



Report to: Place and Economic Development Committee, 24th January 2022

Report of: Corporate Director - Planning and Governance

Subject: INFRASTRUCTURE FUNDING STATEMENT 2021 FOR THE MONITORING PERIOD 1 APRIL 2020 – 31 MARCH 2021

1. Recommendation

1.1 That members note the 2021 version of the Infrastructure Funding Statement has been published on the Council's website.

2. Summary

- 2.1 The Community Infrastructure Levy (Amendment) (England) (No.2) Regulations 2019 require any local authority that receives developer contributions to publish online an Infrastructure Funding Statement (IFS) by 31 December each year or as soon as possible thereafter.
- 2.2 Officers have prepared an IFS in accordance with the legal requirements and have published it on the Council's website.

3. Background

- 3.1 This is the second year that the Council has been required to publish online an Infrastructure Funding Statement (IFS). Following amendments to the Community Infrastructure Regulations in 2019 any local authority that has received developer contributions (Section 106 planning obligations or Community Infrastructure Levy) is required to publish online an Infrastructure Funding Statement (IFS).
- 3.2 An IFS must contain:
- Details of the income and expenditure relating to Community Infrastructure Levy (CIL) and Section 106 (S106) agreements.
 - A report on the infrastructure projects or types of infrastructure that the authority intends to fund wholly or partially with CIL (excluding the neighbourhood portion). This is to be known as the 'Infrastructure List'.
- 3.3 To collect data to populate the IFS, government guidance recommends that local authorities monitor data on the CIL and S106 planning obligations using the government's data format, although this is not mandatory. Data should be published on the Council's website on at least an annual basis. MHCLG will then collect this data to maintain a national register of developer contributions. It has not been possible to produce separate data tables in the governments format for the 2020/21 monitoring period instead detailed tables have been incorporated into the IFS which help to provide clarity and aid the understanding of money received, allocated, spent and retained.

- 3.4 The purpose of the IFS is to improve transparency and increase accountability for money received by the Council and subsequently spent. The report should increase the public's understanding and awareness of what developer contributions have been received and the infrastructure and facilities these funds have been invested in. It should set out future spending priorities on infrastructure and affordable housing in line with up-to-date or emerging plan policies. This should provide clarity and transparency for communities and developers on the infrastructure and affordable housing that is expected to be delivered.
- 3.5 In 2017 the three south Worcestershire Councils introduced a Community Infrastructure Levy (CIL); its purpose is to raise funds from new building projects that can be put toward infrastructure that is required to support new development identified in the South Worcestershire Development Plan (SWDP). The introduction of CIL means that a flat fee can be charged for each square metre of additional floor area on new qualifying developments. Each of the three authorities has adopted its own Charging Schedule and collects CIL by council area, although monies collected are pooled centrally for the whole of south Worcestershire to be spent on identified priorities. Qualifying development in Worcester is limited to retail development and student accommodation and money is collected on commencement of development.
- 3.6 Previously, charging authorities were required to report annually on how much CIL had been received, and how it has been spent. Furthermore Regulation 123(4) required charging authorities to set out a list of projects or types of infrastructure intended to be funded by CIL. CIL monies could only be spent on items or infrastructure types included in the 'Regulation 123 list' which identified those infrastructure projects that the levy would be spent on.
- 3.7 In September 2019, the CIL Regulations were amended to standardise the information provided through the requirement to produce an IFS. The content of an IFS is now prescribed by the regulations and once published an IFS will replace the Regulation 123 list.
- 3.8 The IFS is required to set out the value of CIL demands issued and details of the monies collected, spent, retained and passed to parish councils in a monitoring year. During 2020/2021 Worcester City has not collected any CIL payments or issued any demand notices. Malvern Hills and Wychavon District Councils have collected CIL during this period, however none has been spent to-date and the IFS for 2020/21 does not include a list of identified infrastructure projects for CIL. The reasoning for this is that it was decided that sufficient CIL should be allowed to accrue in the South Worcestershire CIL 'pot' to be able to contribute toward more substantive and strategic projects. Given the level of CIL now collected it is possible to consider spending CIL monies, therefore work is underway to agree governance arrangements that will be put in place in 2022 to identify and prioritise projects for CIL funding. It is the intention for an 'Infrastructure List' to be published as an addendum to 2021 IFS during 2022.
- 3.9 As well as CIL, authorities are required to report on S106 agreements entered into and monies received, allocated, retained and spent in the monitoring period. The document contains information on site specific financial and non-financial contributions, for example for the provision of and maintenance of open space, improvements to the public realm, and the provision of on-site affordable housing.
- 3.10 Over the financial year 2020/21:

- £108,444 of funding has been collected from S106 contributions towards the delivery and maintenance of infrastructure across Worcester City;
- £105,904 has been spent on improvements to and maintenance of public open space, and improvements to the public realm;
- 47 affordable homes were completed on three sites where S106 agreements had been entered into;
- £534,208 has been allocated toward delivering identified projects and a further £78,199 has been set aside for maintenance;
- A balance of £191,587 remains unallocated to a specific scheme but is restricted to be spent on a particular type of project, e.g. open space, within the signed S106 agreement; and
- £2,600 of S106 monitoring fees were collected in the monitoring year.

4. Preferred Option

- 4.1 The preferred option is to note the requirement of the Council to publish an IFS on an annual basis.

5. Alternative Options Considered

- 5.1 There is no alternative, as failing to publish an IFS would mean that the Council would not meet the requirements of the Community Infrastructure Levy (Amendment) (England) (No.2) Regulations 2019.

6. Implications

6.1 Financial and Budgetary Implications

There are financial implications associated with monitoring S106 agreements and compiling an IFS in terms of officer time taken to produce the work. Some of the officer time will be recouped through the collection of S106 monitoring fees which are implemented upon signing an agreement (a £650 set up fee and £100 for trigger points).

The publication of an annual IFS could increase public awareness and scrutiny of Council spending.

6.2 Legal and Governance Implications

The preparation of an IFS is a requirement of the Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019. It is not clear what implications would result as a failure to prepare the IFS.

6.3 Risk Implications

There is a risk of non-compliance with government regulations if the IFS is not published online.

6.4 Corporate/Policy Implications

The IFS reports on funding collected in accordance with the policies in the adopted SWDP. It is being prepared in accordance with the relevant corporate policies.

6.5 Equality Implications

An Equality Impact Assessment is not required for the production of the IFS as it is simply a factual report of the monies received and spent in a monitoring period and does not in itself contain any policies.

- 6.6 Human Resources Implications
None
- 6.7 Health and Safety Implications
None
- 6.8 Social, Environmental and Economic Implications
None

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Background Papers: Worcester City Council Infrastructure Funding Statement
2021