973.40
Open Space and Leisure	£170,000.43
Economic Regeneration/Workplace	£385,587.70
Health	£72,000.00
Transport for London	£2,682,779.92
TOTAL SPENT	£6,768,351.21

6. Section 106 funded projects delivered

6.1 Monies from development have provided benefits across the borough as outlined in Section 5 of this report.

6.2 Whilst all of the projects funded by developer contributions are important this section shines a spotlight on some key projects.

6.3 Newham Workplace

6.3.1. Workplace – background information

6.3.2. Section 106 funding has been pivotal in the establishment of Workplace in 2007 and its continuing success. 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 acts as a vehicle which can assist Developers in achieving their S106 local labour and supply chain obligations.

6.3.3. 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

6.3.4. 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

6.3.5. Further details available at: www.newhamworkplace.co.uk.

6.3.6. Workplace - Achievements and Activities in 2014/15

6.3.7. During 2014/15 Section 106 payments continued to provide a very welcome contribution to funding and supporting the achievements of the service as outlined below:

- Cost of the service in 2013/14: **£4,957,158**
(Please note that last year's statement gave a figure which was higher than the one this year. That figure included "non-controllable" costs and we have since been advised by Finance Colleagues that we should cease to include non-controllable costs in service cost information)
- Income from S106 contributions: **£385,588.00 (7.77% of overall cost)**

Performance Indicator	Overall Achievements	Attributable to S106 funding (8.6%)
Residents into employment	4508	388
Training courses undertaken by residents	1,622	139
Long term unemployed (1 yr+)	2,594	223
16 – 24 year olds	1,813	156

6.3.8. During the year Workplace supported residents into a wide range of jobs including those in retail, hospitality, customer care, health & social care and construction. In March 2015 Workplace was recognised by The London Legacy Development Corporation with the "Making It Happen Partnership Award" for successfully securing over 100 jobs and apprenticeships for local residents on several of the Olympic Park's construction projects, including the Transformation of the Olympic Stadium. Jobs have been secured in a variety of roles including traffic marshalls, site labourers, site engineers, plant operatives, office administrators as well as civil engineering placements for University of East London undergraduates.

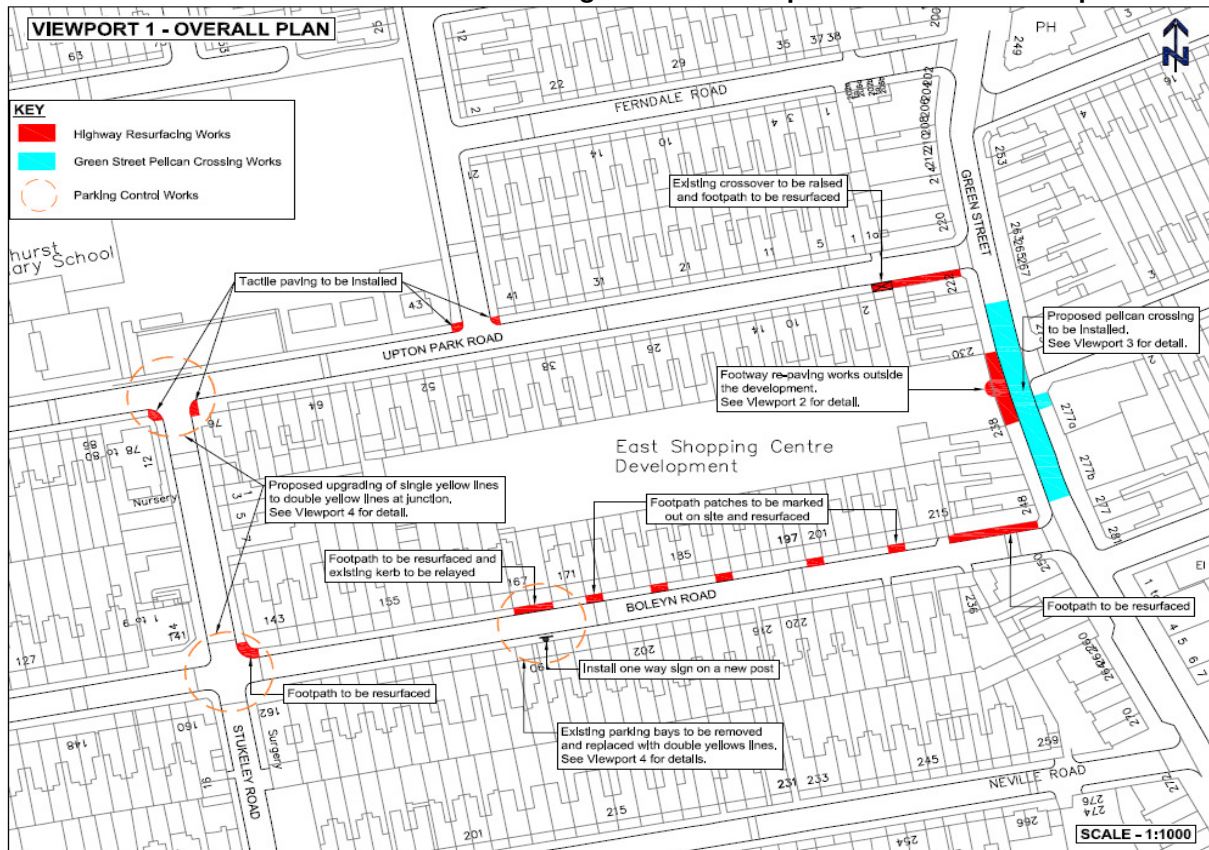
Figure 1 Mayor joins Newham residents working on the Transformation of the Olympic Stadium



6.4 Green Street Improvements Scheme

6.4.1. The development of the *East Shopping Centre* on Green Street necessitated some public realm enhancements and the provision of an appropriate crossing, LBN Highways and Transportation designed a scheme of works to mitigate the impacts of the development (refer to Figure 2).

Figure 2 – Overall plan of S106 funded improvements



6.4.2. The delivery of the crossing and some other works this year have enhanced the safe passage of visitors to the surrounding area (refer to Figure 3).

6.4.3. The highway improvements are intended to benefit pedestrians to and from the shopping centre by providing a safe walking environment. The newly laid footways remove trip hazards and encourage walking in the area.

6.4.4. The introduction of the signalised junction aims to increase driver awareness of the presence of pedestrians in the locality and consequently contribute towards speed reduction. Allowing pedestrians to cross on a designated controlled crossing point should improve safety for all, particularly vulnerable groups such as children and the elderly. Improved pedestrian safety should also encourage walking which will help with the reduction of car usage.

Figure 3 – View along Green Street with new signalised pedestrian crossing



6.5 Sponsored Route Agreements

- 6.5.1. As part of the planning for Stratford City it was recognised that fundamental to its success was the need to enhance public transport. A major contributor in achieving this goal was a need to expand the bus network if people were to use the development.
- 6.5.2. In 2005 it was agreed that the Stratford City developers would contribute £12 million, a figure that was subsequently increased in line with inflation, towards bus services. The Section 106 monies helped fund the bus service changes. Bus services now allow access to Stratford City from the north, south, east and west. Usage of the bus routes that serve Stratford City has increased by 14% since 2012.
- 6.5.3. All the buses that serve Stratford City are low-floor and wheelchair accessible. Routes, and importantly bus stops, are planned to allow access to the bus network for as many people as possible. Today more than 90% of Londoners live within 400 metres of a bus stop.
- 6.5.4. The nine routes that pass through Stratford are either 24 hour operation or night buses all of which support the evening economy and help to keep Stratford City moving.
- 6.5.5. Developer funding has provided service enhancements to the following services this financial year, bus routes 86, 97, 241, 339, D8 and N205.

2014-2015 Community Infrastructure Levy (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 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 2014 – 2015 financial year.

2.2 No monies were received by the Council in the 2013-2014 financial year and £1,382,520 in the 2014-15 financial year. The only monies expended to date have been on the effective administration of the CIL collection function. For clarity, in recognition of the requirements of Regulation 62(4) this information is confirmed in the table below:

	2014/15 (£)	Total to date (£)
(a) total CIL receipts	1,382,520.00	1,382,520,00
(b) total CIL expenditure	15,125.00	15,125.00
(c) summary details of CIL expenditure;	15,125.00	15,125.00
(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	15,125.00	15,125.00
(d) the total amount of CIL receipts retained at the end of the reported year.	1,367,395.00	1,367,395.00

- 2.3 During the initial operation of a charging schedule the 5% allocation to administrative costs can accrue across the monies collected in the first three years of operation of the CIL. Of the monies expended on the administration of the borough's CIL this year, pursuant to Regulation 61(3)(a) Table 1 confirms that no more than 5% of the CIL has been expended to date.
- 2.4 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 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).
- 3.2 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 2014 Annual Performance Report

1. Introduction and Background

- 1.1 On 8th 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 to 120,000 (actual and noise factored) movements. Planning permission 07/01510/VAR was granted on 9th July 2009 subject to a Section 106 Agreement.
- 1.2 The Section 106 Agreement includes a number of obligations to control operations at the Airport which seek to minimise and mitigate the potential and actual impacts of the permitted development. The Agreement covers a range of issues, including noise, air quality, surface transport access, and recruitment of local labour.
- 1.3 LCA is required to submit an Annual Performance Report to the Council on 1st July each year, summarising their performance against the obligations in the Section 106 Agreement for the preceding calendar year. This report must then be published on the London City Airport Consultative Committee (LCACC) website (www.lcacc.org) by 31st July each year (the publication of this report has only recently occurred - please refer to section 4.26 below for further information on the ACC, although LCA published the report on their own website in the summer).
- 1.4 LCA has submitted six Annual Performance Reports to the Council relating to performance in calendar years 2009-2014. This is the third year that the Strategic Development Committee has been provided with an overview of LCA's annual submission.
- 1.5 This report comprises:
 - an update on the current Appeal
 - a review of the main elements of the LCA's 2014 Annual Performance Report – where relevant, updates for 2015 have been added; and
 - a review of the main issues relating to compliance with Planning Conditions

2. Appeal Against Refusal of Permission for Planning Application 13/01228/FUL

- 2.1 Members will be aware that on 3rd February 2015 Strategic Development Committee resolved to grant planning permission for redevelopment at the Airport for works to demolish existing buildings and structures and provide additional infrastructure and passenger facilities (including taxiway extension, four upgraded aircraft stands, seven new aircraft stands, terminal extension, new passenger pier and associated facilities).
- 2.2 Members will also be aware that subsequently the Council was Directed by the Mayor of London to refuse planning permission, and as a consequence the Airport lodged an Appeal. Dialogue between LBN officers, the appellants and other parties including the GLA has commenced. The Council's position on the Application at present remains as agreed by your Committee in February 2015.

- 2.3 The dates for the Appeal Inquiry have now been confirmed by the Planning Inspectorate and will commence on March 14th 2016, sitting for approximately one month.
- 2.4 Throughout this process LCA should continue to operate in accordance with their extant planning permission (07/01510/VAR).

3. London City Airport's 2014 Annual Performance Report

- 3.1 LCA submitted their draft 2014 Section 106 Annual Performance Report (APR) to the Council prior to 1st July 2015. The Council's Airport Monitoring Officer (AMO) reviewed and commented on the APR and subsequently issued a formal response, which is appended to the APR itself.
- 3.2 Essentially the opinion of the AMO was that the Airport had met all its obligations for the year, although a number of comments were raised by the Council in relation to some of the obligations that the Airport was requested to follow up.
- 3.3 Much of the information summarised in the APR was reported to the Council throughout the year in accordance with the Airport's reporting obligations: for example, quarterly reports on the number of aircraft movements, and monthly reports on the number of complaints and responses to those. In between the formal and regular meetings involving the Airport and LBN officers there is continuous informal communication on various issues.
- 3.4 The APR and appendices and related documents are in the public domain and can be accessed through the Airport's website:
<http://londoncityairport.com/aboutandcorporate/page/ourenvironment>

4. Summary of the 2014 APR – Main Elements

Financial Contributions

- 4.1 On 1st July 2014 LCA made the following financial contributions to the Council in accordance with the S106 Agreement:
- Annual Monitoring - £64,369.54
 - Education and Training - £3,050.54
 - Parking - £40,522.15

Education, Employment and Training

- 4.2 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 held by residents from the 'Local Area'¹ including at least 35% held by Newham residents.
- 4.3 On 31st December 2014 there were:
- 44 employers operating on-site

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, Havering and Epping Forest District Council.'

- 1,948 jobs on-site, of which:
 - 29% were held by Newham residents; and
 - 64% of which were held by 'Local Area' residents.
- 4.4 The Agreement also requires LCA to use 'reasonable endeavours' to ensure that at least 70% of direct employees (i.e. employees of London City Airport itself) are 'Local Area' residents and at least 35% are Newham residents.
- 4.5 On 31st December 2014 there were:
- 563 London City Airport Limited employees, of which:
 - 25% were Newham residents; and
 - 63% were 'Local Area' residents
- However, in terms of recruitment in 2014:
- 38% were Newham residents; and
 - 73% were 'Local Area' residents – this may be a reflection of LCA's improved recruitment procedures, introduced during the year.
- 4.6 The Airport are involved with a number of recruitment initiatives; one of the most significant, to assist unemployed Newham residents into work include 'Take Off into Work', which is a programme delivered by LCA in partnership with Newham Workplace and the East London Business Alliance (ELBA) and offers participants airport-related training and work experience with certain on-site Airport employers.
- 4.7 The Ramp Academy is a training and work experience programme run jointly by LCA and LBN. It covers the air side of the airport and includes a variety of jobs such as aircraft marshalling, baggage handling and aircraft loading. On the successful completion of a six month probation period, a permanent contract will be offered.
- 4.8 In 2014, including the Ramp Academy:
- 70 people took part in the programme
 - 6 gained employment at the Airport after training

In view of the figures above, there is some scope for improvement, and LBN officers and the Airport will continue discussions on how to maximise local employment opportunities.

Noise

Sound Insulation Scheme (SIS)

- 4.9 The SIS commenced in December 2011 and continued to operate throughout 2014. 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. Potential eligible properties 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 movements and aircraft mix.

- 4.10 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.
- 4.11 Delivery of the SIS is complex, and is subject to procedure set down in the S106 Agreement. An explanatory diagram is included as Appendix 1.
- 4.12 Progress on the SIS is reported annually in the APR; in 2014 the LCA organised bi-monthly meetings with LBN, to which officers from Tower Hamlets and Greenwich were also invited. Following the appointment of a new AMO in 2015, a new programme of meetings is being arranged.
- 4.13 Table 3.1 in the APR comprises details of properties eligible to benefit from the SIS. Table 1, below, comprises the totals from Table 3.1. For comparison, the figures from 2013 have been included.

Table 1 – Sound Insulation Scheme Progress to December 2014

	Location	Total Properties	Notified	Works Permission Requested	No Response/ No Permission	Works Complete
Total 2013	Various	5,001	100%	95%	74%	23%
Total 2014	Various	5,363	100%	100%	63%	34%

- 4.14 All properties that were identified up to and including the 2013 APR have been issued with initial, subsequent and final opportunity letters. At 17th December 2014, 34% of all eligible properties had benefited from works offered by the Scheme.
- 4.15 In 2013, in order to increase the rate of take-up, the LCA committed to a number of promotional activities for 2014; this included:
- Refreshed and simplified SIS technical information on the LCY website;
 - Improved advertising of the scheme by refreshing the information associated with the current advertising activity; and
 - Provide additional information to Councillors through the year so information can be distributed to residents at local surgeries and events as appropriate. Officers are awaiting confirmation from LCA on the details of this activity.
- 4.16 In 2014 502 residential premises became eligible for First Tier works with 76 within London Borough of Newham, 283 within the Royal Borough of Greenwich, and two within the London Borough of Tower Hamlets. Two public buildings also became eligible.
- 4.17 There were no residential or public buildings becoming eligible for Second Tier works in 2014.
- 4.18 In 2015 LCA took direct responsibility for all the communication and public liaison functions of the SIS programme after having outsourced these functions for a number of years – this should lead to further improvements in performance.

- 4.19 The Section 106 Agreement requires the Airport to use ‘reasonable endeavours’ to enter into ‘Neighbouring Authority Agreements’ (NAA) with Greenwich and Tower Hamlets. Essentially an NAA allows each borough to enforce the relevant parts of the Section 106 Agreement in its own area. An NAA was entered into with Greenwich but Tower Hamlets have so far declined to do so. LBN officers have requested that LCA continue to engage with Tower Hamlets on this matter.

Air Quality

- 4.20 The Air Quality Measurement Programme (AQMP) includes the continued operation of two automatic monitoring stations and a network of diffusion tubes. Information is reported quarterly by the LCA and annually in the APR.
- 4.21 There were no occasions where the statutory air quality objectives, set by The Government for nitrogen dioxide and fine particulate matter, were exceeded during 2014.
- 4.22 The Airport’s Air Quality Action Plan (AQAP) is due for review in 2015, to be replaced in 2016. Discussions between LCA and LBN officers have commenced.

Surface Access

- 4.23 The Section 106 Agreement commits LCA to ‘maintain a surface transport access strategy’; and to submit Staff and Passenger Travel Plans for approval by the Council – approvals were given. The Agreement also includes a ‘draft form of Travel Plan’, to be used as a template. There are a number of associated documents, outside the scope of the Agreement. All transport-related documents should be considered together.
- 4.24 In summary:
- A Surface Access Strategy was published by LCA in 2005
 - A Travel Plan was published by LCA in 2011 – this included a commitment to a review in 2013
 - A draft Surface Access Strategy was issued in 2013
 - A separate Staff Travel Plan was published in 2013
 - Discussions have commenced on an Interim Staff and Passenger Travel Action Plan for 2015-16, through the Airport Transport Forum, pending the decision on the Appeal referred to above, and a full review of the 2011 Travel Plan. LBN officers have raised a number of issues with LCA including the latest draft of this document which are under consideration.
- 4.25 A key objective of the Travel Plans is an increase in the proportion of staff and passengers using sustainable means of travel to and from the Airport, although this figure is already high compared to other airports.
- 4.26 Figure 8.1 in the APR, reproduced as Table 2 below, shows the modal split for passengers in 2013 and 2014:

Table 2 - Passenger Surface Access Statistics 2014

Mode	2013 - %	2014 - %
DLR	59.3	61
Black Cab	12.5	9.5
Bus	0.5	<0.5
Minicab	15.8	14.3
Car (driven away)	4.5	5.5
Car Other (rental and parked)	3.8	4
Chauffeur	1.8	2
Transfer	3.8	3.5

Environmental Complaints and Enquiries

- 4.27 The Airport record complaints and enquiries that are received, together with the response by the Airport and an anonymised summary of complaints is submitted to the Council. This information is also reported quarterly to the London City Airport Consultative committee.
- 4.28 In 2014 95 complaints were received:
- 90 were related to aircraft noise; 43 of these were from one individual
 - two were related to flight paths
 - one was related to low flying aircraft; and
 - two were related to other factors such as television interference and odour

London City Airport Consultative Committee

- 4.26 Although the LCA is not required to refer to the LCACC in the APR, they have certain obligations regarding the effective functioning of the Committee. LBN officers have raised concerns with the LCA that there is some scope for improvement – for example, the LCACC website is out of date. LCA is in the process of trying to remedy these issues.

5. Compliance with Planning Permission

- 5.1 Although the main purpose of this report is to review the LCA's performance against the Section 106 Agreement, the report also reviews compliance with the relevant Conditions. The most significant of these are addressed below:

Aircraft Movements

- 5.2 The APR In 2014 there were 75,637 aircraft movements in total, a 3% increase on 2013. LCA are required to publish statistics covering aircraft movements by type of aircraft every quarter. There are two significant issues associated with Conditions controlling movement:

Early Morning Movements

- 5.3 Of the above movements, only three were outside the restrictions set out in the relevant Conditions; two were landings, one between 06.30 and 06.59, and the other between 06.30 and 06.44. The third was a take-off, between 06:30 and

06:59. The APR gives reasons for these and the measures to be taken to avoid this happening again, in conjunction with NATS who are responsible for air traffic control at LCA.

Noise - RJ-100 Aircraft

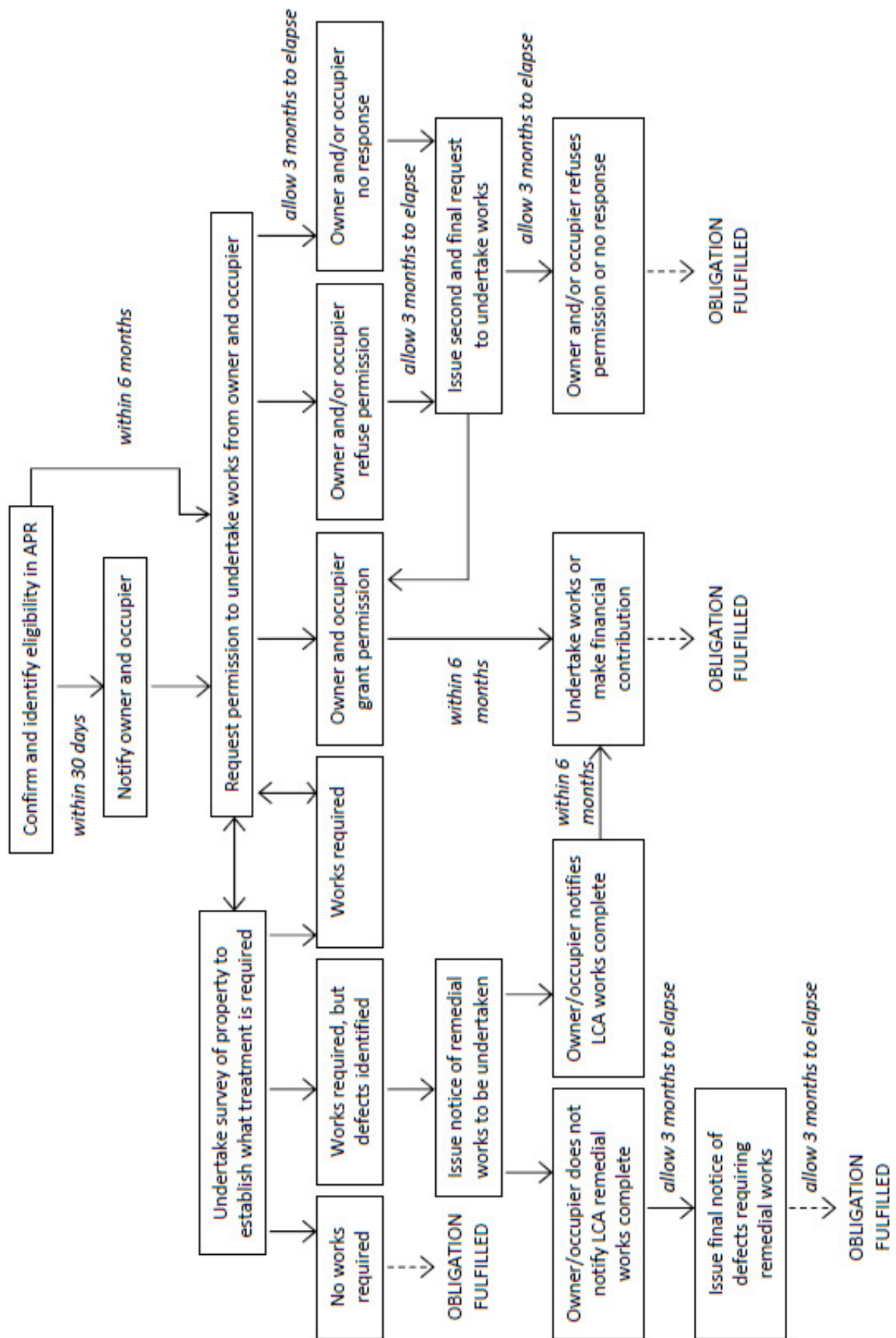
- 5.4 In order to control operational noise, one of the key measures is Aircraft Categorisation; essentially this allocates each type of aircraft to one of five categories, dependent on its noise level, with the number of movements within each category restricted (see Appendix 2).
- 5.5 In 2014 the RJ-100 aircraft, operated by a single airline, had an annual average noise level of 94.8dB and therefore operated outside its category by 0.3dB.
- 5.6 The RJ-100 has been operating outside its noise category since 2010, although the resulting changes in noise levels are imperceptible. LBN officers and LCA have been in continuous discussion to try to resolve the issue, and improvements to noise levels have been made. Replacement of the aircraft by the airline is expected with the introduction of the C-Series aircraft by Swiss, currently planned to be introduced in 2016.

6. Conclusion

- 6.1 As mentioned in Section 3 above, the Airport Monitoring Officer's assessment of London City Airport's 2014 Annual Performance Report was that the relevant obligations been met over that period but that a number of related issues had been raised. This report raises a number of additional issues that have been drawn to the attention of LCA; the AMO will continue to monitor these and will report back to Committee on progress made.

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.

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