

# Regeneration & Capital Programme Delivery Board

August 2024

## Additional SCIL Allocation for 24/25 Riverdale Sculpture Park, Lewisham

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### 1. Purpose of the paper

This paper seeks:

An in-principal agreement to allocate £460,000 of SCIL as match funding for the GLA’s Civic Partnership Programme project for the regeneration of the Riverdale Sculpture Park, following a successful competitive bidding process.

The approval route (set out in the CIL Governance) being:

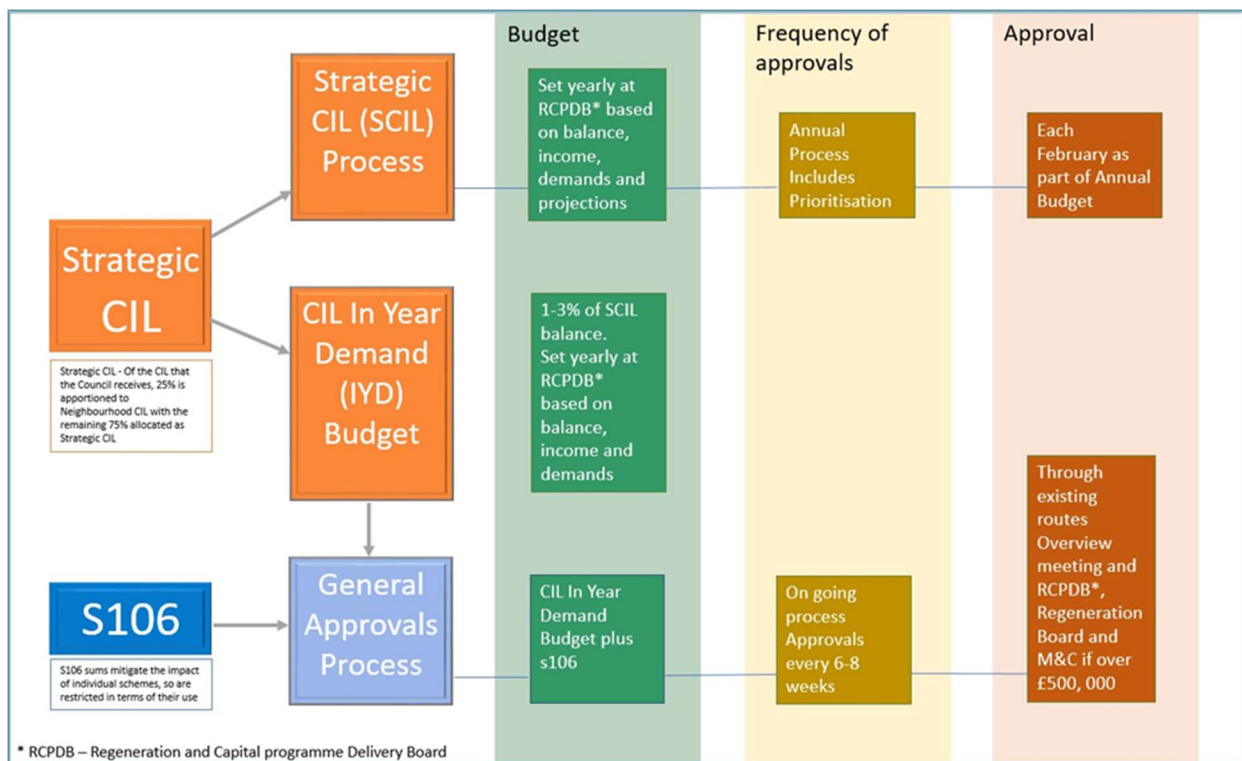
*SCIL Budget:* RCPDB to set based on income demands and projections with approval at Regeneration Board and then reported in Annual Budget setting report.

Timeline for submissions for SCIL:

By Autumn - Applications made for SCIL funding, prioritisation forms reviewed by Officers and projects are put before RCPDB to make recommendations on

By end of calendar year - Recommendations go to RCB for approval

By February - Agreed SCIL allocations are reported in Annual budget setting report



## 2. What is the Community Infrastructure Levy (CIL)?

CIL is a pound per square metre charge on most new or existing developments that create a net additional 'gross internal area' of 100 square metres or more, or that create new dwellings. It came into effect on 6 April 2010 through the Community Infrastructure Levy Regulations 2010

CIL is a tool for Local Planning Authorities (LPA's) in England and Wales to help deliver infrastructure to support the development in their area, including transport, flood defences, schools, hospitals and social care facilities. This includes the initial capital cost as well as operational and maintenance costs.

Regulation 59 of the CIL Regulations restricts CIL and states:

“A charging authority must apply CIL to funding the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area.” Section 216 of the Planning Act 2008 identifies 'infrastructure' by way of broad categories, which as amended excludes affordable housing.

It must be spent on infrastructure needed to support the development of the area, and to provide new infrastructure, or to increase the capacity of existing infrastructure or to repair existing infrastructure, if that is necessary to support development. It should not be used to remedy deficiencies in infrastructure provision which already exist unless those deficiencies will be worsened by new development.

The PPG clarifies that whilst CIL can fund increases to the capacity of existing infrastructure or to repair failing existing infrastructure if that is necessary to support development, it is primarily intended to fund new infrastructure and not to remedy pre-existing deficiencies.

There is no requirement for the use of CIL funds to be directly linked to the development that pays it. It can be spent on infrastructure projects outside of the Borough's boundary, so long as it can be justified that it benefits Lewisham's residents. It can also be passed on to others to spend on providing infrastructure, can be pooled between authorities to fund strategic projects; or the Council can reimburse expenditure already incurred on infrastructure or use CIL to repay money which it has borrowed to fund infrastructure.

CIL Governance was approved at Mayor and Cabinet in [July 2023](#).

### 2.1. Types of CIL:

CIL is broken down into three types:

- Mayoral CIL (MCIL),
- Borough CIL (BCIL)
- Neighbourhood CIL (NCIL)

#### 2.1.1 Mayoral CIL

[MCIL](#) is collected by Local Planning Authorities by Transport for London (TfL) on behalf of the Mayor of London. MCIL1 was introduced in 2012 to help finance Crossrail. MCIL 2 was introduced in February 2019 and is used to fund Crossrail 1 (the Elizabeth Line) and Crossrail 2. A 4% administration fee is taken from all sums collected.

#### 2.1.2 Borough CIL

BCIL is a charge applied to development to help fund strategic and neighbourhood infrastructure that is required to support the borough's development and growth. The current BCIL charges are £100 per

sq. metre<sup>1</sup> for residential (C3) uses in zone one, which covers the north of the borough; and outside this area, in zone 2, the charge is £70 per sq. metre. For all other uses across the borough, excluding uses B1, B2 or B8, the charge is £80 per sq. metre. Once received 5% is apportioned for the Council to spend on the administration of CIL.

On [24th July 2019](#) Full Council approved the strategy for the Neighbourhood CIL Process, following approval at Mayor and Cabinet on 4<sup>th</sup> June 2019. It was agreed at that 25% of CIL would be apportioned to Neighbourhood CIL with the remaining 75% allocated as Strategic CIL.

### **2.1.3 What is infrastructure?**

The indicative definition of Infrastructure is set out in the Planning Act 2008 and states that it includes:

- (a) roads and other transport facilities,
- (b) flood defences,
- (c) schools and other educational facilities,
- (d) medical facilities,
- (e) sporting and recreational facilities, and]
- (f) open spaces

### **2.1.4 Neighbourhood CIL**

NCIL is a portion of CIL which is collected from developments. It is to be spent on local priorities and it can be used to fund community projects that help offset the impact of development in the borough. NCIL is required to be spent in consultation with local communities.

CIL Regulation 59F enables the council to set aside 15% of CIL receipts to spend on priorities that should be agreed with the local community in areas where development is taking place (rising to 25% in areas where a neighbourhood plan has been adopted).

In Lewisham we allocate 25% of the BCIL we receive to NCIL. NCIL can be spent on the provision, improvement, replacement, operation, or maintenance of infrastructure; or anything else that is concerned with addressing the demands that development places on an area.

Round 2 of the NCIL programme was agreed at Mayor and Cabinet in [March 2024](#) which allocated £2,761,239 plus 23-24 receipts. The programme is already underway and an open call for projects commences in June with projects being delivered from March 2025 – March 2027.

Administration fees (5%) are taken from BCIL to cover the administration of the collection and spend.

### **2.1.5 Strategic CIL (SCIL)**

Strategic CIL is the 75% of BCIL which is left after the NCIL is apportioned. From the 75%; administration fees of 5% are removed. From SCIL two budgets can be set annually, the In Year Demand Budget which was set in May at 3% - £375,000 and the annual budget for SCIL, which is set out in more detail below.

## **3. The annual budget for Strategic CIL (SCIL)**

Using a yearly budget from the accumulated SCIL monies provides for strategic infrastructure needs and means that incoming CIL receipts can replenish some of what has been spent.

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<sup>1</sup> This does not include indexation.

At the end of the 2023-2023 financial year, we held £19.6m of SCIL. In 2023- 2024 year allocations of £7,960,382 were made. With allocations (£869K) and this year's intake the SCIL 'pot' currently holds c£12.5m.

Allocations of SCIL of £1.36m for the Catford Constitutional Club (CCC) and £1.655m Besson Street have been agreed in principle at RCPDB and Regen Board. The CCC has been to Mayor and Cabinet and has also successfully passed through the SCIL prioritisation process. Prioritisation has not yet been done for Besson Street.

#### **4. Current SCIL allocation request**

This request is for £460k of match funding for Riverdale Sculpture Park. A total of £2,486m in capital funding has been awarded to Lewisham to regenerate the Riverdale Sculpture Park, following a successful competitive bidding process. The project will improve the River Ravensbourne, create new amenity areas, and initiate scoping works to reroute Waterlink Way through Central Lewisham.

The project requires capital match funding totalling circa £769k, of which £309K is secured in principle although the remaining £458K expected from the Environment Agency is not secured. As such an allocation of SCIL which would only be used if the EA monies were not forthcoming is being sought. The allocation would also be contingent on the project passing the prioritisation.

A report of the project is scheduled to be heard at Mayor and Cabinet on 18<sup>th</sup> September 2024.

#### **5. Conclusion**

A total of circa £3.5m is sought from SCIL this year.

The Board is asked to:

- Agree the in-principal allocation of SCIL monies to the Riverdale Sculpture Park Project – subject to successful prioritisation.