

Cabinet Committee Report (Community Infrastructure Levy)

Decision Maker:	Cabinet Community Infrastructure Levy (CIL) Committee
Date:	2nd November 2017
Classification:	For General Release
Title:	Governance of the Westminster Community Infrastructure Levy (CIL) and Pooled Section 106 Resources
Wards Affected:	All
Financial Summary:	<p>Westminster's CIL is projected to raise average revenue of around £17.5 million per annum across the development cycle. The actual amount accrued on an annual basis is likely to fluctuate between £5 million and £30 million per annum.</p> <p>The CIL governance procedures outlined in this report are being developed and implemented through the use of existing resources.</p>
Report of:	Director of Policy, Performance and Communications

1. Executive Summary

- 1.1 Westminster's Community Infrastructure Levy (CIL) is a charge applied to development to help fund strategic and neighbourhood infrastructure that is required to support the development of Westminster. Westminster's CIL was formally introduced on 1st May 2016 and since then a total of £7,444,076 has been received.

- 1.2 The majority of this funding has been received since April 2017 and as the funds have accrued the availability of CIL has encouraged proposals to be put forward to deliver projects that, as well as dealing with demands placed on infrastructure to support new development, can also deliver wider benefits to the local community.
- 1.3 The purpose of this report is for the Cabinet CIL Committee, as appointed by Cabinet, to agree a policy spending statement that sets out the eligibility criteria for considering future proposals for funding from Westminster's CIL at both a strategic and neighbourhood level. Taking account of this the Committee are also asked to consider and approve the first allocations from the Strategic CIL expenditure as well as funding for priority projects from a number of Section 106 pooled resources.

2. Recommendations

2.1 The Cabinet CIL Committee is asked to:

1. Approve the draft spending policy statement set out at Appendix A and agree that the senior officer working group continue to use the statement as the basis on which to invite expressions of interest for funding from Westminster's Community Infrastructure Levy (CIL) for both the Strategic City CIL and the neighbourhood portions.
2. Approve the expenditure of Westminster's City CIL Strategic Portion as set out in Section 6 and Section 8 of this report. This includes the allocation of funding for the following projects set out in Appendix B.1 and Appendix F:
 - (i) Hanover Square Public Realm (Hard Landscaping) (Appendix B.1, Project 1)
 - (ii) Church Street Green Spine Phase 2 (Appendix B.1, Project 3)
 - (iii) Queensway (Appendix B.1, Project 4)
 - (iv) Strutton Ground (Appendix B.1, Project 6)
 - (v) Beachcroft House (Appendix B.1, Project 7)
 - (vi) Play Facilities (Appendix B.1, Project 8)
 - (vii) Parks landscaping and infrastructure improvements (Appendix B.1, Project 9)
 - (viii) Berkeley Square infrastructure improvements (Appendix B.1, Project 10)
 - (ix) Hall Park Estate CCTV (Project CMC1, Appendix F)
3. Approve the expenditure of Section 106 funds held for education purposes as set out in Section 7.2 of this report. This includes the allocation of funding for the following projects set out in Appendix D:

- (i) Sir Simon Milton Westminster University Technical College (UTC) & Ebury Place (Appendix D, Project 1)
 - (ii) Secondary Schools expansions (Appendix D, Project 2)
 - (iii) Additional works at Paddington Green School (Appendix D, Project 3)
 - (iv) Hallfield School MUGA (Appendix D, Project 4)
 - (v) St Marylebone CE School (Appendix D, Project 5)
4. Approve the expenditure of Section 106 funds held for health purposes as set out in Section 7.3.4 of this report. This includes the allocation of funding for the following project set out in Appendix D:
- (i) CNWL NHS Trust - Individual Placement & Support (IPS) (Appendix D, Project 7)
5. Subject to recommendation 4, agree in respect of the Healthy Workplace Charter proposal (Appendix D, Project 6) that officers go back to the project sponsors and clarify whether the scheme could be deliverable with a smaller allocation of funding. If it can be delivered, and within a reasonable timeframe, agree that the Director of Policy Performance and Communications has the delegated authority to approve the allocation of a smaller award of funding to this project.
6. Approve the expenditure of Section 106 funds for the Paddington Social and Community Fund Account as set out in Section 7.4 of the report. This includes the allocation of funding for the following projects set out in Appendix D
- (i) Westminster Employment Service (Appendix D, Project 8)
 - (ii) Tollgate Gardens Community Centre (Appendix D, Project 9)
 - (iii) Westminster Green Team (Appendix D, Project 11)
7. Subject to recommendation 6, agree with the recommendation at paragraph 7.4.14 that £200,000 of the Paddington Social and Community Fund remains unallocated for further design and development of the following projects:
- (i) Paddington War Memorial (Appendix F, Project CSB6)
 - (ii) Queensway Noticeboard (Appendix F, Project CSB7)

And that the balance of £282,928 is be provisionally awarded to the Paddington Green Academy – Early years’ project (Appendix D, Project 11) subject to the necessary consents being acquired to bring the proposal forward.

8. Approve the future expenditure of Westminster’s City CIL Strategic Portion to contribute to the funding of the Paddington Green Academy – early years’ project (Appendix D, Project 11) and authorise the Cabinet Member of Planning and Public Realm to approve the expenditure from this source of up

to a value of £800,000 when sufficient funds have been accrued and the necessary consents acquired.

9. Note the projects set out in Appendix F that have been brought forward by Westminster Councillors and agree the proposed recommended next steps which includes developing them to a stage where funding could be allocated. In doing so the Committee are asked to provide a steer on the following projects which are at a sufficiently advanced stage that they could be recommended as a priority for future CIL funding providing that all other eligibility criteria are met.
 - (i) Paddington Health Centre (Appendix F, Project CBG1)
 - (ii) Fleming Court Designing out crime (Appendix F, Project CMC2)
 - (iii) Hall Park Estate Multi-Use Games Area (Appendix F, Project CMC5)
 - (iv) Cycle Hire to the rear of Westbourne Park tube (Appendix F, Project CAH1)
10. Note the projects set out in Appendix G that are likely to be brought forward to a future meeting of the Cabinet CIL Committee for the consideration of funding and to agree that based on these no amendments are required to the council's Regulation 123 list set out at Appendix H.
11. Note that subject to the approval of 1 above, that officers will now carry out an engagement strategy with neighbourhood areas in respect of the neighbourhood CIL monies that are being ring-fenced for spend and that a further update on this will be provided to a future meeting of the Cabinet CIL Committee.

3. Reasons for Decision

- 3.1 Clear and transparent CIL and Section 106 governance mechanisms are required to ensure robust and effective expenditure and reporting in line with the Community Infrastructure Levy Regulations 2010 (as amended) and in accordance with the Council's strategic priorities and framework for resource allocation and management.

4. Background

- 4.1 The Community Infrastructure Levy (CIL) is a charge that local authorities can impose on new development to help raise funds to deliver infrastructure that is required to support the development and growth of their area. Westminster's CIL came in to force on the 1st May 2016 and applies to liable developments that were granted planning permission on or after this date. CIL is payable when works to implement the development commence. As of the 30th September 2017 the council had received a total of £7,444,076 of Westminster CIL. The majority of which has been received since April 2017.

- 4.2 CIL can be used to fund a wide range of infrastructure and it is for the council, as the local authority for the area, to decide what infrastructure is needed. The Planning Act 2008 states that infrastructure to be funded from CIL could include transport, flood defences, schools, hospitals, and other health and social care facilities. National Planning Practice Guidance (2014) expands on this definition by stating that CIL can be used “.....to fund a very broad range of facilities such as play areas, parks and green spaces, cultural and sports facilities, academies and free schools, district heating schemes and police stations and other community safety facilities”.
- 4.3 The CIL Regulations 2010 (as amended) and National Planning Practice Guidance (2014) dictate that a Westminster’s CIL should be apportioned in the following way:

Portion	Percentage of receipts	Process
City CIL Strategic Portion	70 - 80%	Spend decided by Council according to its strategic infrastructure priorities Spend can be anywhere within Westminster - or outside – providing the infrastructure funded is required to support development in Westminster.
Neighbourhood Portion	Currently 15% of CIL collected in respect of development in each neighbourhood capped at £100 per council tax dwelling. This increases to 25% (uncapped) in places <u>where a neighbourhood plan is in place.</u>	<u>Queen’s Park</u> : neighbourhood portion passed to the Community Council who spend it. <u>Elsewhere</u> : funding retained by the Council and spent by it in agreement with the neighbourhood communities in which development paying a CIL has taken place.
CIL Administrative Expenses Portion	5% of CIL collected	Spend applied to costs of administrative expenses for collection and enforcement in line with legal restrictions on the use of this funding. (NB 4% of the Mayoral CIL collected by the council can also be retained for this purpose). This includes the costs of officers administering the CIL and Planning and Enforcement officers.

- 4.4 The above shows that the council must allocate 15% of CIL receipts (capped per annum at £100 per council tax paying dwelling) to spend on priorities that should be agreed with the local community in areas where development is taking place. The council has decided that it will do this by ring-fencing this portion in relation to neighbourhood areas. The amount of money ring-fenced increases to 25% uncapped in areas where a Neighbourhood Plan is in place. There are currently no adopted Neighbourhood Plans in Westminster.

- 4.5 The 5% portion of CIL that is retained for administration will be applied to the costs of developing, collecting and enforcing the CIL in line with any legal restrictions on the use of this funding. This portion can therefore be used to fund the costs of officers administering the CIL including Planning and Enforcement officers.
- 4.6 On the 20th February 2017 Cabinet approved the governance arrangements for administering the Westminster Community Infrastructure Levy (CIL) and some of the remaining 'pooled' resources secured through section 106 (s106) agreements. This included:
- The appointment of a Cabinet CIL Committee, to be chaired by the Cabinet Member for Planning and Public Realm, to provide member oversight of implementation and collection of CIL, to take decisions on spend proposals submitted by a senior officer working group and to refer decisions to Cabinet as appropriate;
 - The approval of an indicative CIL allocation between different infrastructure types for the strategic 'City Portion' of Westminster's CIL;
 - That a policy spending statement on the administration and allocation of CIL (including the "neighbourhood portion") is developed for approval by the Cabinet CIL Committee; and
 - The approval of the arrangements for the governance of the neighbourhood portion of CIL.
- 4.7 Cabinet also agreed that the senior officer working group would report to the Cabinet CIL Committee on (at least) a quarterly basis seeking their approval for spending decisions as well as providing information about the amounts of CIL collected and prospective future income. The development of engagement strategies will also be reported to the committee along with any recommended changes to the council's "Regulation 123" list which sets out the type of infrastructure that could be funded through CIL.
- 4.8 Following the above Cabinet resolution, a Cabinet CIL Committee has been established, the inaugural meeting of which is to consider this paper. A senior officer working group has also met on at least five occasions and is represented by all of the council's Directorates.
- 4.9 The purpose of this report is therefore to ask the committee to approve the draft Policy Spending Statement which has been developed by the senior officer working group and to consider in light of this the projects that have been put forward for funding from the strategic CIL 'City Portion' and s106 resources.
- 4.10 The committee are also asked to consider a number of projects for funding that have been put forward by Councillors. This follows a series of information bulletins that were issued to all Councillors in August and September 2017 at the request of the Chair of the Cabinet CIL Committee, Cabinet Member of Planning

and Public Realm. These provided information on the opportunity for Councillors to bring forward proposals for funding from CIL and s106 resources in their local areas. This was supplemented by officer briefing sessions on the 25th September and 18th October 2017. A summary of the projects brought forward by Councillors is included in Section 8.

- 4.11 It is not the intention for this first meeting of the Committee to consider the allocation of the monies ring fenced for neighbourhood CIL. A clear strategy for engagement with the neighbourhood areas and forums is currently being developed by officers and will be taken forward following the resolution of this committee in association with an approved Policy Spending Statement. It is anticipated that following engagement with the neighbourhood areas, and the accrual of sufficient receipts, that agreed recommendations for neighbourhood CIL allocations will be brought forward to a future Committee over the coming months. Further information on the current status of the neighbourhood CIL funding is included in Section 10.

5. Governance – Policy Spending Statement for Westminster’s CIL

- 5.1 In order to ensure that there is clear advice on what type of infrastructure projects would be eligible Cabinet agreed that a CIL Spending Policy Statement should be developed as a way of informing internal decision-making and engagement with neighbourhoods and other stakeholders. This is akin to any other public funding grant application process and provides a measured set of criteria that enables officers to determine whether proposals meet the legislative criteria and are therefore eligible for CIL funding.
- 5.2 The CIL regulations determine that the strategic portion of CIL must be applied in whole, or in part, to the provision, improvement, replacement, operation or maintenance of infrastructure that is required to support the development of the City of Westminster. There is a slight degree of flexibility in the neighbourhood portion of CIL where it must also be spent on this; or anything else that is concerned with addressing the demands that development places on an area.
- 5.3 CIL is intended to focus on the provision of new infrastructure and should not be used to remedy pre-existing deficiencies in infrastructure provision. It can however be used to increase the capacity of existing infrastructure or to repair failing existing infrastructure, if it can be demonstrated that these works are necessary to support development.
- 5.4 Appendix A sets out a draft Spending Policy Statement that reflects these criteria when deciding to allocate spend from:
- The strategic ‘City Portion’ of Westminster’s CIL;
 - The neighbourhood portion of Westminster’s CIL; and
 - The administrative portion of Westminster’s CIL.

- 5.5 The draft spending policy statement also takes account of matters that were agreed by Cabinet. This includes that all proposals should be consistent with the council's strategic priorities including City for All, the Westminster City Plan, West End Partnership Delivery Plan, Greener City Action Plan etc. It was also agreed that proposals would only be considered if they are accompanied by a record of approval of the relevant Cabinet Member(s).
- 5.6 The Committee is asked to approve the draft spending policy statement set out at Appendix A and to agree that the senior officer working group continue to use it as the basis on which to invite expressions of interest for funding from these resources. This will be particularly important in engaging with the neighbourhood areas and in helping to support them bring forward eligible projects.

6. Proposals for funding from Westminster CIL – the City CIL Strategic Portion

6.1 Overview of Westminster CIL receipts

- 6.1.1 The following summary provides a breakdown of Westminster CIL receipts for the City CIL strategic portion and the neighbourhood portion for each financial year from 1st May 2016 to 30th September 2017:

Period	City CIL Strategic Portion	Neighbourhood Portion
01/05/2016 - 30/03/2017	£2,051,720.70	£384,299.48
01/04/2017 - 30/09/2017	£4,062,068.94	£573,783.66
Total	£6,113,789.64	£958,083.14

- 6.1.2 Demand notices have been issued for a further £6,002,285 of Westminster CIL that is payable before 31st March 2018. The demand notices relate to developments where the council has been notified of the intended commencement date and consequently a demand for payment can be raised.
- 6.1.3 Since the 1st May 2016 liability notices for a potential additional value of £58,442,497 have been issued. These notices are raised following the grant of planning permission and set out what the liable charge would be should work on the development start. The realisation of these monies is therefore totally dependent on a developer implementing their planning permission. In Westminster it is common to have multiple planning permissions on a site or for a permission not to be implemented. This figure, while informative, should not therefore be treated as guaranteed future income.
- 6.1.4 For governance purposes Cabinet agreed the following indicative portions of the City CIL Strategic funding to be allocated against different infrastructure types. Against this is included the respective funding allocations from the current available City CIL Strategic funding of £6,113,789.

Infrastructure Type	Indicative percentage allocation of Westminster's CIL - the 'City CIL Strategic Portion'	Available Funding
Public realm / Transport	50%	£3,056,894.82
Health / Community Services	10%	£611,378.96
Education	5%	£305,689.48
Parks / Sport and Leisure	5%	£305,689.48
Utilities / Waste	10%	£611,378.96
Other Priorities / Contingency	20%	£1,222,757.94
Total		£6,113,789.64

6.1.5 It is worth noting that Cabinet acknowledged that the above portions are indicative, and that the council reserves its right to depart from them if that proves necessary (because there is a major project requiring funding in a particular year, for example). These are broad allocations and in practice there are likely to be overlaps between them.

6.2 Summary of Bids from Westminster Service Areas for Funding from Westminster's City CIL Strategic Portion

6.2.1 As agreed by Cabinet the senior officer working group have worked to bring forward project recommendations from across all service areas. A full list of the project bids is included at Appendix B with information on how they meet the eligibility criteria set out in the draft Policy CIL Spending Statement included at Appendix A. In summary the total ask for funding from the City CIL Strategic Portion is illustrated below against each infrastructure type.

Infrastructure Type	Indicative Allocated Funding from the City CIL Strategic Portion	Value of Bids	Difference
Public realm / transport	£3,056,894.82	£6,074,118.00	-£3,017,223.18
Health and Community Services	£611,378.96	£130,000.00	+£481,378.96
Education	£305,689.48	£0.00	+£305,689.48
Parks/Sport and Leisure	£305,689.48	£1,600,000.00	-£1,294,310.52
Utilities/Waste	£611,378.96	£0.00	+£611,378.96

Infrastructure Type	Indicative Allocated Funding from the City CIL Strategic Portion	Value of Bids	Difference
Other Priorities / Contingency	£1,222,757.94	£0.00	+ £1,222,757.94
Total	£6,113,789.64	£7,804,118.00	-£1,690,328.36

- 6.2.2 The above table shows that the total request for funding in this period for projects that fall under the “Public realm / Transport” and “Parks / Sport and Leisure” infrastructure types is much greater than the available funds that have been allocated under these headings. The Committee will note that there have been no current requests for funding from some of the other infrastructure types. For reasons that will be explained at Section 9 of this report (Future Projects) it is not recommended that the unallocated Education, Health / Community Services and Utilities / Waste funding is used to meet the highlighted funding gap as it is likely that there will be growing infrastructure demands for these infrastructure types in the future.
- 6.2.3 The committee may however, be minded to consider allocating funds from the contingency fund to cover some of the deficit.
- 6.2.4 A written summary of each of the council’s service area project bids for funding from the City CIL Strategic portion is also provided below. This supplements the information provided at Appendix B to help the Committee’s consideration of the proposals. A steer has been given on whether each project is ready for the allocation of funding now or whether it could be brought forward to a future Cabinet CIL Committee. If it were to be recommended that projects should be brought forward to a later committee a steer could be given on whether they are likely to be successful for funding. Taking this information together a summary of options for allocations against this round of available CIL funding is provided at section 6.6.
- 6.3 Commentary on Proposals for CIL Funding for Public Realm / Transport Infrastructure
- 6.3.1 *Hanover Square Public Realm (Hard Landscaping)*. This is a public realm enhancement scheme to incorporate and facilitate the opening of Crossrail's Bond Street Station's Eastern Ticket Hall in the north west corner of Hanover Square in December 2018. The scheme will create new and expanded public spaces facilitated by the closure of the western side of the square to traffic. The total project cost is £12,270,000 and the project is seeking a £2,000,000 CIL contribution. The project would be ready to be implemented in Spring 2018 and meets the eligibility criteria for funding in this round.

- 6.3.2 *Villiers Street Public Realm.* This is a public realm scheme to enhance the area for the significant pedestrian numbers and also incorporate security issues created by the crowded environment. The total project cost is £2,600,000 and the project is seeking a £1,500,000 CIL contribution over 2 years. As the project is for delivery in 2019-2020 the Committee may be minded to delay the consideration of funding for this scheme to a future Cabinet CIL Committee when further monies have been received.
- 6.3.3 *Church Street Green Spine phase 2.* This is a key project in the Church Street masterplan to enhance and green the public realm in this area. The project cost for the green spine is £1,500,000 and the project is seeking £500,000 for delivery of works in 2018/19.
- 6.3.4 *Queensway regeneration.* This is a public realm enhancement scheme that is being developed alongside landowner/developer proposals for redevelopments along the street. It is a £10,000,000 scheme and the project is seeking a £1,000,000 CIL contribution for works to start in 2018.
- 6.3.5 *Newport Place and Little Newport Street.* This is a public realm scheme for Little Newport Street and Newport Place. A shortfall in the project funding of £750,000 is sought through a CIL contribution. As the project has been put forward for delivery in 2019-2020 the Committee may be minded to delay the consideration of funding for this scheme to a future Cabinet CIL Committee when further monies have been received.
- 6.3.6 *Strutton Ground.* This is a public Realm Enhancement Scheme for Strutton Ground street market – upgrading the highway with new hardwearing paving, new street lighting, and electricity charging points. The total project cost is £1,400,000 and is seeking £500,000 of CIL funding for works to start in 2018.
- 6.4 Commentary on Proposals for CIL Funding for Health / Community Services Infrastructure
- 6.4.1 *Beachcroft House Sensory Garden.* Design has commenced for an 84 bed care home and community room on ground floor. Funding is sought for a sensory garden as part of the scheme. The total scheme cost is £33,000,000 and a CIL contribution of £130,000 is being sought. Works have already started on site to implement the wider scheme.
- 6.5 Commentary on Proposals for CIL Funding for Parks/ Sport and Leisure
- 6.5.1 *Improved play facilities in parks and open spaces.* The proposed projects seek to further improve the quality, accessibility and capacity of a number of key parks and open spaces across the City to better meet the demands for open space. This includes the introduction of new play areas in the Edbrook play area and Westbourne Green and a redevelopment of the nature reserve area at St Johns Wood Gardens. £185,000 of CIL funding is sought to start to deliver these works in 2018.

- 6.5.2 *Parks landscaping and infrastructure improvements.* This includes the re-landscaping the hard standing area in Temple Gardens and the iconic square in Soho Square. £215,000 is sought from CIL for works to start in 2018.
- 6.5.3 *Berkeley Square infrastructure improvements.* This project includes a major investment in a variety of improvements and refurbishments at Berkeley Square. £240,000 is sought from CIL for works to start in 2018.
- 6.5.4 *Hanover Square Gardens.* This project relates to a scheme to landscape the gardens to reinstate their historical layout and prevent erosion from increased numbers of pedestrians who will arrive when the new Crossrail station opens. A CIL contribution of £1,000,000 is sought for this project. As this scheme is for delivery in 2019-2020 the Committee could be minded to delay the funding of this scheme to a future Cabinet CIL Committee when further monies have been received.
- 6.6 Summary of options for allocations against this round of CIL Funding
- 6.6.1 The value of the bids received for funding from this round of CIL allocations is much greater than the funding available. Even if the committee agreed to use the allocated contingency fund to meet some of the funding gap, there would still be a shortfall of £3,088,775 for projects that are requesting funding for public realm / transport and parks / sports and leisure type projects. This is assuming that the funds allocated for the other infrastructure types are rolled over. A summary to illustrate this is shown below:

Infrastructure Type	Indicative Allocated Funding from the City CIL Strategic Portion	Value of Bids	Difference
Public realm / transport	£3,056,894.82	£6,074,118.00	-£3,017,223.18
Health and Community Services	£611,378.96	£130,000.00	Balance carried forward
Education	£305,689.48	£0.00	Balance carried forward
Parks/Sport and Leisure	£305,689.48	£1,600,000.00	-£1,294,310.52
Utilities/Waste	£611,378.96	£0.00	Balance carried forward
Other Priorities / Contingency	£1,222,757.94	£0.00	£1,222,757.94
Total	£6,113,789.64	£7,804,118.00	-£3,088,775.76

- 6.6.2 The council has issued Demand notices for a further £6,002,285 of Westminster CIL that is payable before 31st March 2018. There is a slight risk that not all of these payments will be realised, as a developer may change their mind and not implement their development, however in this period more demand notices will be issued thereby increasing the amount that will become payable by this date. The risk is therefore small.

6.6.3 With the above in mind it is recommended that those projects which have an implementation date of 2019/2020 are not taken forward for funding from this current bidding round. These projects could bid for funding at a future committee when further CIL funds have been accrued. If the committee were to agree this approach the following projects would not be approved for funding in the current round:

- Villiers Street Public Realm (Appendix B.1, Project 2)
- Newport Place and Little Newport Street (Appendix B.1, Project 5)
- Hanover Square Gardens (Appendix B.1, project 12) - Given that there are two projects bidding for funding for Hanover Square (Public Realm £2,000,000 and Parks £1,000,000) it would be reasonable to bring forward the request for funding for the gardens at a later date given that implementation is not scheduled until 2019.

6.6.4 Should the above projects be deferred to a future bidding round when further CIL receipts have been accrued, and assuming that the balance of allocated funds for Health and Community Services; Education; and Utilities / Waste are carried forward, the funding gap would be reduced to £14,657.76 as shown below.

Infrastructure Type	Indicative Allocated Funding from the City CIL Strategic Portion	Value of Bids	Difference
Public realm / transport	£3,056,894.82	£4,000,000.00	-£943,105.18
Health and Community Services	£611,378.96	£130,000.00	Balance carried forward
Education	£305,689.48	£0.00	Balance carried forward
Parks/Sport and Leisure	£305,689.48	£600,000.00	-£294,310.52
Utilities/Waste	£611,378.96	£0.00	Balance carried forward
Other Priorities / Contingency	£1,222,757.94	£0.00	£1,222,757.94
Total	£6,113,789.64	£4,730,000.00	-£14,657.76

6.6.5 The above option assumes that the contingency allocation will be applied to the remaining bids leaving a shortfall of £14,657.76. Given the relatively small value of this shortfall Committee are asked to agree that that this could be met from allocating funding from the Utilities / Waste allocation. This would be justified on the basis that some of the public realm works will include utility works, for example electric charging points at Strutton Ground.

6.6.6 In deciding how to allocate the current CIL funding Committee should also be mindful of the projects that have been put forward by Councillors. These are

discussed in more detail in Section 8 of this report and for most they include recommendations on how the projects can be taken forward. This might be to a stage where they meet the eligibility criteria for the approval of funding in future bidding rounds or by highlighting what other funding mechanisms may be available to address these priorities. There is a recommendation in Section 8 for some funding from the carried over Health / Community Services allocation to be awarded in this bidding round (to a value of £12,000) and for the Committee to provide a steer on future allocations from the City CIL Strategic portion for a number of projects that are at a sufficiently advanced stage but which may require some further development and engagement.

7. Proposals for Funding from Section 106 Pooled Funds

7.1 Overview of Section 106 Pooled Funds

- 7.1.1 On the 20th February 2017 Cabinet agreed that the Cabinet CIL Committee and senior officer working group will also oversee allocation of pooled Section 106 (s106) funding of a 'strategic nature', where an existing s106 'pot' (like the Paddington Social & Community Fund) has been established and specific projects have yet to be defined. It was considered that this will help ensure transparent decision making - in line with Cabinet Members' and ward councillors' priorities.
- 7.1.2 Proposals have been brought forward to this committee for funding from s106 funds that are being held for Education; Health and the Paddington Social and Community Fund. There are sufficient funds being held to meet the Education project requirements, which relate to proposals that have had preliminary allocations already agreed, however there are competing demands for the Health funds and the Paddington Social and Community Fund.
- 7.1.3 There are other s106 funds that have not had projects brought forward to this Committee. This may be because there is already a process in place for making allocations from these funds and it is not intended to change this, for example public realm funding, or relate to funds against which officers are working on developing a programme for future funding for and which could be brought to a future Committee. To help the Committee understand the current status of each of the s106 pooled funds a summary is provided at Appendix C.
- 7.1.4 When deciding how to allocate s106 funds it should be remembered that the funds have been received pursuant to their respective planning obligations which are contractual agreements made under section 106 of the Town and Country Planning Act 1990 (as amended by later legislation), between any person with an interest in land and the local planning authority. Planning obligations are intended to be a mechanism that can be used to make a development acceptable in planning terms by bringing it in line with requirements in the local development plan. Planning obligations are binding on those entering into them and on their successors in title. For each allocation of

funding officers must therefore ensure that the terms of the individual s106 agreement from which the funds have been received are complied with. In this respect the application of s106 funding is much less flexible than CIL.

- 7.1.5 A written summary of each of the proposed bids for allocations from the s106 pooled funds is provided below under the relevant funding heading. This supplements the information provided at Appendix D to help the Committee's consideration of the proposals. A steer has also been given on the eligibility of the proposals.

7.2 Education – Proposals for s106 Funding

- 7.2.1 S106 funding has been accrued over time to address the additional demands that residential developments place on local schools, particularly in terms of the demand for places and facilities. This type of funding will eventually be fully replaced by CIL but before CIL funds are drawn on it is important that the council first allocates the s106 funds to eligible projects.

- 7.2.2 The Council has embarked on a two-phase programme of secondary school expansions to enable it to meet its statutory duty to provide sufficient places. The majority of the cost will be met from Basic Need Grant but the balance is sought from existing s106 receipts. This source of funding is included in the Schools Organisation Plan when project planning for school investment and improvement schemes and has been provisionally allocated against the schemes listed as projects 1 to 5 in Appendix D.

- 7.2.3 A total request of £7,697,000 of funding for Education projects has been requested from a total of £7,956,130 of s106 funds being held. Having considered the projects relating to this request and the respective s106 agreements to which the funding relates, it is recommended that the Committee approves the allocation of Education s106 funding to projects 1, 2, 3, 4 and 5 as set out in Appendix D.

7.3 Health - Proposals for s106 Funding

- 7.3.1 S106 contributions that are currently being held for Health purposes total £1,078,231. This is made up of funding from six developments where the planning obligation for each is different and as such the funding must be spent in different ways.

- 7.3.2 There have been two applications for funding from the Health s106 funds. These projects have requested for £853,740. However, having checked the planning obligations relating to the Health funds being held there is only a total of £743,322 available that would be potentially eligible to use against the proposed projects. This is because both projects relate to providing a health service whereas the obligations refer to providing 'health facilities' or are limited to funding within the vicinity of the development from which the monies were

raised. A summary of the monies being held and their respective planning obligations is provided below:

Planning Application	Details of the Planning Obligation	Sum received
08/08205 Development Site Including Land Bounded By Victoria Street, Buckingham Palace Road, Bressenden Place And Allington Street London SW1V 1JR (Victoria Circle)	Provision of Health care facilities in the City of Westminster	- £145,055.34
08/09077 Wellington House 67-73 Buckingham Gate London SW1E 6BE	Provision of new and enhancement of existing facilities for provision of health care services available to residents within the vicinity of the Development	£68,381.00
09/09773 38-44 Lodge Road London NW8 8NU	To be spent on health within the city of Westminster	- £273,808.57
11/03034 Abell House & Cleland House John Islip Street London SW1P 4LH	To be paid to NHS Westminster for the improvement of healthcare provision in Westminster	- £339,514.38
11/03854 Kingsgate House 66-74 Victoria Street London SW1E 6SQ	Towards health matters generated by the second permission (66-74 Victoria Street for 102 residential units and retail)	- £121,471.71
11/09680 Riverwalk House 157-161 Millbank London SW1P 4RR	To be paid to NHS Westminster for the improvement of healthcare provision in Westminster	- £130,000.00

7.3.3 A summary of the proposed projects is included at Appendix D. Further consideration of each of them against the above funding streams is provided below:

7.3.4 *Central and North West London NHS Trust - Individual Placement & Support (IPS) (Project 7, Appendix D).* Funding is sought for additional employment specialists, to enable the Central and North West London NHS IPS (Individual Placement and Support) service to be available to those with mental health needs in primary care. The total scheme cost is £1,040,000 s106 funding is sought for £540,000. The proposal would support the provision of health care services and would be delivered by the NHS. Funding from the following developments shown in paragraph 7.3.2 could therefore be allocated to this project:

- £469,514.38 from schemes 11/03034/FULL and 11/09680 where funding is to be paid to the NHS for improvement of healthcare in Westminster; and

- Subject to considerations on the second project summarised in paragraph 7.3.5 below the balance of £70,485.62 could be funded from 09/09733.

- 7.3.5 *The Healthy Workplace Charter programme (Project 6, Appendix D).* Funding of £353,340 is sought to support the London Healthy Workplace Charter (LHWPC). This is a national scheme endorsed by the Mayor of London and Public Health, which aims to support and reward good practices with regards to employee health and workplace wellbeing. The London wide scheme offers a framework to encourage businesses to create a health-enhancing workplace. Through this programme, the Council offers a support package to local employers who commit to pursue the healthy workplace accreditation along with subsidised mental health awareness training and free employee health checks. Westminster City Council is keen to support businesses to become healthy workplaces.
- 7.3.6 S106 contributions for health are generally secured from residential development on the basis that the residents will generate increase demands on healthcare provision in Westminster. The targets people who are registered in the primary care system, and so whom are likely to be residents, whereas this proposal supports businesses and their employees. There is only one funding stream shown in paragraph 7.3.2 that could potentially benefit Project 6 (Appendix D) and that is from funds secured pursuant to development 09/09733. The project would potentially be eligible for this funding on the basis that the associated planning obligation requires it to be spent on health within Westminster. Notwithstanding this funding stream is only £273,808 and therefore even if the full amount were to be allocated to this project there would be a shortfall. Furthermore, if as set out in paragraph 7.3.4 part of this funding were to be allocated to Project 6 (Appendix D) it would leave a balance of only £203,322. available for Project 7 (Appendix D).
- 7.3.7 It is not appropriate to allocate the shortfall through CIL as the project would not be defined as infrastructure.
- 7.3.8 On the basis of the above it is recommended that Project 7 (Appendix D) be fully funded as set out in paragraph 7.3.4 and that officers go back to the project sponsors of Project 6 (Appendix D) and clarify whether the project is deliverable with a smaller allocation of funding. If it is, and within a reasonable timeframe, the Committee are asked to provide the Director of Policy Performance and Communications with the delegated authority to approve the allocation of the balance of funding to Project 6 (Appendix D).
- 7.4 The Paddington Social and Community Fund Account – Proposals for Funding
- 7.4.1 The Paddington Social and Community Fund Account (PS&CFA) is a s106 fund which comprises contributions from the major development sites within the Paddington Opportunity Area (POA). The money from the PS&CFA has been used for multiple social and community projects which aim to mitigate the

impacts of the developments within the area or for projects which aim to integrate the developments into the local community. As with all s106 funding it is linked to planning obligations which restrict how the monies can be spent. This includes a restriction on the area of Westminster that should benefit from the funding.

- 7.4.2 The administration of the fund has previously been based on applications being invited for funding. The council first invited organisations to bid for funding from the PS&CFA in September 2001 where a total of 18 projects were agreed to a value of £884,190. A second bidding round of the S&CFA was held for expenditure during the financial year 2003/4 and 19 projects were funded to the value of £1,617,717. In the 2012 round of allocations Cabinet Members were invited to bring forward projects for funding from their portfolios and Cabinet endorsed the allocation of £709,561.92 from the fund.
- 7.4.3 A background note on the fund, details of the legislative restrictions on how it can be spent and guidance on how proposals for funding should be assessed in this bidding round is included as Appendix E. This takes account of the decision by Cabinet in February 2017 that the allocation of the fund should now be governed by the Cabinet CIL Committee.
- 7.4.4 As of the 30th September 2017 the balance of the PS&CFA was £2,660,592. At the time of writing the report three proposals had been put forward seeking allocations of funding from this resource. A summary of these projects is provided below with additional project detail being set out in Appendix D.
- 7.4.5 *Westminster Employment Service (Project 8, Appendix D)*. Funding is sought to support the City for All 'Westminster Employment Service' (WES) which is funded through discretionary and pooled funding. S106 funding would support specialist employment coaches and the successful Recruit London brokerage services, which is part of the Service. The total four-year project cost is £6,500,000 and a contribution of £1,820,664 is sought from the PS&CFA to fund coaching and brokerage services for two years. Unemployment in Westminster is focussed in and around the POA and the outreach, activities and support using the PS&CF will be focussed in this area. This will be through outreach and 1-2-1 coaching support for residents delivered in Children's Services, libraries and other community venues in Paddington including a new Employability Hub for the Westminster Employment Service at Maida Vale and the Church Street regeneration base. The former is a joint initiative with City of Westminster College and employment coaches and brokers from the Council, College, local charities and Jobcentre Plus will work as one team.
- 7.4.6 The above project meets the criteria set out in Appendix E for allocations from the PS&CFA. The project is a City for All priority and there is Cabinet Member support for the project and from Ward Councillors in Queen's Park, Harrow Road and Westbourne.

- 7.4.7 *Tollgate Gardens Community Centre (Project 9, Appendix D)* is a newly built community centre that is being delivered as part of the renewal of Tollgate Gardens. The scheme provides new social, intermediate and private homes. There is a net gain in the number of social homes being provided on site. The centre is currently under construction and is due to be handed over in March 2018, with the fit out to follow. £200,000 is sought from the Paddington and Social Community fund is sought to allow fit out of the internal space. The project meets the criteria set out in Appendix E for allocations from the PS&CFA and has Ward Councillor engagement.
- 7.4.8 *Feasibility study - Westminster Adult Education Service (WAES) (Project 10, Appendix D)* Funding of £30,000 is sought to deliver a feasibility study to identify an alternative main site in the north of Westminster the Borough which could be a dedicated Adult Education Centre working in partnership with the WES, Community offering Childcare facilities, specialist facilities for creative and vocational courses. The centre could also be an employability hub working with employment coaches and local employers. Whilst the delivery of this scheme would no doubt bring significant social and community benefits to the area it is not considered appropriate to fund a feasibility study from the PS&CFA as there are no guarantees that this would lead to delivery of that benefit or that it would be located in the area of benefit.
- 7.4.9 *Paddington Green Academy – Early Years provision (Project 11, Appendix D)* This project is currently being developed alongside a scheme of improvement works at the King Solomon Academy and Paddington Green Academy. Both schools are now managed by one Executive Head teacher. The Council accepts that additional investment is required to the Paddington Green School to enable it to raise standards and accommodate additional primary age children. The ambition is to make additional early years provision at Paddington Green School consistent with the delivery of ‘all through’ education and it is for this part of the project that a contribution of £1,147,000 is sought from the PS&CFA.
- 7.4.10 *Westminster Green Team (Project 12, Appendix D)* - £157,000 sought. Funding of £157,000 is sought towards the employment and training costs of this service. The programme is aimed at delivering small scale improvements to green spaces in the Paddington Area. Led by an experienced Horticulturalist its objective is to create 41 jobs for vulnerable adults and young people. Sites will be identified working with ward Councillors, the Council’s parks and landscapes contractor and Continental Landscapes. Beneficiaries will be from the Paddington Area and will be referred from the Westminster Employment Services, local charities, City West Homes, the NHS and youth clubs.

7.4.11 It has been identified that some of the projects put forward by Councillors – see Section 8 and Appendix F - could be eligible for funding from the P&SCFA. This includes the following projects:

- Paddington War Memorial (Project CSB6, Appendix F)
- Queensway Noticeboard (Project CSB7, Appendix F)

Neither of these projects are currently costed which limits the Committee's ability to allocate specific funds to bring the works forward. However, if the committee were minded they could reserve a portion of the PS&CFA to be considered for funding proposals at a future committee allowing time for these projects to be developed further.

7.4.12 The value of the PS&FCA is fund is not likely to increase significantly as with the introduction of CIL the council is limited in its ability to negotiate funding of this sort through s106. With the exception of the two projects put forward by Councillors (as these are not currently costed) and the feasibility study (as it is not considered eligible for funding from this account) the above projects amount to a value of £3,324,664 against an available fund of £2,660,592. There is therefore a shortfall of £664,072.

7.4.13 The shortfall of £664,072 is across the following four projects:

- West End Employment Service (Project 8, Appendix D) - £1,820,664
- Tollgate Gardens Community Centre (Project 9, Appendix D) - £200,000
- Paddington Green Academy (Project 11, Appendix D) - £1,147,000
- Westminster Green Team (Project 12, Appendix D) - £157,000

The Paddington Green Academy early years' project would also be eligible for an application to the City CIL Strategic funding on the basis that it would deliver the provision of educational infrastructure. This project is currently being developed and does not yet have planning permission. It does however require some form of commitment from the council for funding in order to bring it forward. It is therefore recommended that a smaller award of funding should be granted from the PS&CFA with the balance to be considered against the strategic education funds when sufficient funds have been accrued.

7.4.14 If committee agree with the recommendation set out in paragraph 7.4.13 it is recommended that a sum of £200,000 is left unallocated for further design and development of costings for the Councillor projects set out in paragraph 7.4.11.

7.4.15 This would leave a balance of £282,928 that could be provisionally awarded to the Paddington Green Academy project. In addition committee may be minded to provisionally approve the future expenditure of Westminster's City CIL Strategic Portion to meet the funding gap for this project subject to sufficient

funds having been accrued and the necessary consents acquired. In doing so authority could be given to the Cabinet Member of Planning and Public Realm to approve such expenditure of up to a value of £800,000.

8. Proposals for Funding - Councillor Priorities

- 8.1 When considering funding priorities, it is extremely important that local priorities are captured. With this in mind Westminster Councillors have been invited to put forward projects to this committee that could potentially benefit from CIL or s106 funding. Set out at Appendix F is a full list of the projects that Westminster Councillors have put forward for the opportunity for funding at the time of writing this report. Included in Appendix F is a description of the project, the Councillor sponsoring the proposal, what funding source might be appropriate to the project and where known what the funding requirement is. There is also commentary on what the recommended next steps are in order to bring forward the project for delivery.
- 8.2 Many of the projects that have been put forward require some further work in terms of their development and costings before funding allocations can be determined. Notwithstanding, Appendix F sets out clearly what next steps should be taken against each project to either reach the stage where the Committee can positively consider a specific sum allocation from CIL or S106 or where they should be taken forward against other funding resources. By bringing forward these projects to the Senior Officer working group it will allow service area representatives to pursue all of the proposals in more detail. With this in mind it is recommended that officers keep the committee updated on the development of each of the projects listed in Appendix F by reporting to the next meeting of the committee and at the same time putting forward any progressed bids for approval for funding.
- 8.3 The following project is already costed and is at a stage where the committee could agree an allocation of funding in this bidding round. Funding from the balance of the Health and Community Services portion of the City CIL strategic portion could fund this project to a value of £12,000:
- Hall Park Estate (Project CMC1, Appendix F) - £12,000
CCTV cameras on the hall park estate.
- 8.4 There are other projects which whilst at a relatively advanced stage require further development and engagement with other stakeholders. Given the stage that these projects are at the Committee are asked to give a steer on whether they consider that these projects might be considered a priority for future CIL funding rounds if all other eligibility criteria are met. If a steer were to be provided it would help give the project sponsors the reassurance to develop these projects to the next stage.

- Paddington Health Centre (Project CBG1, Appendix F)
- Fleming Court Designing out crime (Project CMC2)
- Hall Park Estate Multi-Use Games Area (Project CMC5)
- Cycle Hire to the rear of Westbourne Park tube (Project CAH1)

8.5 Councillors have also brought forward projects which support the allocation of funds to some of the bids brought forward by service areas. These are included in Appendix F and in the earlier commentary in the report.

8.6 A standalone request for funding has recently been submitted by the St Andrew's Club, Old Pye Street. They have a number of pressing capital projects which they require help in funding for the following two urgent projects:

- £11,000 for a new section of roof. This is part of the building but also covers the dining hall of St Matthew's Primary School next door.
- £3,000 for urgent fire safety equipment

This type of project would be more suitable for spend from the ring-fenced neighbourhood portion of CIL although the repairs to the roof could be considered strategic in that it covers repairs to a school roof and community facility. As this was a bespoke request and has not formed part of the engagement strategy with neighbourhood areas (see section 10) it might be considered premature to award funding to this project without first having considered other priorities in the area. It is therefore recommended that further engagement takes place with the St Andrew's Club as part of the engagement strategy set out at Section 10 before any recommendations for funding are made.

9. Future projects for funding and the Regulation 123 list

9.1 Appendix G sets out a list of strategic infrastructure projects that are likely to come forward to a future meeting of the Cabinet CIL Committee and as more funding for CIL is accrued. This includes projects delivered under the West End Partnerships programme. Government will expect Westminster to contribute to these projects alongside any funding they may provide. The CIL fund provides a realistic source for these contributions when considered alongside other City Wide priorities.

9.2 Committee is asked to note these and based on this information it is not recommended that any amendments to the council's current Regulation 123 list set out at Appendix H is required. The council is required to publish this list to set out what it may spend its CIL on.

10. Westminster's CIL - the neighbourhood portion

- 10.1 Cabinet agreed that the senior officer working group should oversee the engagement and allocation processes for the Neighbourhood CIL and make recommendations to the Cabinet CIL Committee about the allocation of Neighbourhood CIL. To aid this process it is important that a clear spending policy statement for CIL is first approved so that there are clear eligibility criteria to bring forward proposals for funding. The approval of the policy spending statement set out at Appendix A will therefore be critical in helping to lead discussions on this with neighbourhood areas.
- 10.2 There are 22 neighbourhood areas designated throughout Westminster and a small area that does not yet have a designated neighbourhood area. It is important that the council works with all areas and officers are currently working on a clear strategy for engagement. For meaningful discussions to take place it is also important that sufficient funds have been accrued for the neighbourhood portions and this has only recently started to happen for some areas and for others no monies have yet been received. Officers will proactively work with neighbourhoods to support them in identifying what local projects may be eligible for this funding and will also work with them in the council's role in supporting them on neighbourhood planning.
- 10.3 A full list of the ring fenced neighbourhood portion of CIL is included at Appendix I and is broken down by neighbourhood year. As set out in the legislation this is set at 15% of CIL receipts in a neighbourhood area capped at £100 per council tax paying dwelling, per annum.
- 10.4 Further updates on engagement with neighbourhood areas and communities and the status of proposals for funding will be included at the next Cabinet CIL Committee.

11. Financial Implications

- 11.1 The CIL governance procedures outlined in this report are intended to ensure that decisions about CIL are transparent and linked with the council's strategic priorities including those on the Council's Capital Programme. CIL is intended to support the strategic infrastructure that is required to support the development of the local area and there is greater flexibility in how it might be applied than there is with s106 funding.
- 11.2 Westminster's CIL is projected to raise an annual average of around £17.5 million. How much is raised in a particular year does however depend on the level of development. In developing the CIL officers modelled the eight-year period between 2005/06 to 2012/13 (i.e. a complete development cycle) and worked out what CIL would have been paid had Westminster's CIL been in place

during this period. This modelling demonstrated that the sums that would have been paid in individual years varied between £5-£30 million.

- 11.3 The City Council is able to retain 4% from the Mayoral CIL receipts it collects and 5% of its own CIL receipts for administration, monitoring, collection and reporting purposes. Section 106 agreements also include a charge for the monitoring and administration of planning obligations. The CIL and s106 governance procedures outlined in this report are, therefore, being developed and will be implemented through these existing resources.

12. Legal Implications

- 12.1 The legislation governing the development, adoption and administration of a Community Infrastructure Levy (CIL) is contained within the Planning Act (2008) and the Community Infrastructure Levy Regulations 2010 (as amended). The associated Government National Planning Policy Guidance is also important in guiding this process. There are other areas of law which should be considered when assessing certain developments for CIL liability and determining the appropriate sum due. These include matters relating to social housing, procurement, charitable institutions' and state aid.
- 12.2 Further legislative reforms to the CIL regulations are expected shortly as part of a review of CIL by government.

13. Equalities

- 13.1 Under the Equalities Act 2010 the council has a "public sector equality duty". This means that in taking decisions and carrying out its functions it must have due regard to the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the 2010 Act; to advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it; and to foster good relations between persons who share a relevant protected characteristic and those who do not share it. The council is also required to have due regard to the need to take steps to take account of disabled persons' disabilities even where that involves more favourable treatment; to promote more positive attitudes toward disabled persons; and to encourage participation by disabled persons in public life. The 2010 Act states that "having due regard" to the need to promote equality of opportunity involves in particular having regard to: the need to remove or minimise disadvantages suffered by persons sharing a protected characteristic; take steps to meet the needs of persons sharing a protected characteristic that are connected with it; take steps to meet the needs of persons who share a protected characteristic that are different from those who do not; and encourage persons with a protected characteristic to participate in

public life or any other activity in which participation by such persons is disproportionately low.

- 13.2 The courts have held that “due regard” in this context requires an analysis of the issue under consideration with the specific requirements set out above in mind. It does not require that considerations raised in the analysis should be decisive; it is for the decision-maker to decide what weight should be given to the equalities implications of the decision.
- 13.3 Officers have carried out an equalities assessment of the proposals for governance of the Westminster Community Infrastructure Levy and strategic section 106 funds. In doing so, regard was had to the assessment carried out before formal approval of the council’s CIL charging schedule in January 2016. The assessment has concluded that it is unlikely that approval of the governance arrangements outlined in this report will have negative impacts for any group with protected characteristics; use of revenue raised is likely to have positive impacts. All decisions on spending CIL will themselves be subject to assessment to ensure the 2010 Act duties are complied with. The council will review its CIL charging schedule on a biennial basis.

Appendices

- Appendix A Westminster’s Community Infrastructure Levy – Draft Spending Policy Statement
- Appendix B Projects put forward for funding from Westminster’s Community Infrastructure Levy – ‘City Portion’
- Appendix C Current status of Section 106 (s106) Pooled Funds
- Appendix D Projects put forward for funding from s106 Funds
- Appendix E Paddington Social and Community Fund Account - Guidance on Allocations
- Appendix F Projects Proposals by Westminster Councillors
- Appendix G Potential future projects for funding from Westminster’s Community Infrastructure Levy – ‘City Portion’
- Appendix H The Council’s Regulation 123 List
- Appendix I The neighbourhood CIL portion as of 30th September 2017

**If you have any queries about this Report or wish to inspect any of the
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BACKGROUND PAPERS

Report to Cabinet dated 20th February 2017 on the Governance of the Westminster
Community Infrastructure Levy (CIL) and Pooled Section 106 Resources

Appendix A

Westminster's Community Infrastructure Levy – Draft Spending Policy Statement

Introduction

- A. As required by law, every spending decision from Westminster's Community Infrastructure Levy (CIL) will be made by the council on its merits and in accordance with the legal requirements governing council decisions and the requirements of the legislation governing CIL, its administration, application and reporting requirements. All proposals must show that they have the necessary member and management approval to proceed.
- B. The CIL Regulations set requirements for spending CIL in particular ways. The Council has decided that the most effective and transparent way of addressing these requirements is to allocate CIL revenue to three "portions":

Portion	Percentage of receipts	Process
City CIL Strategic Portion – see <i>section 1</i>	70 - 80%	Spend decided by Council according to its strategic infrastructure priorities. Spend can be anywhere within Westminster - or outside – providing the infrastructure funded is required to support development in Westminster.
Neighbourhood CIL Portion – <i>see section 2</i>	Currently 15% of CIL collected in respect of development in each neighbourhood capped at £100 per council tax dwelling. This increases to 25% (uncapped) in places <u>where a neighbourhood plan is in place.</u>	<u>Queen's Park:</u> neighbourhood portion passed to the Community Council who spend it. <u>Elsewhere:</u> funding retained by the Council and spent by it in consultation with the neighbourhood communities in which development paying a CIL has taken place.
CIL Administrative Expenses Portion – see <i>section 3</i>	5% of CIL collected	Spend applied to costs of administrative expenses for collection and enforcement in line with legal restrictions on the use of this funding. (NB 4% of the Mayoral CIL collected by the council can also be retained for this purpose).

Section 1: Delivery of strategic infrastructure - The 'City Portion'

- C. A minimum of 70% of the receipts from Westminster's CIL will be applied in whole, or in part, to the provision, improvement, replacement, operation or maintenance of infrastructure that is required to support the development of the City of Westminster. This shall be known as the 'City Portion'. It can be spent anywhere in Westminster (there is no necessary geographical link between developments making CIL payments and where revenue is spent). It can also be spent on infrastructure beyond Westminster's boundaries on infrastructure that will support the City's development.

D. When deciding what infrastructure will be funded from the 'City Portion' the following matters will be taken in to account:

- (i) The indicative percentage allocation of funding between different infrastructure types, shown in
- (ii) Table 1, shall be used as a guide when determining the broad allocation of receipts.

Table 1: Guide for the allocation of Westminster's CIL 'City Portion'

Infrastructure Type	Indicative percentage allocation of Westminster's CIL - the 'City Portion'
Public realm/transport	50%
Health and Community Services	10%
Education	5%
Parks/Sport and Leisure	5%
Utilities/Waste	10%
Other Priorities / Contingency	20%

The above guide was approved by Cabinet on 20th February 2017 but where material considerations indicate otherwise spend decisions may depart from the stated allocation and / or the guidance may be reviewed and updated from time to time to reflect the infrastructure demands and priorities.

- (iii) To be considered eligible for funding infrastructure proposals shall meet all of the following criteria. Proposals must demonstrate that they are required to support Westminster's development, have all necessary member and managerial approvals and be:
 - a) Plan Led - in that they must address the principles and policies set out in the development plan for the area. This includes the London Plan (2016); Westminster's City Plan (2016) and the accompanying Strategic Infrastructure Plan; and the saved policies of Westminster's Unitary Development Plan (2007) as the guiding framework for investment in Westminster. Work is currently underway to produce a new City Plan that will provide a single comprehensive and up-to-date statement of planning policy for Westminster. The council's City for All programme and other relevant strategy documents should provide additional support for the proposal providing more detailed objectives to help determine spending decisions;
 - b) Priority driven – they must strike an appropriate balance between strategic and more locally-based place-making infrastructure to support the development of Westminster and its neighbourhoods and help address the demands that this will place on an area;
 - c) Time-focussed – they must ensure that the right infrastructure is provided at the right time, ensuring that the necessary design work is undertaken and other barriers to delivery are addressed;
 - d) Forward-looking – they must ensure that, where necessary, sufficient funding is accumulated over time to meet the necessary funding requirements, with appropriate arrangements in place for future management and maintenance without being dependant on further CIL funding other than in exceptional circumstances;

- e) Cost effective – proposals must seek to maximise leverage, looking for opportunities to maximise the scope for using CIL to lever in other resources and minimise long-term demands on Council resources.
- f) Ready for implementation – supported by a robust business and funding plan and either having, or demonstrating that they are likely to secure, any necessary legal powers and/or regulatory consents required for implementation.
- g) Additional – funding will not be granted for proposals that are seeking to remedy pre-existing deficiencies, unless these will be made more severe by new development.

Section 2: The ‘Neighbourhood Portion’

- E. 15% of the Westminster CIL paid by development in each neighbourhood area, capped at £100 per Council Tax dwelling, will be ring-fenced by the council. In areas where there is a designated neighbourhood forum in place the council will engage with them and other members of the community to agree with them how best to spend this ‘Neighbourhood Portion’ of funding. In the Queen’s Park neighbourhood area the funding will be passed directly to the Queen’s Park Community Council.
- F. In areas outside of the Queen’s Park neighbourhood area, the funding is retained by the Council which will engage with the communities where development has taken place and agree with them how best to spend the neighbourhood portion. No specific process for this is set in legislation or Government guidance, but the Government does recommend that authorities set out clearly and transparently their approach to engagement. That is one of the purposes of this policy.
- G. Existing community consultation and engagement processes will be used to inform the allocation of the neighbourhood portion of CIL. This will include including working with designated neighbourhood forums preparing neighbourhood plans that exist in the area, theme-specific neighbourhood groups, local businesses and using networks that ward councillors use. Engagement will be proportionate to the level of levy receipts and the scale of the proposed development to which the neighbourhood funding relates.
- H. The ‘neighbourhood portion’ will be used to support the development of the neighbourhood area, or any part of that area, by funding:
 - (i) the provision, improvement, replacement, operation or maintenance of infrastructure; or
 - (ii) anything else that is concerned with addressing the demands that development places on an area.
- I. In areas where there is no designated neighbourhood area in place the council will engage with local communities and businesses in the areas where development has taken place and agree with them how best to spend the ‘neighbourhood portion’ of funding relevant to their local area.
- J. Where a Neighbourhood Plan is in place the amount of CIL ring-fenced for spend on proposals to support the development of that neighbourhood area will rise to 25% uncapped. This will only affect the CIL receipts from developments that have been granted planning permission on or after the day on which the Neighbourhood Plan is made by the council.

K. Neighbourhood spending decisions shall be taken within a strategic context. To be considered eligible for funding proposals shall meet the following defined criteria. They must:

- (i) Address the principles and policies set out in the development plan for Westminster, the council's City for All programme and other relevant strategy documents for the area. In all cases there must be a link between the council's priorities and policies and those of the proposal.
- (ii) Support the growth plans for Westminster as a whole and for the neighbourhood.
- (iii) Have been subject to appropriate levels of engagement and consultation and be shown to have the support of the local community including residents and businesses. Local ward councillors should be given the opportunity to comment on all proposals that are located within their wards. Their views will be reported, and taken account of, when final decisions on allocations are made. The support of at least two of the relevant ward councillors will be required for a proposal to proceed to the next stage of consideration.
- (iv) Be able to show that they are required to support the development of Westminster. Funding will not be granted for proposals that are seeking to remedy pre-existing deficiencies, unless these will be made more severe by new development.
- (v) Be able to demonstrate that they match priorities set out in adopted neighbourhood plans, where these exist. While neighbourhood plans should not themselves include lists of types of infrastructure or particular projects on which CIL should be spent it might be appropriate to develop proposals alongside neighbourhood plans and clearly linked to the proposals in them. The council will work with neighbourhoods preparing plans to provide help with this.
- (vi) Be able to show that that they are value for money and that with the award of funding there would be sufficient funds to enable the delivery of the proposal in a timely manner. Proposals should show whether with the allocation of funding additional resources could be leveraged and that the proposal can be sustained in to the future.
- (vii) Where appropriate feasibility studies should be prepared in advance to provide sufficient evidence to demonstrate that the proposal could be started within twelve months of the decision to grant funding and be completed within a reasonable period.
- (viii) Be able to show that they have the support of relevant infrastructure providers.

L. To ensure that the 'Neighbourhood Portion' is allocated to proposals of a kind and scale that will have appreciable benefits in terms of supporting growth and meeting the demands of development a minimum financial threshold for the value of a proposal will be set at £5,000.

M. The council encourages neighbourhoods to work together to develop proposals for use of 'neighbourhood portion' funding for projects that will benefit them jointly. This may be of particular value for neighbourhoods where this funding is insufficient to fund things with a value below the threshold in paragraph L.

Section 3: The ‘Administrative Portion’

N. A maximum of 5% of Westminster’s CIL will be applied to the administrative expenses incurred by the council in connection with Westminster’s CIL.

Section 4: Reporting and monitoring

O. The CIL Regulations require the Council to publish an annual report setting out for each year:

- The total CIL collected
- The total CIL spent
- Summary details of what CIL has been spent on, how much was spent in each case and the amount used for administration
- The total amount of CIL retained unspent at the end of the year.

Appendix B

Projects put forward for funding from Westminster's Community Infrastructure Levy – 'City Portion'

B1. Detailed schedule of project bids for funding tested against the eligibility criteria included in Appendix A

Ref	Category	Description	Does the project support the development of Westminster?	Is the project Plan Led?	Is the project a Priority ?	Is the project Time Focused?		Amount of CIL sought	Is the project Cost Effective?	Is the project Ready to be implemented?	Does the project have Cabinet Member and Ward Councillor engagement	Is the project ready for the allocation of funding in this bidding round.
						Start	Finish					
1	Public Realm/Transportation	Hanover Square Public Realm (Hard Landscaping) Public Realm Enhancement Scheme to incorporate and facilitate the opening of Crossrail's Bond Street Station's Eastern Ticket Hall in the north west corner of Hanover Square in December 2018. New and expanded public spaces.	Yes	Yes - City Plan policy S41 Pedestrian movement and sustainable transport and protection of open space. Key project included in the West End Partnership's Delivery Plan 2015-2030.	Yes	Spring 2018	2020	£2,000,000	£2,000,000 is sought out of a total project cost of £12,270,000 (Additional Funding secured from s106, TfL and Crossrail)	To be delivered ahead of the Crossrail station opening in December 2018.	Yes	Yes
2	Public Realm/Transportation	Villiers Street Public Realm - Public Realm Improvement Scheme	Yes	Yes	Yes	2019	2020	£1,324,118	Total project cost of £2,600,000 therefore approximately 50% of the project cost is sought through CIL. (Some additional Funding secured from s106,)	No 2019 start.	Yes	As this is for delivery in 2019-2020 the Committee could be minded to delay the funding of this scheme to a future Cabinet CIL Committee when further monies have been received.
3	Public Realm/Transportation	Church Street Green Spine Phase 2 This is a key project in the Church Street masterplan looking to enhance and green the public realm in this area.	Yes	Yes, Church Street identified as Housing Renewal Area	Yes	2018	2019	£500,000	Total project cost of £1,500,000 therefore approximately one third of the project cost is sought through CIL.	2018 start.	Yes	Yes
4	Public Realm/Transportation	Queensway Public realm enhancement scheme developed alongside landowner/developer commitments for redevelopments along the street	Yes	Yes, City Plan policy S41 Pedestrian movement and sustainable transport	Yes	2018	2020	£1,000,000	Total project cost of £10,000,000 therefore approximately 10% of the project cost is sought through CIL. (Potential additional Funding secured from s106,)	Spring 2018 start.	Yes	Yes

Ref	Category	Description	Does the project support the development of Westminster?	Is the project Plan Led?	Is the project a Priority ?	Is the project Time Focused?		Amount of CIL sought	Is the project Cost Effective?	Is the project Ready to be implemented?	Does the project have Cabinet Member and Ward Councillor engagement	Is the project ready for the allocation of funding in this bidding round.
5	Public Realm/Transportation	Newport Place and Little Newport Street Public realm works for Little Newport Street and Newport Place	Yes	Chinatown Action Plan and Chinatown SPD is adopted policy and Chinatown Streetscape Improvements are a commitment the City Council has made.	Yes	2019	2020	£750,000	Shaftesbury Plc funding of £2,000,000 for Newport Place Public realm works. Potential private funding from Hippodrome Casino and Gascoynes to meet some of the construction costs for Little Newport Street.	No 2019 start.	Yes	As this is for delivery in 2019-2020 the Committee could be minded to delay the funding of this scheme to a future Cabinet CIL Committee when further monies have been received.
6	Public Realm/Transportation	Strutton Ground Public Realm Enhancement Scheme for Strutton Ground street market – upgrading the highway with new hardwearing paving, new street lighting, electricity charging points.	Yes	Yes, City Plan policy S4 Victoria Opportunity Area	Yes	2018	2018	£500,000	Total project cost of £1,400,000 therefore approximately one third of the project cost is sought through CIL. (Some additional Funding secured from s106 and TfL.)	2018 start.	Yes	Yes
7	Health / Community Services	Beachcroft House Sensory Garden The sensory garden will be used by residents of the new care home and will provide a sensory experience particularly beneficial on those residents with dementia.	Yes	Yes - it is aligned with City for All by ensuring suitable housing is provided for vulnerable residents in the Borough.	Yes	2017	2019	£130,000	Yes - £130,000 is requested from a total project cost of £33,000,000	Works on site have already started.	Yes	Yes
8	Parks/Sport and Leisure	Play Facilities Improved play facilities in parks and open spaces in Westminster. This includes Edbrook play area and Westbourne Green and a redevelopment of the nature reserve area at St Johns Wood Gardens.	Yes	Yes - City for All - Greener City, Open Spaces and Biodiversity Action Plans; the Council's City Plan, and public health priorities.	Yes	2018	2020	£185,000	Yes- the total cost of the project is £185,000 which will deliver a variety of improvements in a number of parks and open spaces which will benefit a significant number of residents and visitors.	Yes, 2018 commencement	Ward Councillors will be contacted by the Cabinet Member as proposals are brought forward.	Yes

Ref	Category	Description	Does the project support the development of Westminster?	Is the project Plan Led?	Is the project a Priority ?	Is the project Time Focused?		Amount of CIL sought	Is the project Cost Effective?	Is the project Ready to be implemented?	Does the project have Cabinet Member and Ward Councillor engagement	Is the project ready for the allocation of funding in this bidding round.
19	Parks/Sport and Leisure	Parks landscaping and infrastructure improvements This includes the re-landscaping the hard standing area in Temple Gardens and the iconic square in Soho Square.	Yes	Yes - City for All - Greener City, Open Spaces and Biodiversity Action Plans; the Council's City Plan, and public health priorities.	Yes	2018	2020	£215,000	Yes- the total cost of the project is £215,000 which will deliver a number of infrastructure improvements in two extremely popular open spaces in Westminster.	Yes, 2018 commencement	Ward Councillors will be contacted by the Cabinet Member as proposals are brought forward.	Yes
10	Parks/Sport and Leisure	Berkeley Square infrastructure improvements Investment in a variety of improvements and refurbishments at Berkeley Square	CIL	Yes - City for All - Greener City, Open Spaces and Biodiversity Action Plans; the Council's City Plan, and public health priorities.	Yes	2018	2020	£240,000	Yes- the total cost of the project is £240,000 which will realise a number of important infrastructure investments in one of the most popular parks in the City.	Yes, 2018 commencement	Ward Councillors will be contacted by the Cabinet Member as proposals are brought forward.	Yes
11	Parks/Sport and Leisure	Hanover Square Gardens Gardens Landscaping Scheme to reinstate historical layout and prevent erosion from increased numbers of pedestrians arriving here when Crossrail station opens.		Yes - City Plan policy S41 Pedestrian movement and sustainable transport and protection of open space. Key project included in the West End Partnership's Delivery Plan 2015-2030.	Yes	2019	2020	£1,000,000	This is part of a wider package of public realm works at Hanover Square however, there is currently no funding allocated for the garden works.	Cabinet Member approval for project Stages 1 and 2	Yes	As this is for delivery in 2019-2020 the Committee could be minded to delay the funding of this scheme to a future Cabinet CIL Committee when further monies have been received.

B2. Overview of Financial Bids for funding from Westminster's Community Infrastructure Levy – 'City Portion'

Infrastructure Type	Indicative Allocated Funding from the City CIL Strategic Portion	Value of Bids	Difference
Public realm / transport	£3,056,894.82	£6,074,118.00	-£3,017,223.18
Health and Community Services	£611,378.96	£130,000.00	£481,378.96
Education	£305,689.48	£0.00	£305,689.48
Parks/Sport and Leisure	£305,689.48	£1,600,000.00	-£1,294,310.52
Utilities/Waste	£611,378.96	£0.00	£611,378.96
Other Priorities / Contingency	£1,222,757.94	£0.00	£1,222,757.94
Total	£6,113,789.64	£7,804,118.00	-£1,690,328.36

B3. Overview of Financial Bids for funding from Westminster's Community Infrastructure Levy – 'City Portion' – should projects 2, 5, and 12 be deferred to a future bidding round when further CIL receipts have been accrued and assuming that the balance of allocated funds for Health and Community Services; Education; and Utilities / Waste are carried forward.

Infrastructure Type	Indicative Allocated Funding from the City CIL Strategic Portion	Value of Bids	Difference
Public realm / transport	£3,056,894.82	£4,000,000.00	-£943,105.18
Health and Community Services	£611,378.96	£130,000.00	Balance carried forward
Education	£305,689.48	£0.00	Balance carried forward
Parks/Sport and Leisure	£305,689.48	£600,000.00	-£294,310.52
Utilities/Waste	£611,378.96	£0.00	Balance carried forward
Other Priorities / Contingency	£1,222,757.94	£0.00	£1,222,757.94
Total	£6,113,789.64	£4,730,000.00	-£14,657.76

This option would leave a shortfall of £14,657.76 of CIL funding for the current Bids. Given the small value of this shortfall Committee may be minded to fund this from the Utilities / Waste allocation. This could be justified on the basis that some of the public realm works will include utility works for example electric charging points at Strutton Ground.

Appendix C

Status of Section 106 (s106) Pooled Funds at 30st September 2017

Section 106 Funding Type	Current Balance (Minus any allocations already approved)	Recommended future allocation process
Public Realm	£15,547,615	<p>The process to allocate s106 funds for public realm projects has been coordinated primarily between Growth Planning and Housing (GPH), City Management and Communities (CMC) and Policy Performance and Communications (PPC). Collected and legally eligible s106 contributions are identified and allocated to appropriate schemes based on defined criteria and only once they have been given an appropriate level of relevant stakeholder and Member support. This is guided by ensuring that the funds are applied within the vicinity within which the development took place and ensuring any other s106 obligation restrictions are addressed. It is intended that the current arrangements will continue to operate alongside the CIL governance process.</p> <p>Applications put forward to the Committee for consideration for CIL funding will have already been through the s106 process to determine whether s106 funds could be used ahead of CIL.</p>
Education	£7,956,130	Projects are included in the Bids to this Committee – in principle allocations have been made and funding to the near total of the account has provisionally been accounted for.
Parking Mitigation	£1,760,205	Officers in CMC are considering this fund and it is likely that projects will be brought forward to the Cabinet CIL Committee in consideration of an overall programme for spend.
PATEMS (Paddington Area Traffic and Environmental Management)	£2,010,566	Officers in GPH will be considering this fund and it is likely that projects will be brought forward to the Cabinet CIL Committee in consideration of an overall programme for spend.
PATS (Paddington Areas Transport - Public Transport)	£1,455,403	Officers in GPH will be considering this fund and it is likely that projects will be brought forward to the Cabinet CIL Committee in consideration of an overall programme for spend.
PS&CFA (Paddington Social and Community Fund)	£2,660,592	Projects will be brought forward to the Cabinet CIL Committee.
Carbon Offset	£976,636	Officers are considering this fund and it is likely that projects will be brought forward to the Cabinet CIL Committee in consideration of an overall programme for spend.
Health	£1,078,231	Projects will be brought forward to the Cabinet CIL Committee.
Open Space / Playspace	£707,865	Officers will be considering this fund and it is likely that projects will be brought forward to the Cabinet CIL Committee in consideration of an overall programme for spend.
VATS (Victoria Area Transport - Public Transport)	£132,911	Officers will be considering this fund and it is likely that projects will be brought forward to the Cabinet CIL Committee in consideration of an overall programme for spend.

Appendix D
Projects put forward for funding from Section 106 Funds

Project Ref	Category	Description	Does the project meet the requirements terms of the respective s106 agreement?	Is the project Plan Led?	Is the project a Priority?	Is the project Time Focused?		Amount of s106 funding sought	Does the project have Cabinet Member and Ward Councillor engagement?	Is the project ready for the allocation of funding in this bidding round?
						Start	Finish			
1	Education	Sir Simon Milton Westminster University Technical College (UTC) & Ebury Place The UTC is a new type of Government sponsored college providing an additional 550 educational places for 14-19 year olds. The UTC opened in September 2017 and the funding is to meet the shortfall of the construction cost.	Yes	City For All	Yes	2018		£2,000,000	Yes	Yes
2	Education	Secondary Schools expansions Expansion of buildings to provide additional school places	Yes	School Organisation and Investment Strategy (SOIS)	Yes	2017	2021	£1,900,000	Yes	Yes
3	Education	Additional works at Paddington Green School Expansion of buildings to provide additional school places	Yes	School Organisation and Investment Strategy (SOIS)	Yes	2017	2018	£2,630,000	Yes	Yes
4	Education	Hallfield School MUGA Site improvement and investment delivering school and community benefit	Yes	Westminster's City Plan (2016)	Yes	2017	2018	£917,000	Yes	Yes
5	Education	St Marylebone CE School Additional school places	Yes	School Organisation and Investment Strategy (SOIS)	Yes	2017	2017	£250,000	Yes	Yes
6	Health	Healthy Workplace Charter Management, Health and Safety, Mental Health and Wellbeing, Tobacco, Physical Activity, Healthy Eating and Alcohol and Other substances) for action and accreditation. Local Councils, including Westminster, are offering a support package to local employers who commit to pursue healthy workplace accreditation. Westminster City Council is keen to support businesses to become healthy workplaces and in addition offered heavily subsidised managers' mental health awareness training and free employee health checks.	In Part	City for All Healthy Workplace Charter	Yes	2018	2020	£353,340	Yes	Insufficient funding for project 6 & 7. It is recommended that officers go back to the project sponsors and clarify whether the project is deliverable with a smaller allocation of funding and if so, within a reasonable timeframe.
7	Health	CNWL NHS Trust - Individual Placement & Support (IPS) Additional employment specialist (Advisor) capacity, to enable the Central and North West London NHS IPS (Individual Placement and Support) service to be available to those with mental health needs in primary care.	In Part	City for All	yes	2018	2023	£500,400	Yes	Yes

Project Ref	Category	Description	Does the project meet the requirements terms of the respective s106 agreement?	Is the project Plan Led?	Is the project a Priority?	Is the project Time Focused?		Amount of s106 funding sought	Does the project have Cabinet Member and Ward Councillor engagement?	Is the project ready for the allocation of funding in this bidding round?
						Start	Finish			
8	Paddington Social and Community Fund Account	Westminster Employment Service To support the City for All 'Westminster Employment Service' which is funded through discretionary and pooled funding. s106 funding will support coaching and brokerage services delivered through WES for 2 years.	Yes	Westminster's City Plan (2016) and City for All	Yes	2018	2020	£1,820,664	Yes	Yes
9	Paddington Social and Community Fund Account	Tollgate Gardens Community Centre Newly built community centre as part of the renewal of Tollgate Gardens. Scheme provides new social, intermediate and private for sale homes. There is a net gain in the number of social homes being provided on site. Centre under construction, due to handed over Mar 2018, with fit out to follow.	Yes	City For All	Yes	2017	2019	£200,000	Yes	yes
10	Paddington Social and Community Fund Account	Feasibility study - Westminster Adult Education Service (WAES) Feasibility study to identify an alternative main site in the North of the Borough which could be a dedicated Adult Education Centre working in partnership with the WES, Community offering Childcare facilities, specialist facilities for creative and vocational courses. The centre could also be an employability hub working with employment coaches and local employers.	No	Church Street Masterplan	Yes	2018	2018	£30,000	Yes	No
11	Paddington Social and Community Fund Account	Paddington Green Academy – Early Years provision New nursery for 3 and 4 year olds at Paddington Green School	Yes	Westminster's City Plan (2016) and City for All	Yes	TBC	TBC	£1,147,000	Pending	Subject to further development and planning permission.
12	Paddington Social and Community Fund Account	Westminster Green Team Funding is sought towards the employment and training costs. The programme is aimed at delivering small scale improvements to green spaces in the Paddington Area. Led by an experienced Horticulturalist it aims to create 41 jobs for vulnerable adults and young people. Sites will be identified working with ward Councillors, the Council's parks and landscapes contractor and Continental Landscapes. Beneficiaries will be from the Paddington Area and will be referred from the Westminster Employment Services, local charities, City West Homes, the NHS and youth clubs.	Yes	Westminster's City Plan (2016) and City for All	Yes	2018	2020	£157,300	Being sought	Yes

Appendix E

Paddington Social and Community Fund Account - Guidance on Allocations

1. Background on the Paddington Social and Community Fund Account (PS&CFA)

1.1 The Paddington Social and Community Fund Account (PS&CFA) is an account which was set up by the council into which contributions are made by the owners and developers of the major development sites within the Paddington Opportunity Area (POA). The money from the PS&CFA has been used for multiple projects which aim to mitigate the impacts of the developments within the area or for projects which aim to integrate the developments into the local community.

1.2 As of 11th September 2017 the balance of the PS&CFA was £2,660,592.

2. Legal obligations on the use of the Paddington Social and Community Fund Account

2.1 The criteria for determining appropriate projects for funding from the PS&CFA is defined by the legislation and national policies on the way in which monies secured via planning obligation Section 106 agreements may be used. A planning obligation must be:

- (i) necessary to make the development acceptable in planning terms;
- (ii) directly related to the development; and
- (iii) fairly and reasonably related in scale and kind to the development.

2.2 Accordingly, the PS&CFA must only be used to mitigate the social and community impacts arising from developments within the POA and is **restricted for use in the following wards**: Harrow Road, Hyde Park, Little Venice, Westbourne, Bayswater, Queens Park, Church Street, Maida Vale and Lancaster Gate Wards.

2.3 Funding may not be used to remedy existing deficiencies in provision (unless in remedying such deficiencies they address the demands and impacts of the POA developments) and must relate to the developments from which the financial contributions have arisen.

3. Other Eligibility Criteria

3.1 Please note that for all proposals the criteria set out in the draft Community Infrastructure Levy (CIL) spending policy statement will also apply to Section 106 allocations where relevant. In the case of the Paddington Social and Community Fund Account this will include in particular the following criteria. Projects must be:

- a) Address the principles and policies set out in the development plan for Westminster, the council's City for All programme and other relevant strategy documents for the area. In all cases there must be a link between the council's priorities and policies and those of the proposal.
- b) Have been subject to appropriate levels of engagement and consultation and be shown to have the support of the local community including residents and businesses. Local ward councillors should be given the opportunity to comment on all proposals that are located within their wards. Their views will be reported, and taken account of, when final decisions on allocations are made. The support of at

least two of the relevant ward councillors will be required for a proposal to proceed to the next stage of consideration.

- c) Be able to show that that they are value for money and that with the award of funding there would be sufficient funds to enable the delivery of the proposal in a timely manner. Proposals should show whether with the allocation of funding additional resources could be leveraged and that the proposal can be sustained in to the future.
- d) Where appropriate feasibility studies should be prepared in advance to provide sufficient evidence to demonstrate that the proposal could be started within twelve months of the decision to grant funding and be completed within a reasonable period.
- e) Be able to show that they have the support of relevant stakeholders.

Appendix F
Projects Proposals by Westminster Councillors

Ref	Category	Project	Councillor Sponsor	Neighbourhood Area	Current Balance of Neighbourhood Ring-fenced CIL	Potential Funding Source	Amount of Funding sought	Recommendation on proposal
CSB1	Public Realm/ Transportation	Queensborough Terrace To prevent illegal dumping and help to bring the street alive.	Councillor Burbridge	South East Bayswater	£3,910	Further details of the project would need to be known before a firm recommendation on funding type can be given. If this is a wider public realm improvement project then the project could qualify for the City CIL Strategic Funding	£155,000.00	Officers in City Management and Communities are aware of this project and it is recommended that the Senior Officer Group take this forward to pursue options for bringing it forward. It may be that this will comprise a future application for CIL funding or that an alternative funding mechanism can be sourced depending on the detailed nature of the project. It may also be suitable for neighbourhood CIL funding however, neighbourhood CIL funding in this area is currently limited.
CSB2	Public Realm/ Transportation	Inverness Terrace Improvements to the pavement area next to the Hallfield School	Councillor Burbridge	South East Bayswater	£3,910	If this is a wider public realm improvement project, then the project could qualify for the City CIL Strategic Funding.	Unknown	Senior Officer Group to take this forward to pursue options for delivery and funding. It may be that this will comprise a future application for CIL funding or that an alternative funding mechanism can be sourced depending on the detailed nature of the project.
CSB3	Parks/ Sports and Leisure	Hallfield Estate Improvements to Hallfield Estate Playground - equipment for children and adults	Councillor Burbridge	South East Bayswater	£3,910	City CIL Strategic / Neighbourhood CIL	Unknown	Councillor Smith is also supportive of this idea. The idea is supported in principle although there are some limitations on what could be achieved without limiting the Open Space. Service area representatives will take this forward with engagement with City West Homes and will identify the most appropriate funding source.
CSB4	Health and Community Services	Queensway Improvements to public toilets	Councillor Burbridge	South East Bayswater	£3,910	City CIL Strategic / Neighbourhood CIL	Unknown	The council is currently undertaking condition surveys across all Public Convenience sites. As this is taken forward and a programme of works is considered it would be appropriate to bring forward a proposal for CIL funding. The senior officer working group will keep this under review and will report to a future committee on progress.
CSB5	Public Realm/ Transportation	Hallfield Estate Double Yellow Lines	Councillor Burbridge	South East Bayswater	£3,910	Could be appropriate for City CIL Strategic funding if part of a wider programme of highway works but more likely to be appropriate for funding from Highway capital funds.	Unknown	Senior Officer Group to take this forward to relevant service area for consideration.
CSB6	Health and Community Services	Paddington War Memorial Repairs and restoration - to be made good by a stone mason and found a spot around Paddington	Councillor Burbridge	Hyde Park and Paddington (if located within the Paddington Opportunity Area)	£0.00	Unlikely to be eligible for the City CIL Strategic funding but could be suitable for funding from the Paddington Social and Community Fund	Unknown	A suitable site needs to be found and officers have been advised that a significant amount of restoration is required. It is recommended that the Senior Officer Group consider this further with options on how it could be taken forward. If committee were minded to suggest an allocation from the Paddington Social and Community Fund account this will need to be considered in light of the other bids for funding that are costed and ready for implementation.
CSB7	Health and Community Services	Queensway WCC noticeboard	Councillor Burbridge	South East Bayswater / Bayswater	£3,910 / £14,160	Neighbourhood CIL / Paddington Social and Community Fund	Unknown	Neighbourhood CIL funds are currently limited but it could be a project that is brought forward when more funds are accrued. If committee were minded to suggest an allocation from the Paddington Social and Community Fund account this will need to be considered in light of the other bids for funding that are costed and ready for implementation.

Ref	Category	Project	Councillor Sponsor	Neighbourhood Area	Current Balance of Neighbourhood Ring-fenced CIL	Potential Funding Source	Amount of Funding sought	Recommendation on proposal
CSB8	Parks/ Sports and Leisure	Cleveland square Funding for the children's area	Councillor Burbridge	South East Bayswater	£3,910	Not likely to be eligible for City CIL Strategic funding but could be brought forward with Neighbourhood CIL in the future when further funds accrued and if agreed as a priority by the community.	£8,000.00	This is a private square and whilst it is suggested that there could be encouragement for the square to open up at certain times to the general public it would not be an appropriate allocation from the City CIL Strategic Fund. This could be discussed as part of the neighbourhood CIL.
CSB9	Public Realm/ Transportation	Lady Samuels garden Public realm improvements including improvements to pavement area and provision of low level fence	Councillor Burbridge	South East Bayswater	£3,910	Funding from Parks capital budget is likely to be the most appropriate.	Unknown	This relates to a small highway planter on Inverness Terrace Service areas will consider any works required but it is likely to be more appropriate to fund any works from the Parks Infrastructure Maintenance capital budget.
CBG1	Health and Community Services	Paddington Health Centre Extension to Paddington Health Centre to meet demand of new residents.	Councillor Grahame	Little Venice and Maida Vale	£40,490	CIL	Unknown	This proposal is currently being discussed with the Clinical Commissioning Group (CCG). If it is considered a priority for funding, then this project could be brought forward for funding from the City CIL Strategic Portion. As the costs are currently unknown it is recommended that progress on bringing this proposal forward is reported to the next Cabinet CIL Committee.
CKS1	Health and Community Services	St. Vincent's Catholic Primary School A glass walkway to be installed, new fencing and gates fitted leaving a space be used for scooter storage.	Councillor Scarborough	Marylebone	£348,655	City CIL Strategic / Neighbourhood CIL	Unknown	Given the likely future demands on the City CIL Strategic portion for strategic education works it is likely to be more appropriate for neighbourhood CIL to fund works of this kind particularly in light of the funding that is currently available in the neighbourhood area. It is recommended that officers therefore take this forward in their engagement with the neighbourhood area.
CMC1	Health and Community Services	Hall Park Estate CCTV cameras on the hall park estate.	Councillor Caplan	Little Venice and Maida Vale	£40,490	City CIL Strategic / Neighbourhood CIL	£12,000.00	This project could be taken forward now and the committee may therefore be minded to make an allocation from the Health and Community Services City CIL Strategic funding.
CMC2	Public Realm/ Transportation	Fleming Court Designing out crime outside Fleming Court.	Councillor Caplan	Little Venice and Maida Vale	£40,490	City CIL Strategic / Neighbourhood CIL	Unknown	There is a design brief for these works and if the committee agree this project could be recommended for funding from the next round of CIL receipts when the full costs are known.
CMC3	Public Realm/ Transportation	Warwick Avenue Paying to remove or reduce height of the stack in Warwick Avenue.	Councillor Caplan	Little Venice and Maida Vale	£40,490	Further details of the project would need to be known before a firm recommendation on funding type can be given.	£50,000 - £100,000	Senior Officer Group to take this forward to relevant service area. It is not clear how this project would meet the criteria of infrastructure that is required to support development so further details are required as well as discussions with TfL.
CMC4	Public Realm/ Transportation	Little Venice ward Tree Pits - ronacrete rubber filling	Councillor Caplan	Little Venice and Maida Vale	£40,490	City CIL Strategic / Neighbourhood CIL If this is a wider public realm improvement project, then the project could qualify for the City CIL Strategic Funding.	£200,000.00	Senior Officer Group to take this forward to relevant service area for consideration.
CMC5	Parks/ Sports and Leisure	Hall Park Estate Play facilities on Hall Park estate - Developing of roof of car park to create a Multi-Use Games Area.	Councillor Caplan	Little Venice and Maida Vale	£40,490	City CIL Strategic / Neighbourhood CIL	£450,000.00	There is a project proposal in place which is costed. This is a project already supported by officers in City Management and Communities as the new facility would promote new opportunities for physical activity, particularly in an area of relatively high inactivity. It is recommended that this project is brought forward for funding from the City CIL Strategic portion subject to further engagement with City West Homes and the grant of planning permission. Progress on this can therefore be reported to the next Cabinet CIL Committee.

Ref	Category	Project	Councillor Sponsor	Neighbourhood Area	Current Balance of Neighbourhood Ring-fenced CIL	Potential Funding Source	Amount of Funding sought	Recommendation on proposal
CTM1	Public Realm/ Transportation	Strutton Ground Upgrade of Strutton Ground	Councillors Mitchell, Hyams and Thomson	Victoria	£42,300.73	City CIL Strategic / Neighbourhood CIL	Not specified	This is considered for funding as part of the service area requests for funding from the City CIL Strategic portion.
CPD1	Public Realm/ Transportation & Paddington Social and Community Fund Account	Harrow Road Improving the public realm	Ward Councillors in Queen's Park, Harrow Road and Westbourne	Various	N/A	City CIL Strategic and S106 funds specifically for spend in this area	Unknown	It is recommended that the senior officer working group take this forward and for it to be considered as part of the Place Shaping work that is being undertaken in this area. There are s106 funds already secured and as proposals are developed these funding sources should be considered together and any future CIL bids brought forward.
CPD1	Paddington Social and Community Fund	Westminster Employment Service Confirmed the support of this BID by Ward Councillors in Queen's park, Harrow Road and Westbourne.	Ward Councillors in Queen's Park, Harrow Road and Westbourne	Various	N/A	Paddington Social and Community Fund	See Appendix B	Councillors have expressed their support of the bid for funding from the Paddington Social and Community Fund Account.
CRB1	Public Realm/ Transportation	Provision of Greening along the Harrow Road The Westminster Tree Trust is exploring tree planting along the Westbourne Ward part of the Harrow Road.	Councillor Bush	Westbourne	£180,779.25	City CIL Strategic / Neighbourhood CIL If this is a wider public realm improvement project, then the project could qualify for the City CIL Strategic Funding.	Unknown	Senior Officer Group to take this forward to relevant service area for consideration as part of the Place Shaping work for this area.
CAH1	Public Realm/ Transportation	Cycle Hire Introduction of a cycle hire station to the rear of Westbourne Park tube.	Councillor Hug	Westbourne	£180,779.25	City CIL Strategic and S106 funds specifically for spend in this area.	Unknown	Senior Officer Group to take this forward to relevant service area for development and costing and consideration of the most appropriate funding source. An update will be provided to the next Cabinet CIL Committee.
CAH2	Public Realm/ Transportation	Cycle Parking Cycle Hanger Scheme within Westbourne (and elsewhere)	Councillor Hug	Westbourne	£180,779.25	City CIL Strategic / Neighbourhood CIL	Unknown	Senior Officer Group to take this forward to relevant service area for consideration. Councillor Hug has confirmed support of funding from CIL on approval of schemes by the Cabinet Member.
CRH1	Public Realm/ Transportation	Lord Hills Bridge Improvements to the bridge	Councillor Holloway	Bayswater	£14,160.00	City CIL Strategic and S106 funds potentially PATS / PATEMS as within the Paddington Area and bridge over network rail lines.	Unknown	Senior Officer Group to take this forward to relevant service area for development and consideration of the most appropriate funding source. An update will be provided to the next Cabinet CIL Committee.
CDH1	Utilities / Waste	Retrofitting Of buildings to make them greener.	Councillor D Harvey	All	N/A	City CIL Strategic and S106 funds for carbon Offset.	Unknown	Senior Officer Group to take this forward to relevant service area for development and consideration of the most appropriate funding source. An update will be provided to the next Cabinet CIL Committee.

Appendix G

Potential future projects for funding from Westminster's Community Infrastructure Levy – 'City Portion'

Public Realm / Transport

1. There are a number of projects that are being taken forward with s106 funding. In all cases s106 funding opportunities are identified initially first but these will decline quickly over the next year as the current balance is spent. Therefore the number of public realm projects will increase the CIL ask in coming years.
2. The West End Partnership (WEP) projects Oxford Street District (OSD) and Strand/Aldwych are council priorities. Funding is being sort via the government for these significant projects. OSD is estimated at a total cost of £450 million and Strand/Aldwych £30 million. Within the businesses cases submitted to the government it has been highlighted that there will be contribution from CIL to these schemes.
3. Church Street market and street upgrade. This is a key project within the Church Street Master plan. The project will seek CIL funding for 2020.
4. Lisson Grove works. This is a key project within the Church Street Master plan. The project cost is £750k.
5. Soho Public Realm. This project is the implementation of Soho Public Realm streetscape and public realm improvements to a number of streets and space, including Golden Square. The total project cost is estimated at £8 million and would be seeking a CIL contribution of £3 million from 2019 onwards.
6. Long term investment in Highways 'Civic Streets' and 'Corridors and Neighbourhoods' programmes. A variety of highways public realm proposals are anticipated which will enhance the network infrastructure and help manage capacity and future demands. This investment will also enable greater funding for the City Council to deliver more traffic management, road safety and sustainable transport measures on the streets which are increasingly needed given the rising network congestion, certain casualty types along with the need to encourage the use of more sustainable modes.
7. Promoting a Greener City. As part of the s106 parking mitigation fund, a number of proposals are envisaged including investment in electric vehicle charging infrastructure and fast charge points and promoting greater participation in car club programmes.
8. Designing our crime and antisocial behaviour. Future proposals will include a package of projects which seek to positively address crime and antisocial behaviour issues through effective public realm design solutions. Where appropriate, these proposals will be integrated as part of wider 'place shaping' programmes.

Health and Community Services

1. Investment in libraries. The Council is exploring a future strategy for library services through an independent libraries advisory board, which will evaluate the current and future priority needs for library services. Future proposals will include investment projects in libraries which positively address recommendations and from the commission in order to meet future demands across Westminster's diverse communities.

Education

1. As a result of the volume of new (not replacement) homes created as a result of the Church Street Masterplan, the Council anticipates further primary and secondary school places will be required, probably not before 2020. The level of external grant funding is uncertain but it the Council should expect to take measures to ensure school investment is built into the development process.
2. Children's Services are continually reviewing best practice in service delivery, and needs to invest in buildings which are fit for purpose, and to replace obsolete buildings. These costs are not grant funded unless they are associated with specific initiatives (e.g. Sure Start). The Council already has a programme to create hubs, but further investment together with new specialist services to support the community will be required.
3. If the committee were to agree the recommendation that £282,928 of the Paddington Social and Community Fund is provisionally awarded to the Paddington Green Academy – Early years' project, there will be a shortfall of funding for this project of circa £800,000. The provision of an early year's facility linked to the school would be a project that would be eligible for future CIL funding which could be used to fund the gap.

Parks/ Sport and Leisure

1. A number of future project proposals are envisaged as part of the Council's new 'An Active City for All' strategy including investments in sports, leisure and physical activity facilities in City Estates, open spaces and community venues and projects which increase capacity and better meet the future demands across the Council's sports and leisure facilities portfolio.

Utilities/waste

1. Infrastructure for Markets. CIL investment proposals are anticipated for markets to help manage the growing pressures with some aspects of core infrastructure including electricity supply, drainage and storage.
2. Proposals for funding for Pimlico and Church Street District Heating

Paddington Social and Community Fund Account

1. Active Neighbourhoods programme. Future proposals are likely to include projects which promote and facilitate participation in sport and physical activity which support the delivery of the Council's 'An Active City for All' strategy which will be launched in December 2017. This will be subject to whether there is a remaining balance of funding for this account.

Appendix H

The Council's Regulation 123 List

Planning Act 2008 (As Amended)

Community Infrastructure Levy Regulations 2010 (as amended)

WESTMINSTER CITY COUNCIL COMMUNITY INFRASTRUCTURE LEVY CHARGING SCHEDULE

Infrastructure List for the purposes of Regulation 123 of the Community Infrastructure Levy 2010 (as amended)

This Regulation 123 list is a living document which provides a summary of the infrastructure that Westminster City Council considers it may fund in whole, or in part, on adoption of a Community Infrastructure Levy (CIL). In determining what infrastructure should be included in the list the council has had regard to the infrastructure demands outlined in the addendum to Westminster's Strategic Infrastructure Plan (2014), the infrastructure that is required to support the delivery of Westminster's City Plan (2013) and the available viability evidence (2014 and 2015). It is the council's intention that this list will evolve and be reviewed on a regular basis to ensure that it includes the council's priority infrastructure to support development growth in Westminster.

On adoption of a Westminster Community Infrastructure Levy (CIL) the CIL receipts may be applied in whole, or in part, to the provision, improvement, replacement, operation or maintenance of the following infrastructure to support the development of Westminster:

- Crime and anti social behaviour infrastructure;
- Educational facilities;
- Health facilities;
- Parks and Open Space;
- Public Realm improvements;
- Social and community facilities;
- Sports and Leisure facilities;
- Transport and highways but excluding works that are required as part of a development proposal to be secured through a Section 278 agreement such as reinstatement of highways disturbed by development works;
- Utilities; and
- Waste



City of Westminster

It is important to note that the above list excludes infrastructure projects that are required to make a development acceptable in planning terms in accordance with the planning policies set out in the council's development plan. Whilst CIL will be the council's main mechanism for securing funding towards the infrastructure that is required to support the cumulative demands from development in Westminster, there will be some instances where individual developments give rise to their own requirements for infrastructure in order to make the development acceptable in planning terms. Such infrastructure will be secured as part of the development through the use of planning conditions or Section 106 planning obligations. Further details of the approach that will be taken are set out in a supplementary planning document (SPD) on the 'Use of Planning Obligations and other Planning Mechanisms'.

The above list of infrastructure is not in order of priority. As the council moves towards accruing sufficient receipts for the funding of infrastructure it is its intention that this Regulation 123 list will be amended to provide details of specific infrastructure projects that will be the priority for CIL funding at that time. It is also intended to keep the list under continuous review and to publish regular updates.

This Regulation 123 list therefore explicitly excludes the provision of infrastructure that is required to make a development acceptable in planning terms and which meets the legal tests of Regulation 122 of the CIL Regulations. Through the publication of this list the council therefore retains its discretion to negotiate necessary planning conditions and s106 planning obligations to secure such infrastructure.

Appendix I

The neighbourhood CIL portion as of 30th September 2017

Neighbourhood Area	Wards included in Neighbourhood Area	Neighbourhood Portion		Total Receipt
		1 st May 2016 to 31 st March 2017	1 st April 2017 to 30 th Sept 2017	
Queens Park	<ul style="list-style-type: none"> • Queens Park 	£0.00	£0.00	£0.00
Notting Hill East	<ul style="list-style-type: none"> • Bayswater • Westbourne 	£0.00	£0.00	£0.00
Bayswater	<ul style="list-style-type: none"> • Bayswater • Lancaster Gate 	£0.00	£14,160.00	£14,160.00
Little Venice and Maida Vale	<ul style="list-style-type: none"> • Little Venice • Maida Vale • Westbourne 	£0.00	£40,490.04	£40,490.04
Belgravia	<ul style="list-style-type: none"> • Churchill • Knightsbridge and Belgravia • Warwick • West End 	£5,539.88	£0.00	£5,539.88
Church Street	<ul style="list-style-type: none"> • Church Street 	£0.00	£6,600.00	£6,600.00
Churchill Gardens Estate	<ul style="list-style-type: none"> • Churchill 	£0.00	£0.00	£0.00
Ebury Bridge	<ul style="list-style-type: none"> • Churchill 	£0.00	£0.00	£0.00
Fitzrovia West	<ul style="list-style-type: none"> • West End 	£13,500.00	£28,398.20	£41,898.20
Hyde Park and Paddington	<ul style="list-style-type: none"> • Hyde Park 	£0.00	£0.00	£0.00
Knightsbridge	<ul style="list-style-type: none"> • Knightsbridge and Belgravia 	£0.00	£0.00	£0.00
Maida Hill	<ul style="list-style-type: none"> • Harrow Road 	£0.00	£420.00	£420.00
Marylebone	<ul style="list-style-type: none"> • Bryanston and Dorset Square • Marylebone High 	£320,855.10	£27,800.58	£348,655.68

Neighbourhood Area	Wards included in Neighbourhood Area	Neighbourhood Portion		Total Receipt
		1 st May 2016 to 31 st March 2017	1 st April 2017 to 30 th Sept 2017	
	Street			
	• Regents Park			
	• West End			
Mayfair	• Knightsbridge and Belgravia	£9,420.00	£18,109.47	£27,529.47
	• West End			
Pimlico	• Churchill	£0.00	£0.00	£0.00
	• Tachbrook			
	• Warwick			
Soho	• West End	£9,582.00	£168,000.00	£177,582.00
South East Bayswater	• Bayswater	£3,910.50	£0.00	£3,910.50
	• Hyde Park			
	• Lancaster Gate			
St James's	• St James's	£0.00	£0.00	£0.00
St John's Wood	• Abbey Road	£0.00	£0.00	£0.00
	• Regent's Park			
Victoria	• Victoria	£21,150.00	£21,150.73	£42,300.73
	• Vincent Square			
	• Warwick			
Vincent Square	• St James's	£0.00	£0.00	£0.00
	• Vincent Square			
Westbourne	• Bayswater	£0.00	£180,779.25	£180,779.25
	• Westbourne			
Outside Neighbourhood areas	• St James's	£342.00	£67,875.39	£68,217.39
	• Vincent Square			
	• Regent's Park			
	• Knightsbridge and Belgravia			