

Bexley Infrastructure Funding Statement 2020/2021

Bexley's Approach to Securing Contributions from
Development

December 2021

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

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

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

Introduction

- 1.1. This Bexley Infrastructure Funding Statement 2020/21 sets out the income and expenditure relating to the community infrastructure levy (CIL) and section 106 (S106) agreement contributions that the Council has received for 2020/2021.
- 1.2. Its purpose is to help local communities and developers see how contributions have been spent and understand what future funds will be spent on, ensuring a transparent and accountable system.
- 1.3. The Council is required to produce an infrastructure funding statement at least annually, in accordance with the Community Infrastructure Levy Regulations.

Community infrastructure levy – collection and expenditure

Community infrastructure levy (CIL)

- 1.4. The community infrastructure levy (CIL) is one mechanism that the Council, as a local planning authority, can use to capture funds from new development to deliver infrastructure. The CIL mechanism was established through the Planning Act 2008 and came into force under the Community Infrastructure Levy Regulations 2010. The CIL enables planning authorities to use developer contributions more flexibly (e.g. several developments sharing the cost of a specific piece of infrastructure; or saving funds towards a specific long-term project investment).
- 1.5. The aim of the CIL is to reduce uncertainty around the timetable for the planning application process – especially for larger developments – because of the sometimes long and tortuous negotiations associated with s106 agreements. The CIL enables a single payment to be made by the developer to cover a range of infrastructure needs; and it allows pooling of contributions over time from different developments towards a single major infrastructure project that no one development could afford on its own.
- 1.6. Bexley’s community infrastructure levy (CIL) scheme came into effect from April 2015, replacing elements of the Council’s previous policies on developer contributions through s106 agreements.
- 1.7. The Council’s allocation of CIL is undertaken as part of the Council’s capital programme bidding process. The Council evaluates any bids against strategic priorities, having regard to the CIL Regulations.
- 1.8. This process was previously informed by the Council’s Regulation 123 List, which specified the sorts of infrastructure the Council would spend CIL receipts on. However, as a result of changes to the CIL Regulations this infrastructure funding statement effectively replaces the Regulation 123 list. CIL receipts will be allocated on an annual basis to support the delivery of infrastructure projects in line with the Council’s capital programme.
- 1.9. The need for infrastructure to support development is confirmed in the Council’s Local Plan (<https://www.bexley.gov.uk/sites/default/files/2020-05/Bexley-Core-Strategy.pdf>) and infrastructure priorities are set out in the Council’s latest Infrastructure Delivery Plan (<https://www.bexley.gov.uk/sites/default/files/2021-12/SD21-infrastructure-delivery-plan-IDP.pdf>) that, together with the identified funding gap, justifies the collection of CIL.

1.10. Infrastructure priorities include the following:

- a. transport improvements such as bus priority schemes and enhancements to walking and cycling facilities
- b. education, cultural, health and community facilities such as new library provision and the expansion of primary, secondary and SEN school places
- c. environmental and green infrastructure and public realm improvements such as park enhancements and tree planting programmes
- d. sport and recreational facilities such as new and improved play equipment and sports pitches

1.11. It is currently estimated that over the plan period the total borough CIL receipts would amount to approximately £13m.

1.12. Unlike section 106 agreements, the rate of CIL payable is both mandatory and non-negotiable. The CIL is charged per square metre (gross floorspace) and must be paid once the development commences. The amount of CIL payable depends on where the development is located within the borough and the type of development.

1.13. The Council's annual CIL rate summary is set out at paragraphs 1.37 to 1.39 below. The Bexley CIL charging schedule and map of the charging zones are available to view at:

<https://www.bexley.gov.uk/sites/default/files/2020-09/Bexley-CIL-charging-schedule.pdf>.

Bexley CIL Income 2020/21

Financial Year	Borough CIL (80%)	Neighbourhood CIL (15%)	CIL Admin (5%)	Total CIL Collected
2020/21 Qtr. 1	£107,288	£20,116	£6,705	£134,110
2020/21 Qtr. 2	£325,342	£61,002	£20,334	£406,678
2020/21 Qtr. 3	£235,341	£44,126	£14,709	£294,176
2020/21 Qtr. 4	£500,859	£93,911	£13,304	£626,073
2020/21 Total	£1,168,829	£219,156	£73,052	£1,461,037

Table 1: Community infrastructure levy income 2020/21

1.14. In 2020/21, the largest amount of Bexley CIL received came from the following developments:

- Old Farm Park, Old Farm Avenue, Sidcup - £319,669
- Land at Burt's Wharf, Crabtree Manorway North, Belvedere - £182,580
- Arthur Street, Erith - £145,753
- 45 Sidcup Hill, Sidcup - £90,000
- 106 Sidcup High Street, Sidcup - £70,895

1.15. The total value of CIL set out in all demand notices issued in 2020/21 = £2,219,779.

1.16. The following tables provide a breakdown of combined Bexley CIL receipts since the charging schedule came into effect on 30 April 2015. The 2018/19 figure represents the highest Bexley CIL income recorded since its adoption.

Financial Year	Borough CIL (80%)	Neighbourhood CIL (15%)	CIL Admin (5%)	Total CIL Collected
2019/20 Qtr. 1	£1,497,159	£280,717	£93,572	£1,871,449

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

Table 2: Community infrastructure levy income 2019/20

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

Table 3: Community infrastructure levy income 2018/19

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

Table 4: Community infrastructure levy income 2017/18

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

Table 5: Community infrastructure levy income 2016/17

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

Table 6: Community infrastructure levy income 2015/16

Mayoral CIL

- 1.17. In addition to local CIL, the Mayor of London also has powers to raise a CIL. The Mayor's Community Infrastructure Levy (MCIL1) was introduced in 2012 to help finance Crossrail, the major new rail link that will connect central London to Reading and Heathrow in the west and Shenfield and Abbey Wood in the east. The Mayor has adopted a new charging schedule – MCIL2 – to help pay for Crossrail 1 (the Elizabeth Line) and Crossrail 2; it came into effect on 1 April 2019 and supersedes MCIL1.
- 1.18. For development in Bexley, the total Mayoral CIL received in 2020/21 = £1,105,263. The largest amount of Mayoral CIL received came from the following developments:
- Land at Burt's Wharf, Crabtree Manorway North, Belvedere - £422,423
 - Old Farm Park, Old Farm Avenue, Sidcup - £102,275
 - Erith Edible Oils, Church Manorway, Erith - £71,867
 - Arthur Street, Erith - £69,535
 - 106 Sidcup High Street, Sidcup - £55,239

CIL Expenditure for 2020/21

- 1.19. The Regulations state that a Local Planning Authority's CIL receipts should be allocated as follows:
- 80% for large infrastructure projects ('Borough CIL' or BCIL)
 - 15% for smaller, more local projects ('Neighbourhood CIL' or NCIL) – in other Council areas, this needs to be allocated directly to Neighbourhood Planning Forums or Parish Councils; however this does not apply in Bexley
 - up to 5% to offset the costs of administering the scheme
- 1.20. Up to September 2019, when considering on what infrastructure projects CIL income could be spent, authorities needed to publish a 'Regulation 123 List' with details of the individual projects and project themes for CIL spend. To avoid double-charging, authorities could not seek additional developer contributions through s106 agreements for the projects or project themes on the Regulation 123 List. The list applied solely to the 80% BCIL; the 15% NCIL was not subject to the same spending restrictions and could be used for any project benefitting (and supporting development of) the relevant local area. NCIL may be used to contribute towards BCIL projects, but not the other way around.
- 1.21. For NCIL (but not BCIL), local authorities must consult with the public on priorities for projects in their area that could be paid for through NCIL. That consultation needs to be undertaken every two years.
- 1.22. Table 7 below sets out the total CIL expenditure on allocated projects for the reporting year and is followed by detail on the nature of these projects

Project	CIL expenditure 2020/21
Birkbeck school expansion	£277,114
Playground improvement programme	£74,014
Hall Place building and gardens	£60,000

Project	CIL expenditure 2020/21
Erith regeneration: Carnegie Building	£252,627
Sidcup cinema and library	£417,457
Changing Places	£18,169
Street tree planting	£41,194
Total	£1,140,574

Table 7: Community infrastructure levy expenditure 2020/21

- **Birkbeck school expansion** – the school was expanded from a 2 to 3 form entry as part of the Council's school expansion programme to meet the current and future demand for primary school places in the Sidcup area and to ensure the Council meets its statutory duties
- **Playground improvement programme** – a rolling programme of renewal and replacement of playground equipment at a number of parks
- **Hall Place building and gardens** – works carried out included rebuilding of the pipework, including new sections in the glasshouse range, asbestos removal and repairs to underground heating system
- **Erith regeneration: Carnegie Building** – completion of the internal renovations by addressing the layout and fit out of the ground and upper floors, with work including internal wall alterations, installation of a lift, further repairs and the completion and fit out of workshop spaces as well as external landscaping and new openings to better access the ground floor
- **Sidcup cinema and library** – a new four storey building providing a three screen cinema, studio space, library, cafe and bar as well as nine residential flats, scheduled to open autumn 2022
- **Changing Places** – joint working with New River to convert a disabled facility into a Changing Place at the Broadway Shopping Centre, with the project including the purchase and installation of a changing bed, adjustable washing facility and tracking hoist
- **Street tree planting** – a programme of borough-wide tree planting within open spaces and along streets

1.23. Table 8 below sets out the amount of CIL receipts which were allocated but not spent in the reporting year. These have subsequently been reprofiled into future years or reallocated to other projects as appropriate.

Project	CIL allocation 2020/21
Thamesmead Library (see above for details)	£641,000
Flood risk management	£200,000
Erith Links (Allocation 3)	£950,000
Erith Riverside Centre	£107,000
Playground improvements	£59,000
Street tree planting	£5,000
Changing Places	£7,000
Total	£1,969,000

Table 8: Community infrastructure levy allocation not spent 2020/21

Retained CIL receipts and future CIL expenditure 2021/23

- 1.24. The total amount of CIL collected before the reported year and allocated to projects within the reported year = £1,975,908.
- 1.25. The value of retained CIL receipts at the end of 2020/21 = £2,454,893, which included a transfer of £303,500 of CIL administration fees from previous years that were not required to meet associated costs and were therefore added to the project fund.
- 1.26. All of these funds (together with future projected revenue) are allocated to upcoming projects and set out in Table 9 below. The retained funds incorporate £1,393,029 collected within the reporting year and retained at the end of the reporting year (of which £1,173,873 is BCIL and £219,156 is NCIL) and £1,061,864 of receipts from previous years retained at the end of the reporting year (all of which is NCIL).

Project	CIL spend 2021/22	CIL spend 2022/23
Flood risk management	£335,000	£240,000
Changing Places	£87,000	£0
Hall Place building and gardens	£26,000	£0
Thamesmead Library	£1,103,000	£0
Erith Regeneration Programme	£1,324,000	£0
Carnegie Library	£105,000	£0
Sidcup Library	£150,000	£0
Erith Riverside Centre	£107,000	£0
Playground improvement	£89,000	£175,000
Albion Road Surgery extension	£500,000	£0
Total	£3,826,000	£415,000

Table 9: Future CIL expenditure

CIL administration

- 1.27. Up to 5% of CIL funds and 4% of Mayoral CIL can be retained annually to cover administrative expenses (as set out in the CIL Regulations, as amended). The total CIL administrative expenses collected and spent in 20/21 was £117,262 (4.6% of total funds collected in that year).

Section 106 collection and expenditure 2020/21

Section 106

- 1.28. Planning obligations under Section 106 of the Town and Country Planning Act 1990 (as amended), commonly known as s106 agreements, is a mechanism that makes a development proposal acceptable in planning terms, which would not otherwise be acceptable. They are focused on site-specific mitigation of the impacts of development.

- 1.29. S106 agreements are often referred to as 'developer contributions,' which also include highway contributions and CIL. They are negotiated on a site-by-site basis and need to be necessary to make the development acceptable in planning terms, directly related to the development and fairly and reasonably related in scale and kind to the development.
- 1.30. The amounts and uses of s106 are often prescribed by the associated legal agreement although there is sometimes an element of flexibility. The allocation of these monies is integrated with the capital programme process.

Section 106 agreements signed in 2020/21

- 1.31. Developments with notable S106 agreements signed in 2020/21 include:
- Former Lamorbey Swimming Centre, 157 Station Road, Sidcup - £283,376
 - Land off Iverhurst Close and rear of 32-38 Alers Road, Bexleyheath - £109,400
 - Land to the rear of Erith High Street, Erith - £108,640
- 1.32. The total amount of money to be provided under all planning obligations entered into during 2020/21 = £532,099.

Section 106 financial contributions received in 2020/21

- 1.33. S106 receipts in 2020/21 came from seven sites where s106 agreements were already agreed and totalled £1,322,366, shown in Table 10:

Planning reference	Site address	Receipt date	Receipt amount
17/00029/OUTM	Burt's Wharf, Crabtree Manorway North, Belvedere	25/03/2021	£10,373.83
18/01926/FULM	26 and 26A Brampton Road, Bexleyheath	23/03/2021	£75,449.63
18/02745/FULM	36 Hatherley Road, Sidcup	26/11/2020	£47,214.11
17/02148/FULM	267 Broadway, Bexleyheath	24/11/2020	£13,990.19
18/00203/FULM	45 Sidcup Hill, Sidcup	16/11/2020	£5,000
19/00941/FULM	Land east of Maiden Lane, Crayford	11/11/2020	£108,550.00
14/02155/OUTM	Erith Quarry, Fraser Road, Erith	09/11/2020	£1,061,788.23
Total	N/A	N/A	£1,322,366

Table 10: Total s106 receipts 2020/21

Non-monetary contributions received in 2020/21

- 1.34. The non-monetary contributions to be provided under planning obligations that were entered into as part of planning decisions in 2020/21 are summarised in Table 11 below.

Planning reference	Site address	non-financial contribution or mechanism	affordable housing (units)
19/02740/FULM	106 Bexley Road, Erith	early and late-stage viability reviews	0

Planning reference	Site address	non-financial contribution or mechanism	affordable housing (units)
19/02727/FUL	47-49 Northend Road, Erith	highways agreement, affordable housing	9
19/01997/FULM	Lord Kitchener Public House, 21 Wrotham Road, Welling	affordable housing	8
19/01828/FULM	Former Lamorbey Swimming Centre, 157 Station Road, Sidcup	highways agreement	0
19/00684/FULM	Land off Iverhurst Close and rear of 32-38 Alers Road, Bexleyheath	early and late-stage viability reviews	0
18/03247/FULM	Land to the rear of Erith High Street, Erith	early and late-stage viability reviews	0

Table 11: non-monetary s106 contributions received in 2020/21

Section 106 expenditure in 2020/21

Project	S106 spend 20/21
Erith Regeneration – Erith Links, Riverside Gardens and Erith High Street Improvements	£147,124
Lesnes Abbey – repair and conservation works and new footpaths	£8,010
Parks and open spaces anti incursion measures	£33,007
Sidcup cinema and library project	£85,657
Total	£269,994

Table 12: S106 expenditure 2020/21

1.35. There was no expenditure of s106 money during 2020/21 on monitoring activity.

Section 106 Balance at the end of 2020/21

1.36. The balance of s106 remaining at the end of 2020/21 = £4,423,725. The future allocations for this balance are set out in Table 13 below. A small proportion of the balance, some 13%, remains unallocated pending identification of suitable future projects. All monies received prior to the reporting year have been allocated.

Category	Balance at end of 2020/21	Allocated	Unallocated
Transport	£1,737,917	£1,723,162	£14,755
Public Realm	£85,498	£73,285	£12,213
Health	0	0	0
Open Spaces	£85,691	0	£85,691
Community	0	0	0
Sports	£50,050	£50,050	0
Employment	£24,498	£24,498	0

Category	Balance at end of 2020/21	Allocated	Unallocated
Education	0	0	0
Affordable Housing	£1,831,742	£1,831,742	0
Carbon Offset	£156,465	0	£156,465
Other	£451,864	£147,000	£304,864
Total	£4,423,725	£3,849,737	£573,988 (13%)

Table 13: Future s106 allocations

London Borough of Bexley Annual CIL Rate Summary 2020/21

1.37. London Borough of Bexley's current CIL charging schedule took effect on 30th April 2015. The relevant rates and the nature of development to which they apply, together with the latest indexation is set out in Table 14 below.

Development Type	CIL Rate (£/m ²)	Indexed Rate
Residential, Hotel and Student Housing Zone 1	£40	£51.63
Residential, Hotel and Student Housing Zone 2	£60	£77.44
Supermarket and superstore and retail warehouse development (over 280m ²)	£100	£129.07
All other uses	£10	£12.91
Medical, health and emergency services which are publicly funded	Nil	Nil
Development used wholly or mainly for the provision of education as a school or college under the Education Acts or as an institution of higher education	Nil	Nil

Table 14: London Borough of Bexley CIL rates

1.38. The index figure for the calendar year in which the charging schedule containing rate R took effect = 258. The index figure for the calendar year 2021 = 333. The resulting indexed rate is shown in the final column of the above table.

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