

INFRASTRUCTURE FUNDING STATEMENT

2019/20



TOWER HAMLETS

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1. Introduction

The London Borough of Tower Hamlets is experiencing significant growth in terms of homes, population and jobs. The Council plans for and delivers a range of infrastructure to ensure that the borough is: well equipped with schools, health centres and quality open space; served by the transport and physical infrastructure (such as utilities) needed; and supports environmental ambitions such as tackling poor air quality and delivering against the climate emergency.

The Council is working to ensure that this growth leads to a better future for both new and existing residents, as well as people who work and visit the borough. New schools and health centres secured through development are open to all residents and improved roads, public realm and parks will support existing as well as new residents.

Developers are therefore expected to contribute towards meeting the additional infrastructure requirements in the form of developer contributions which can be secured as either a financial payment or 'in kind' (meaning the developer delivers the infrastructure themselves on their site).

As the key headlines across the page and detail in Chapter 3 demonstrates, the Council receives and is spending significant amounts of funding on delivering a wide range of local improvements, both in areas of high growth and to the benefit of the whole borough.

Not all infrastructure is the responsibility of the Council. Transport for London (TfL), the National Health Service (NHS), the Canal & River Trust and other organisations have roles to play. In these circumstances the Council works in close partnership to promote and facilitate improvements to serve local people. For example, the Council supported TfL with their bid to Government for funding to support the capacity enhancement of the Docklands Light Rail (DLR) network through the borough, helping TfL secure in excess of £250m investment. A further example is health centre space, which the Council plans with the NHS, but will only be effective at serving local people when the NHS are able to make this operational with new GP's. The predominant focus of this report is on the delivery of those matters within the control of the Council.

Key Headlines 2019/20

- **Capital Programme for infrastructure delivery in 20/21, 21/22, 22/23 approved Sept. 2020**
- **£5.7 million approved for delivery of Health Centre in Wood Wharf**
- **First 100 trees planted in the Street Trees programme to plant 1,000 trees over three years**
- **Ropemakers Tennis Court completed Sept 2020**

- £17.4million approved for the Liveable Streets Programme and public realm works begin in Bethnal Green
- Works to transform the wildflower meadow have begun in Swedenborg Gardens
- Community Hubs spent £2.5million of CIL
- £30.9 million of S106 contributions received and £15.8 million spent on infrastructure delivery
- £24.5 million received in CIL contributions and £11.5 million spent in infrastructure delivery
- £14.1million of CIL allocated to projects waiting to be spent
- A further £20.8 million of S106 allocated to projects waiting to be spent

There are two types of developer contributions that are used to fund infrastructure:

Community Infrastructure Levy (CIL)

CIL is a charge on most types of developments depending on the size and type of development. In London there are two types of CIL: [Local CIL](#) which helps pay for local infrastructure projects that are needed to support new development, and [Mayoral CIL](#) which currently helps fund Crossrail. Developments liable for the charge may also provide for land or infrastructure to be provided instead of paying the CIL charge.

Section 106 (S106)

Planning obligations can be financial or in kind contributions and can be sought from a developer when it is considered that the development will have negative impacts that cannot be dealt with through the conditions in the planning permission. Financial contributions will be used to fund projects that mitigate the identified impacts, whereas for 'in kind' contributions, the developer builds or provides the infrastructure directly.

Local Authorities are now required to report on an annual basis what they have received and spent through the Community Infrastructure Levy (CIL) and Section106 (Planning Obligations). Reporting on developer contributions helps provide clarity and increased transparency for communities and developers on how the spend of funds aligns to planned development, as set out in the Borough's Local Plan.

This report fulfils the legal requirements of the Council to produce an annual Infrastructure Funding Statement setting out the income and expenditure relating to CIL and S106, as set out in the Community Infrastructure Levy (Amendment) (England)(No.2) Regulations 2019.

Summarily, this report covers the following:

- Chapter 3 shows our progress in delivering infrastructure and sets out how we are planning future delivery.

- Chapter 4 sets out the ambitious delivery programme agreed by the Mayor to use developer contributions effectively across the borough.
- Chapters 5 and 6 show that the Council has considerable funding to continue the delivery of the programme – namely Planning Obligations (known as Section 106 or S106) (Chapter 5) and the Community Infrastructure Levy (CIL) (Chapter 6).

2. Borough Context for Development

The Tower Hamlets [Local Plan 2031](#) sets out the context for infrastructure to be delivered. It sets out how the borough of Tower Hamlets will grow and develop from now until 2031, and identifies how many new homes, jobs and services are needed to support our growing population, and where and how they should be provided.

Tower Hamlets is one of the fastest growing areas in Europe. In order to keep pace with this change, the Local Plan has been developed to ensure the benefits of this growth can be spread across the entire borough and also coordinate and manage it in a way that can best meet the needs of our communities.

Tower Hamlets has the highest target for new homes in London. As a result, the borough must build more homes to meet wider London need as required by the London Plan. The borough's Local Plan shows that the current housing supply target for the borough (2016-2031) is for 58,965 homes.

The majority of the housing growth within the borough will be provided in the following areas:

- Isle of Dogs and South Poplar sub-area: Canary Wharf, Blackwall, Leamouth and northern parts of Millwall and Cubitt Town.
- City Fringe¹ sub-area: Whitechapel, Wapping and Aldgate

¹ City Fringe area is located in the western part of the borough, bounded by the City of London's financial district to the west, the London borough of Hackney to the north, the River Thames to the south, and the borough's inner city communities to the east.

- Lower Lea Valley sub-area: Poplar Riverside and Poplar

As a result of the amount of growth expected in these areas, developer contributions will also be significantly higher here than in other parts of the borough with less development and growth.

New development will be required to contribute to the delivery of significant new infrastructure in order to support the level of planned growth in the borough. This will include improvements to the transport network; green grid projects including Lea River Park and Whitechapel Green Spine; social infrastructure such as publicly accessible open space, health facilities and schools. While some infrastructure requirements from new development are local to the scheme, such as highway improvements around the site, some impacts are boroughwide, such as the impact on the secondary school network. Therefore, the spatial range of developer contributions spend will vary dependent upon needs, the opportunity for provision and the need to ensure there is fair infrastructure provision for all.

The Local Plan includes 21 'Site Allocations', where developers of these sites are required by policy to deliver specific infrastructure on-site. Sites have been identified across a number of locations, predominantly in Poplar and the Isle of Dogs, to deliver up to 50 pieces of key supporting infrastructure such as publicly accessible open space, schools and health centres. By securing delivery on-

site, the Council can ensure that key infrastructure provision is local to where development is occurring and that it is delivered at the same time as development comes forward.

The Council also produces a document called the [Infrastructure Delivery Plan](#) (IDP) which supports the Local Plan and identifies the types of infrastructure required to support the areas impacted by development and growth, whilst also improving the facilities for existing residents and businesses. Through working with internal partners and with the NHS and TfL we have a robust picture of what infrastructure is needed to support growth and this is updated regularly to monitor progress.

3. Infrastructure Delivery

Key Projects delivered/in delivery in 2019/20

This section provides highlights of projects in delivery or delivered in 2019/20 by the Council and is not a comprehensive list of the projects planned for delivery in the Capital Programme².

The South Dock Bridge

The South Dock Bridge (SDB) project is getting closer to delivery and once completed will provide a new pedestrian link between South Quay and Canary Wharf in the Isle of Dogs. £15million of funding was approved in 2018/19 of which £0.5million has been spent in 19/20. Of the remaining £14.5million budget, £7.5million is funded by CIL and £7million from the Strategic Investment Pot (SIP).

The consultation on the detailed design of bridge has recently completed and the planning application will be submitted before the end of the year

² The Capital Programme is a list of schemes the Council is investing in, shows where and when including the approved budget allocation for each scheme.



Figure 3.1 - South Dock Bridge – Isle of Dogs

Health Centre Provision



Figure 3.2 - Wood Wharf Health Centre – view from Prestons Road

The Council placed an obligation on the developer (Canary Wharf Group PLC) to allocate a site dedicated for health use within the Wood Wharf development to aid in the provision of primary health care. The Wood Wharf Health Centre premises will be constructed to shell and core specification by the developer, in fulfilment of the planning obligation.

£5.7 million of S106 funding has been approved for the fit out of the health centre which will increase clinical capacity on the Isle of Dogs, access and service provision in primary care and maintain continuity of GP services in the South East of the borough. The health centre is expected to be open to the public in the winter of 2022.

Liveable Streets Future Programme



Figure 3.3 - Old Bethnal Green Road

Liveable Streets is a public realm improvement programme aiming to work with local people to transform the look and feel of public spaces in neighbourhoods across half the borough to the extent that the improved environment will influence change in travel behaviour change making it safer, more convenient and naturally the first choice of travel for those who can to get around by foot and bike.

£17.4million of CIL funding has been approved for developing 17 Liveable Streets projects across half the borough. The Bethnal Green, Wapping and Barkantine Liveable Streets projects are already being built and residents are being engaged in 5 other areas to decide how they want their local area to look and feel.

In Bethnal Green the Old Bethnal Green Road project is currently nearing completion with new wider footways, protected cycle facilities, one-way working and trees and planting being installed helping to reduce the pressure of through traffic in that area and give more space for pedestrians to enjoy the street environment. Construction updates for improvements in other areas around Bethnal Green area can be viewed [here](#).

Street Trees Programme

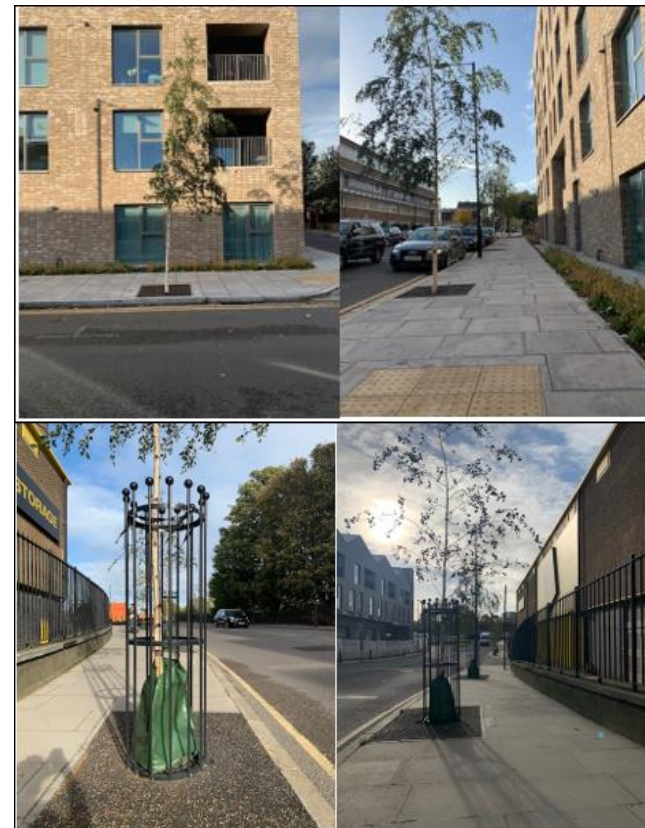


Figure 3.4 - Wick Lane Bow/Jubilee Street Stepney

A budget allocation of £1.3million for the delivery of 1,000 street trees within the public highway from 2019-2022 was approved in 2019, and is part funded by CIL.

The Street Tree programme supports the LBTH Mayor's 'Love Your Neighbourhood' initiative and the manifesto pledge to plant 1,000 street trees around the borough. In Year 1 planting season (2019/20), 350 trees were planted borough wide, with a primary focus on planting in the Poplar & Bow areas. In year 2 planting season Oct-March (2020/21), 88 trees planted so far with a further 340 scheduled to be planted by the end of the year.

Improvements to Sports Facilities in Parks programme



Figure 3.5 - Ropemakers Tennis Courts

Ropemakers Tennis Courts is one of the completed schemes in the parks quality programme delivered in October 2020. This is a programme with an approved budget of £8.5million for delivering

a programme of works to existing parks including improvements to sports facilities within parks.



Figure 3.6 - Outdoor Gym, Sir McDougall Gardens

Installation of outdoor gym equipment in Sir McDougall Gardens was part of a wider borough wide programme to install 7 outdoor gyms using S106 funding. Further funding has been approved to expand the sports offer in parks and will include additional outdoor gyms in various sites across the borough.

Community Hubs



Figure 3.7 - Granby Community Hub, Bethnal Green and Raines Community Hub, Wapping

Granby Hall Community Hub opened its doors in January 2020 and the refurbishment of Raines House Community Hub completed September 2020.

Granby Hall and Raines were both part of the Community Hubs delivery programme. £3.1million of CIL/S106 funding was approved to deliver 5 Community Hubs across the Borough, through the conversion of existing community buildings, and refurbishment and enhancement to existing buildings.

Biodiversity



Figure 3.8 - Biodiversity – Swedenborg Gardens, Whitechapel

Works to transform the wildflower meadow started in June 2019 and is an ongoing partnership programme (Community Cohesion Programme) funded through S106 and a partnership with Tower Hamlets Cemetery Park.

Housing Capital Programme

The Mayor is committed to the delivery of 2,000 new council homes, of which the aim is to deliver 1,000 and identify sites for a further 1,000 by the end of March 2022. The delivery programme comprises a mix of new build homes, buy-back of former council homes sold through Right-to-Buy and purchase of affordable homes delivered by developers as part of their S106 obligations. A combination of funding sources are used to finance the programme, including Right-to-buy receipts, GLA grant, S106 commuted sums and prudential borrowing. To date, 511 additional council homes have been delivered. The Council has approved a

budget allocation of £233million to fund the delivery of this programme.

Open Space Improvements



Figure 3.9 - Island Gardens – New Café

A new café will be delivered as part of the South Isle of Dogs Masterplan for open spaces. £650k of S106/LIF funding will be spent on the construction of a new single storey building, including public toilet access to replace the existing one. The public toilets will be managed by the café provider and were nominated as a LIF project in the LIF public consultation in 2017.

4. Planning to 2031

The Council's ambition is to develop a resilient long-term strategy for financing the delivery of the infrastructure needed to support both existing and new residents. The Council recognises the challenges in financing and delivering the right infrastructure in the right places at the right time.

As detailed in the introduction, a number of the identified infrastructure requirements are reliant upon working with external stakeholders and third parties, and to this end it should be recognised that the delivery of some of the necessary infrastructure will lie beyond the direct control of the Council. The predominant focus of this report is on the infrastructure delivery responsibilities of the Council.

Capital Delivery by the Council

The decision on what to spend developer contributions on and when, alongside other funding is approved by the Mayor in Cabinet. The Capital Programme is set over a 3-year period (the medium term) and shows a list of schemes the Council is investing in, where and when including the approved budget allocation for each scheme.

The current Capital Programme was approved in Cabinet in September 2020. It includes a range of projects that the Council will deliver across the borough using CIL/S106 and other funding sources to support those areas impacted by development growth while also improving facilities for existing residents and businesses.

There are various sources of funding available to the Council for the Capital Programme apart from CIL/S106, which includes external grants, payments, capital receipts including Right-to-Buy (RTB) receipts and borrowing.

Each funding source has been examined to assess what has been received and what is committed against that for the schemes which are in the 3-year programme (20/21, 21/22, 22/23). Potential resources that will become available over the 3-year period are also considered.

The Council has a responsibility to use this funding effectively over the long term, to ensure the sustainable future of the borough. At times this means the Council has to hold on to funds until a sufficient balance is held to deliver large strategic projects, such as new schools (which can cost £50million+) and new bridges. There are also a range of considerations that impact when infrastructure can be delivered, such as securing land, aligning with development growth and maximising the opportunity to bring in additional funding from outside the borough. The Council continues to plan for the long-term alongside driving delivery of immediate improvements, to benefit all, where possible.

A full list of infrastructure programmes can be viewed in the [Capital Programme](#). This also fulfils the regulatory requirements for publishing the types of infrastructure which the Council is planning on delivering using CIL/S106. Please note that the September 2020 Capital Programme is a snapshot in time and will be subject to change, at least annually, but possibly more frequently to ensure the necessary flexibility to meet needs and the best use of funding.

In summary, some of the planned delivery included in the Capital Programme is shown in Table 4.1 below.

Table 4.1 – Programmes in the Capital Programme

| |
|---|
| Education Programme for Secondary and Primary School provision. CIL/S106 and other funding is expected to be received over the 3-year capital programme. |
| Leisure, Parks and Culture. A total budget of £8.5million has been approved for a programme of works to existing parks. This doesn't include funds for improvements to leisure centres, and it also doesn't include any major parks schemes, such as Bartlett Park, King Edward Memorial Park, Ford Square and Cavell Street Gardens or Christ Church Spitalfields. These parks schemes total in the vicinity of a further £8million, plus the funding for leisure centres. |
| Liveable Streets Future Programme to enhance the public realm in 17 areas across the borough at a cost of £14million over the 3-year Capital Programme period. |
| Crossharbour DLR station with funding expected from CIL and other sources. |
| A new CCTV programme of £3.1million which includes upgrading of the network, switching from analogue to digital. |
| Health Centre provision programme has about £20million of approved spend remaining for the delivery of health centres over next three years: i.e in Aberfeldy. Goodman's Fields, Island Medical Centre, Suttons Wharf, Wellington Way, and Wood Wharf to name a few. |
| Street Trees Programme part funded from CIL to deliver 1,000 trees over a 3-year period. |
| Housing Capital Programme will deliver the first 1,000 new Council homes, a mix of new build schemes, buy backs and s106 purchases for rent and let on secure tenancies. |

Town Centre regeneration programmes (Brick Lane, Roman Road West, Middlesex Street): The capital programme includes a budget allocation for these committed schemes of £5.6million.

Major Programmes such as bridges e.g., South Dock bridge in the Isle of Dogs and Lower Lea Valley bridge projects. Bridge landings for LLV projects will be funded through S106.

Finally, there is a requirement to establish a LIF programme for 2020-23 (Neighbourhood CIL), funded from a 25% contribution from CIL which approved £23million over 3 years as part of the annual rolling programme.

The programme-wide approach will enable individual projects to be brought forward and moved back as issues that impact on delivery arise, to maintain delivery outcomes. The Capital Programme is reviewed every year; therefore projects are only included if they have identified funding and are ready for delivery.

The Council has a Capital Delivery Team made up of specialist project and programme professionals responsible for the delivery of the Capital Programme, including spend of CIL/S106 funding.

Projects follow the Office of Government Commerce gateway approval process through a number of Council Boards responsible for strategy, delivery and support. Approval to proceed with the investment is ultimately made by Mayor in Cabinet, after which the infrastructure can be delivered.

Revenue spend, such as for employment and enterprise initiatives, is approved through an internal delegated process. This process ensures delivery is in line with Council objectives and meets the policy direction of the Local Plan.

Longer Term Planning (up to 2031)

The Council reviews a wide range of internal data on infrastructure needs, plans and provision that sets out an overview of the infrastructure required to support the level of growth anticipated in the borough during the Local Plan period (up to 2031).

This data is updated regularly to reflect the changing context of the infrastructure requirements of the borough and provides the information to produce the public version of the evidence, known as the Infrastructure Delivery Plan (IDP). A new IDP will be published next year following the adoption of the Local Plan 2031 and the current Capital Programme.

Our evidence includes an assessment of current and forecast infrastructure needs and forecast funding available through CIL/S106 and/or other expected funding sources likely to be available in order to establish if there is a funding gap between the infrastructure required and the funding available to deliver it. This analysis has informed the current Capital Programme which ensures that where the Council is required to deliver infrastructure, plans are in place to do so.

Having established a Capital Programme to meet medium-term needs, the Council will develop a long-term Prioritisation and Financing Delivery Plan for Infrastructure (PFDP), in order to ensure the identification and prioritisation of strategic infrastructure projects and continued delivery. The PFDP will utilise the Council's infrastructure evidence base to enable informed decision making to prioritise delivery of infrastructure over the Local Plan period to 2031 and beyond, where necessary.

In addition to this, the Council continues to secure on-site delivery through S106 and CIL-in-Kind legal agreements with developers. To date these processes have been used to secure a range of

open spaces, health and education facilities on key sites such as London Dock, Wood Wharf, Leven Road and Millharbour. This ensures infrastructure delivery that is local to where growth is happening and also guarantees delivery at the same time as development happens. Further agreements will follow as sites come forward for permission/delivery.

The Council will also continue to work with third party partners to support the delivery of key strategic infrastructure, where the Council is not directly responsible for delivery. For example, the Council have actively supported TfL's successful bid to the Government to secure over £250million of funding to deliver an upgrade to the DLR to ensure future capacity. We are also working with TfL on a range of other potential other improvements to the road and cycling network and DLR stations. Other partners include the NHS and emergency services, Canal & Rivers Trust and Housing Associations.

5. Section 106 Planning Obligations

Planning obligations are legal agreements entered into in order to mitigate the impacts of a development proposal. They can be by an agreement between the developer and the local planning authority or via a unilateral undertaking entered into without the local planning authority under Section 106 of the Town and Country Planning Act 1990 (as amended).

Planning obligations take the form of financial contributions and non-financial obligations. The type and range of planning obligations will depend on the development and its impacts.

The [Planning Obligations Supplementary Planning Document \(SPD\)](#) provides guidance on how planning obligations are secured from new development.

This section provides a summary of financial and non-financial obligations that were agreed, received, allocated and spent during the reported year, 2019/20.

Table 5.1: Summary of financial obligations for the reported year

| Financial obligations | Amount |
|---|----------------|
| Total amount of money to be provided under planning obligations entered into during the reported year | £10,998,230.22 |
| Total amount of money which was received during the reported year | £30,917,041.67 |
| Total amount of money which was received before the reported year which has not yet been allocated | £23,364,186.05 |

| | |
|--|---|
| Total amount of money which was allocated but not spent during the reported year | £23,957,994.04 |
| Total amount of money which was spent by the authority | £15,807,159.76 |
| Amount of money spent on paying money borrowed, including any interest | £0 |
| Amount of money spent in respect of monitoring | £617,092.31 |
| The total amount of money during any year which was retained at the end of the reported year, and where any of the retained money has been allocated for the purposes of longer term maintenance (“commuted sums”), also identify separately the total amount of commuted sums held. | Balance remaining at the end of 2019/20: £92,837,358.01. None of the above balance has been allocated to longer term maintenance |

Non-financial planning obligations entered into during the reported year

In addition to the £10,998,230.22 in financial obligations that were entered into for the reported year, a variety of non-financial obligations were also agreed. These include:

- 761 affordable housing units
- 197 apprenticeships
- 19 developments are required to advertise 20% of construction and/or end user phase jobs to local residents

as well as procure goods and services from local companies and suppliers

- 3 developments will include affordable workspace

While funding for education infrastructure was allocated and spent during the reported year, no new education facilities were agreed as non-financial obligations in the reported year.

Financial obligations allocated but not spent

During the reported year, **£23,957,994.04** of financial obligations was allocated but not spent. This money has been allocated to the categories of infrastructure identified below.

Summary details of the infrastructure items are included in Appendix 1.

Table 5.2: Summary of financial obligations allocated but not spent

| Financial obligation category | Amount allocated |
|--------------------------------------|-------------------------|
| Affordable Housing | £54,000.00 |
| Arts | £50,000.00 |
| Carbon Offsetting | £1,700,000.00 |
| Community Infrastructure | £372,735.94 |
| Education Infrastructure | £8,534,460.80 |
| Employment and Enterprise | £909,039.97 |
| Health Infrastructure | £2,114,546.88 |
| Landscaping and Open Space | £6,903,842.22 |

| | |
|-----------------------------|---------------|
| Leisure Infrastructure | £980,285.57 |
| Public Realm Infrastructure | £2,339,082.71 |

Table 5.3: Financial Obligations allocated but not spend in FY2019/20

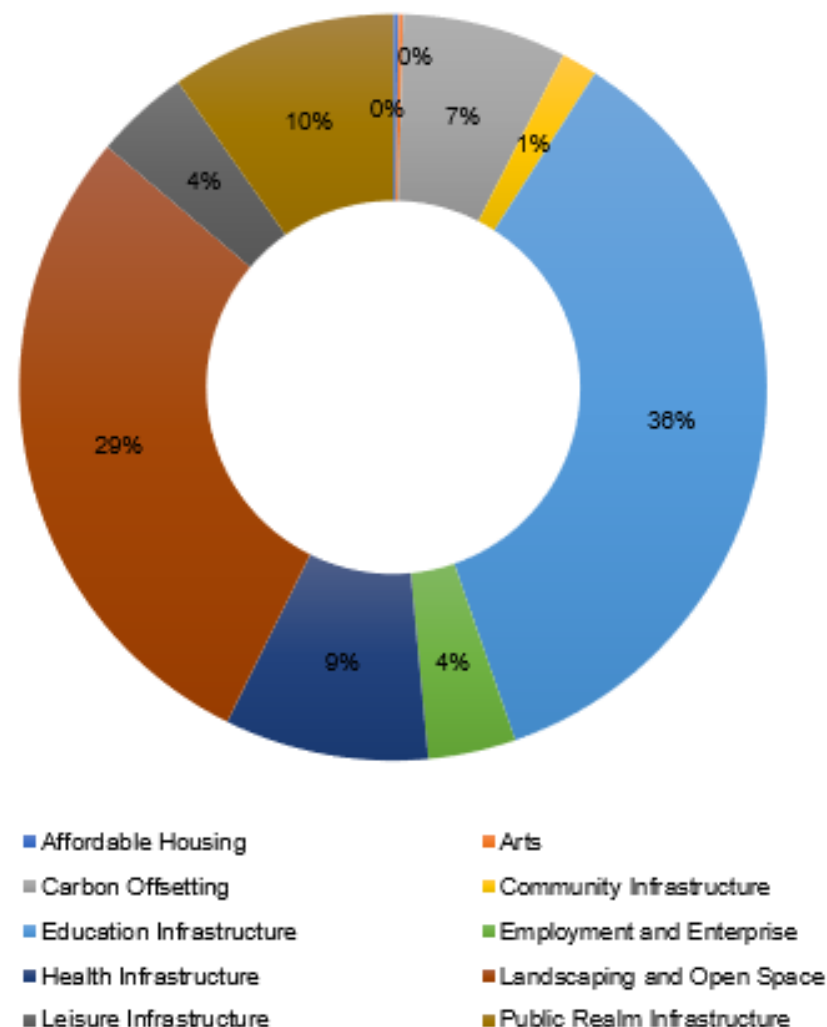
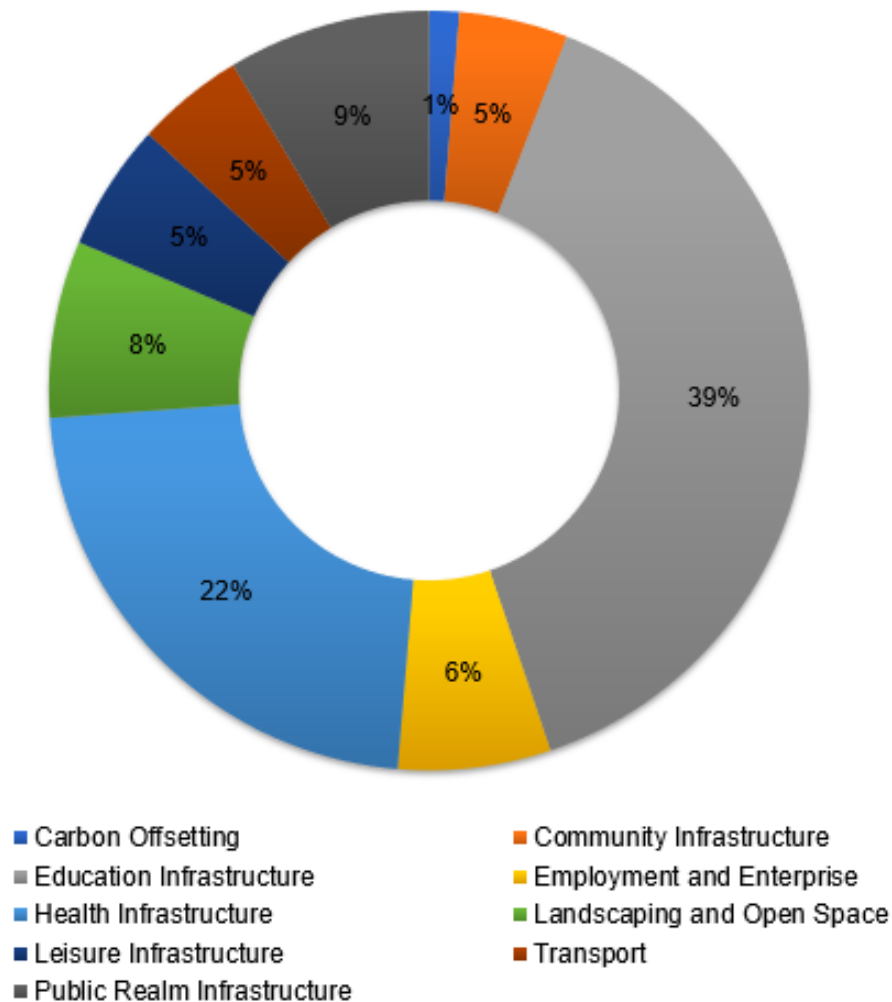


Table 5.4: Financial obligation FY19/20 Spend



6. The Community Infrastructure Levy

The Community Infrastructure Levy (CIL) is a planning charge, introduced by the Planning Act 2008. It is a pound per square metre charge on most new or existing developments that creates net additional 'gross internal areas' of 100 square metres or more, or that create new dwellings.

It is a tool for Local Planning Authorities (LPA's) in England and Wales to help deliver infrastructure to support the development of their area. It came into effect on 6 April 2010 through the Community Infrastructure Levy Regulations 2010.

According to the CIL Regulations 2010 (as amended), Reg 59, any CIL collected must be spent on the provision, improvement, replacement, operation or maintenance of 'relevant infrastructure'.

CIL Types

There are two types of CIL charged in Tower Hamlets, namely the Mayoral CIL (MCIL) and Tower Hamlets CIL (THCIL). MCIL is collected by LPA's including Tower Hamlets on behalf of the Mayor of London. It is charged in accordance with the adopted Charging Schedule and the money raised contributes towards the Elizabeth Line, (currently being built by Crossrail Ltd).

The THCIL reported also includes the Neighbourhood CIL Portion. Government Regulations require between 15%-25% of CIL to be set aside for Neighbourhood CIL to address local infrastructure priorities. In our borough, this is branded the Local Infrastructure Fund (LIF) and it was agreed 25% of CIL would go towards this pot. The table below provides a summary total value of demand

notices issued, CIL receipts, CIL allocation and CIL expenditure within the reported year.

6.1. Summary of CIL income and spend

| | Amount |
|--|----------------|
| Total value of demand notices issued | £25,090,829.06 |
| Total value of receipts Borough CIL | £24,508,129.44 |
| Total value of receipts Mayoral CIL | £10,361,046.14 |
| Total value of receipts collected before the year reported (up to 2018/19) but not allocated | £26,873,278.70 |
| Total value of receipts collected during reported year (2019/20) but not allocated | £8,300,000.00 |
| Total amount of money which was spent by the authority | £11,465,581.87 |
| Amount of CIL spent on administrative expenses | £2,205,731.61 |

Total value of Demand Notices issued

Once a Commencement Notice is received from the developer or agent, a Demand Notice for payment is sent by the Council to those who have assumed liability to pay. The Demand Notice explains the date that the CIL is to be paid (usually 60 days from the date of commencement).

During the period 1 April 2019 to 31st March 2020, **Demand Notices were issued to the value of £25,090,829.06**. Most of the Demand Notices that were issued relate to the Canary Wharf area and this accounts for £13,755,895.94 which is over half (55%) of the total number of Demand Notices issued.

Total amount of CIL receipts collected prior to the reported year

For the period prior to the reporting year (up to 31/03/2019) a total of £94,284,230.99 of CIL was collected. Of this amount, £46,614,678.71 was Borough CIL and £47,668,552.28 for Mayoral CIL.

Of the £46.6million received prior to reporting year, £19.7 million was allocated and committed to the Local Infrastructure Fund and delivery of infrastructure projects in the Capital Programme, leaving **£26.9million not allocated**.

Total CIL receipts within the Reported Year (2019/20)

As of 31st March 2020, the Council had collected **£24.5 million in Borough CIL receipts** compared to £7 million in the previous year (2018/19).

This represents just over a third increase from the previous year. In addition, the Council collected **£10.3 million in Mayoral receipts** compared to £5.8 million in the previous year (2018/19).

The significant increases in both Tower Hamlets and Mayoral CIL receipts is mainly attributed to a considerable number of new and large-scale developments coming forward in the East of the borough and the Isle of Dogs.

Table 6.2 shows the parts of the borough with higher CIL receipts which are as a result of significant levels of development. Some of these developments include Beagle House in Whitechapel, Enterprise Business Park in Docklands, Hercules Wharf Castle in Blackwall, Jemstock in South Quay Square and the Wood Wharf development.

Total value of receipts collected during reported year but not allocated /Total amount of CIL spent during the reported year

A total of **£8.3 million of income collected 2019/20 is not allocated**. This reflects an increase in allocations during the reported year, this is owed to the improved Capital Programme governance process implemented in 2018.

Table 6.2 CIL receipts 2019/20

| Ward | Sum of LBTH Amount | Sum of MCIL Amount | Sum of Total |
|-----------------------------|-----------------------|-----------------------|-----------------------|
| Bethnal Green | £672,735.10 | £341,627.04 | £1,014,362.14 |
| Blackwall and Cubitt Town | £10,176,297.59 | £2,910,005.02 | £13,086,302.61 |
| Bow East | £150,022.12 | £178,532.96 | £328,555.08 |
| Canary Wharf | £5,970,073.51 | £1,892,386.15 | £7,862,459.66 |
| Lansbury | £668,797.62 | £874,806.22 | £1,543,603.84 |
| Limehouse | £144,059.22 | £31,274.35 | £175,333.57 |
| Mile End | £12,351.48 | £7,724.47 | £20,075.95 |
| Poplar | £7,386.81 | £1,708.20 | £9,095.01 |
| Shadwell | £71,275.28 | £60,298.97 | £131,574.25 |
| Spitalfields and Banglatown | £0.00 | £792.14 | £792.14 |
| St Peters | £212,448.85 | £143,887.79 | £356,336.64 |
| Stepney Green | £24,227.13 | £19,614.64 | £43,841.77 |
| Weavers | £863.65 | £27,995.30 | £28,858.95 |
| Whitechapel | £6,397,591.08 | £3,870,392.89 | £10,267,983.97 |
| Grand Total | £24,508,129.44 | £10,361,046.14 | £34,869,175.58 |

Approximately **£11.5 million of CIL was spent in the year 2019/20** on a borough wide infrastructure programmes such as Liveable Streets, improvements to parks, biodiversity and community gardens, town centre regeneration schemes. Table 3 shows CIL spend per infrastructure type.

Table 6.3 CIL spend FY 2019/20

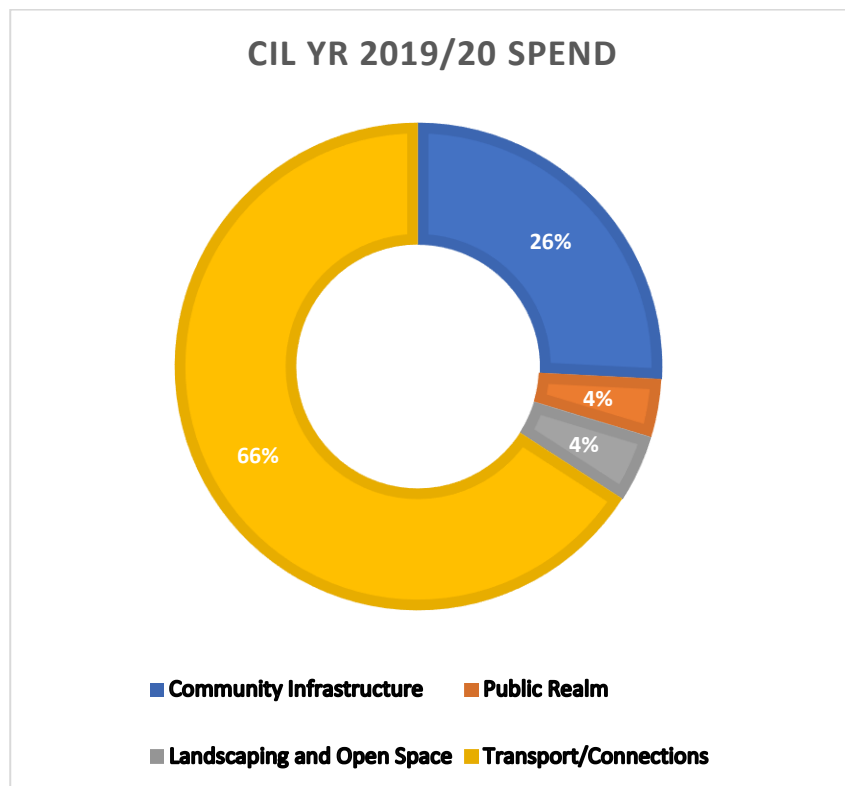


Table 6.4. CIL spent in 2019/20

| Project | Amount Spent (£) |
|--|----------------------|
| Idea Store Learning Interactive Learning Project | 22,476.53 |
| South Dock Footbridge Initiation | 54,091.46 |
| Community Hubs | 2,515,584.29 |
| London Square - Civic Centre | 29,828.00 |
| Street trees | 510,449.48 |
| Accelerated footway carriageway | 7,500,000.00 |
| Liveable streets | 441,146.86 |
| Montefiore centre | 392,005.25 |
| Total | 11,465,581.87 |

CIL Payments In-kind

The CIL Regulations 2010 (as amended), Reg 73, also includes a provision that enables infrastructure to be provided by developers on development sites in lieu of a CIL monetary payment, should it be acceptable to the Council.

If the Council requires a developer to provide physical infrastructure (e.g. a primary school to 'shell and core' condition) on a development site, then an independent cost consultant is appointed to establish the reasonable costs to the developer of doing so. This amount is also reduced from the CIL liability.

The value of on-site delivery should be recognised, especially in areas of the Borough where growth is an important factor to manage (LIF areas 3 and 4). Cost per project is high as major interventions are needed to enable development. In these areas, the Council has negotiated for a high number of projects to be delivered on-site by developers.

The Borough has not received an in-kind CIL payments to date. However, forecasts for CIL income over the next 3 years show that a significant portion of this is 'in kind' – Forecast figures for 20/21 – 22/23 for CIL is £113,301,591, of which £49,001,511 is 'in kind'.

7. Appendix 1 – Summary details of infrastructure items funded by S106 financial obligations

Table 7.1 - Financial obligations allocated but not spent

The table below provides a summary of the infrastructure items for which S106 funding has been allocated but not spent in the reported year.

| Infrastructure category | Infrastructure item |
|--------------------------------|--|
| Affordable Housing | <ul style="list-style-type: none"> • Adaptations to 83 Barchester Street |
| Arts | <ul style="list-style-type: none"> • Parks signage, interpretation and heritage |
| Carbon offsetting | <ul style="list-style-type: none"> • Carbon offset programme |
| Community infrastructure | <ul style="list-style-type: none"> • St Georges Town Hall • Improvements to sports facilities in Parks |
| Education infrastructure | <ul style="list-style-type: none"> • Beatrice Tate expansion • London Dock • George Green 6th form temporary accommodation |
| Employment and Enterprise | <ul style="list-style-type: none"> • Middlesex Street regeneration • Roman Road regeneration |

| | |
|-----------------------------|---|
| | <ul style="list-style-type: none"> • Fruit and Wool fit out uplift • Building legacies • Start-up ready • ESOL innovation fund |
| Health infrastructure | <ul style="list-style-type: none"> • WoodWharf Health Centre • Roman Road regeneration |
| Landscaping and Open Space | <ul style="list-style-type: none"> • Parks mitigating ASB • Biodiversity, community gardening and horticulture • Quality Parks • Parks signage, interpretation and heritage • Inclusive play • Roman Road regeneration • Heritage drinking fountains |
| Leisure infrastructure | <ul style="list-style-type: none"> • Improvements to sports facilities in parks • St Georges Town Hall • Inclusive play |
| Public Realm infrastructure | <ul style="list-style-type: none"> • Middlesex Street regeneration • Roman Road regeneration • Inclusive play • Heritage drinking fountains |

Table 7.2 - Financial obligation FY19/20 spend

The table below provides a summary of the infrastructure items on which S106 money was spent in the reported year.

| Infrastructure category | Infrastructure item |
|---------------------------|--|
| Carbon offsetting | <ul style="list-style-type: none"> Schools energy retrofit programme SMA energy reduction grants programme |
| Community infrastructure | <ul style="list-style-type: none"> Christchurch Gardens Idea Stores technology refresh Tower Hamlets cohesion project |
| Education infrastructure | <ul style="list-style-type: none"> Bow SEN provision Raines Foundation WoodWharf Primary School George Green and Langdon Park 6th Forms |
| Employment and Enterprise | <ul style="list-style-type: none"> Brick Lane regeneration Roman Road regeneration Fruit and wool fit out Construction desk services Town centre promotion Increasing employment outcomes Integrated employment service – employer engagement and brokerage capacity Business friendly Tower Hamlets WorkPath |

| | |
|-----------------------------|---|
| | <ul style="list-style-type: none"> ESF unlocking opportunities Building legacies Start-up ready |
| Health infrastructure | <ul style="list-style-type: none"> Maximising existing health infrastructure Wellington Way Aberfeldy Suttons Wharf Goodman's Fields Island Medical Bartlett Park inclusive play |
| Landscaping and Open Space | <ul style="list-style-type: none"> Bartlett Park improvement plan Pocket park programme Cavell Street gardens Ford Square Parks – mitigating ASB Biodiversity, community gardening and horticulture Inclusive play |
| Leisure infrastructure | <ul style="list-style-type: none"> Leisure centre improvements Improvements to sports facilities in parks |
| Public Realm infrastructure | <ul style="list-style-type: none"> Cycling and pedestrian improvements Footway and carriageway improvement programme Stonebridge Wharf open spaces improvements |

| | |
|------------------------|--|
| | <ul style="list-style-type: none"> • Roman Road Town Centre development project • Roman Road regeneration • Brick Lane • Central Foundation Girls School Transformation of Harley Grove and surrounding streets • Middlesex Street regeneration |
| Transport and Highways | <ul style="list-style-type: none"> • Footway and carriageway improvement programme • Bus stop improvement programme • Crossharbour Station improvements • South Dock Bridge |