

INFRASTRUCTURE FUNDING STATEMENT (IFS) 2023

Cllr Alex Farrell - Cabinet Member for Housing & Local Plan

Date: 13/11/2023

Contact Officer: Melissa Ross

Tel Number: 01543 308192

Email: Melissa.ross@lichfielddc.gov.uk

Key Decision? **NO**

Local Ward Members N/A



**Cabinet Member
Decision**

The Decision will be made on or after 20/11/2023 unless called-in for Scrutiny.

1. Executive Summary

- 1.1 The Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019, require all local authorities who receive planning obligations (known as 'contribution receiving authorities') to publish an annual Infrastructure Funding Statement (IFS) no later than 31st December of the reporting year. An IFS is required to provide a summary of the financial and non-financial developer contributions, also known as planning obligations, sought and received for the provision of infrastructure by a contribution receiving authority for each reporting year. Lichfield District Council collects planning obligations in two ways – through Section 106 agreements (s106) and through the Community Infrastructure Levy (CIL).
- 1.2 The IFS 2023 (**Appendix A**) summarises the required information relating to developer obligations within the district for the reporting year 2022-23.
- 1.3 The IFS consists of three parts. The Regulations¹ require the contribution receiving authority to publish an IFS that includes the following information:
 - The infrastructure projects or types of infrastructure that the authority intends to be funded by planning obligations in the following year(s).
 - A CIL report for the reporting year.
 - A section 106 report for the reporting year.
- 1.4 The IFS is updated annually and therefore only provides information as a snapshot in time as of 31st March 2023. It should be noted that there have been further allocations and spending since this date, which will be included in the IFS for 2023/24.

2. Recommendations

- 2.1 Approve the publication of the IFS 2023 (**as attached at Appendix A**) on the District Council website, in line with statutory requirements set out in the Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019.
- 2.2 To note monies received, held and spent from the CIL and s106 in the financial year 2022/23.

¹ Regulation 121A and Schedule 2

3. Background

- 3.1 The Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019) require all local authorities in receipt of planning obligations (known as 'contribution receiving authorities') to prepare and publish an IFS by the 31st December each year. The IFS is required, by the legislation, to provide a summary of the financial and non-financial planning it has sought and received for the provision of infrastructure by an authority for each reporting year (aligned to financial years) and to set out the projects and/or types of infrastructure which will be funded in future years.
- 3.2 The legislation is prescriptive in respect of the data which is required to be provided and the IFS for Lichfield District has been prepared to provide all required data. The key headline data contained within the IFS 2023 for Lichfield District is as follows:

CIL

- 3.3 The total CIL receipts collected for the financial year 2022/23 were £754,707.73 Of this:
- £179,798.13 of receipts were collected from CIL and distributed to parish and town councils within the district to fund local infrastructure projects (known as Neighbourhood CIL or 'meaningful proportion').
 - £8,717.40 was collected to support Special Areas of Conservation (SACs).
 - £37,735.39 was received and allocated towards meeting the administrative costs of the CIL charging regime as per CIL Regulation 61.
 - £528,456.87 of the CIL monies collected in 2022/23 was retained for spending on strategic infrastructure.
- 3.4 Between 13th June 2016 and 31st March 2023, a total of £2,982,253.48 has been collected for spending on strategic infrastructure. Of this, £2,489,000 has been allocated to strategic infrastructure projects and £262,614.70 has been spent. Therefore, £230,638.79 remains unallocated for strategic CIL spending at 31st March 2023.

Section 106

- 3.5 In 2022/23, a total of £978,630.46 was received in S106 contributions. In addition to this, several non-financial obligations have also been delivered including 263 affordable dwellings. £236,685.40 of Section 106 funds were spent; this consisted of contributions to the Cannock Chase SAC to mitigate the impact of development and funding towards social and community facilities.
- 3.6 The S106 balance at 31 March 2023 was £3,477,977.91 of which:
- £894,000.58 is allocated to specific projects, £441,247.18 is allocated for the purposes of longer-term maintenance of open space (commuted sums) and £575,864.53 is retained for the purposes of ecological mitigation and
 - £1,451,543.67 remain committed towards future projects, which will need to meet the specified requirements defined within the s106 agreement relating to each site.

Future Expenditure

- 3.7 Section 4 of the IFS sets out how CIL and S106 income will be prioritised and spent in the future. This is summarised below:

CIL

3.8 In 2023/2024, CIL expenditure will be focused on the following priorities, which are set out in greater detail at paragraph 2.18 of the IFS.

- Open space, sporting, leisure and recreation facilities
- Transport infrastructure
- Environment and biodiversity (including Cannock Chase SAC mitigation)
- Other infrastructure such as flood mitigation and health facilities where appropriate.

3.9 As of 30th October 2023, the total amount of unallocated strategic CIL available for spending is £413,997.75

Neighbourhood CIL

3.10 In addition, the district's Neighbourhood CIL fund will be used by Town and Parish Councils to deliver a wide range of projects at the local level, provided that they meet the requirement to 'support the development of the area', for example:

- Improvements to streets and local green spaces
- Improvements to local community facilities
- Local education infrastructure
- Community safety measures
- New health and social care facilities
- Green and blue infrastructure.

S106

3.11 S106 agreements will be used to deliver a range of infrastructure projects, provided that they are 'necessary to make the development acceptable in planning terms, directly related to the development and fairly and reasonably related in scale and kind to the development'², for example:

- Affordable housing (either on site or financial contribution)
- Primary and secondary schools or other education infrastructure
- Transport infrastructure
- Social and community infrastructure
- Parks and open spaces
- Biodiversity and ecological mitigation

² As per the requirements within CIL Regulation 122

- 3.12 S106 financial obligations must be spent in accordance with the terms of the legal agreement (as part of the planning application process). In respect of non-financial planning obligations secured through S106 agreements, the delivery of these items is intrinsically linked to the requirements of a development site.
- 3.13 In terms of the unallocated remaining s106 balance, careful consideration will be given to how to allocate monies according to the legal definition within the corresponding S106 agreements as well as the wider funding and policy context.

Alternative Options	<ol style="list-style-type: none"> 1. No other options have been considered as the IFS is a factual record setting out developer contributions received and how they have been used. It is a legal requirement to publish an Infrastructure Funding Statement by no later than 31st December. The content is dictated by the Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019.
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Consultation	<ol style="list-style-type: none"> 1. The report has been prepared following consultation with Leadership Team on 13th September 2023.
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Financial Implications	<ol style="list-style-type: none"> 1. The IFS is a financial statement of account on a range of information relating to the approval, receipt, allocation and spend of S106 and CIL developer contributions within the 2022/23 financial year. Whilst there are no direct financial implications arising from this report, the balance of remaining CIL and S106 funds will need to be considered for any future allocation to the types of infrastructure listed in Section 4 of the IFS. 2. The infrastructure priorities for future allocation of CIL and S106 monies are set out in paragraph 2.18 and within Section 4 of the IFS. These remain unchanged from the previous 2021/22 IFS. The District Council will look to update its CIL and S106 governance and spending processes as part of the forthcoming wider review of the developer obligations governance and Strategic Infrastructure Group. 3. The approval of the IFS will not affect the relevant CIL allocations to Parish and Town Councils or the use of the 5% CIL administration fee by the Council. 4. Up to 5% of funds collected via the levy can be retained by the Charging Authority to recover the cost of the administration and management of the levy. For the monitoring year 2022/23, £37,735.39 (5%) of the funds collected were retained by the Council for these purposes.
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Approved by Section 151 Officer	Yes
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Legal Implications	<ol style="list-style-type: none"> 1. Local authorities are required to submit an IFS no later than 31st December of the reporting year. This is a mandatory requirement set out within the Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019. 2. Other than the above requirement there are no other legal implications arising directly from this report.
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Approved by Monitoring Officer	Yes
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Contribution to the Delivery of the Strategic Plan	<ol style="list-style-type: none"> 1. The main purpose of the Infrastructure Funding Statement (IFS) is to provide greater clarity on the receipt and use of developer contributions including Section 106 planning obligations to fund new and enhanced infrastructure in support of planned growth. As such, the IFS will help to support several of the aims and objectives of the District Council's Strategic Plan (2020 – 2024), these being: 2. Supports the priority of 'Enabling People' through supporting local communities through the provision of strategic infrastructure.
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	<ol style="list-style-type: none"> Supports the priority of 'Shaping Place' by providing a transparent approach for working with stakeholders and infrastructure providers and enables CIL receipts to be allocated to infrastructure within the District to enhance the quality of place. Supports the priority of 'Developing Prosperity' through the allocation of developer contributions towards various strategic infrastructure projects, encouraging economic growth, enhancing the district, and providing certainty for investment. Supports the priority of being a 'Good Council' by accountability, transparency and responsiveness. The main purpose of the IFS is to provide greater clarity on the receipt and use of developer contributions including Section 106 planning obligations to fund new and enhanced infrastructure in support of planned growth. The IFS improves the transparency of the developer contributions process, enabling the public to understand the level of contributions received and spending of those monies by the District Council and other infrastructure delivery partners.
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Equality, Diversity and Human Rights Implications	<ol style="list-style-type: none"> The report is factual and financial in nature. It is not considered there are any equality, diversity or human rights implications. Any future allocation of CIL or s106 will be assessed for its equality implications.
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EIA logged by Equalities Officer	No
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Crime & Safety Issues	<ol style="list-style-type: none"> There are no crime and safety issues.
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Data assessment	<ol style="list-style-type: none"> The social progress index, in combination with the data from the IFS, will be a useful tool as part of the decision-making process in determining where to direct CIL and S106 funding to ensure that it is addressing the needs of our communities and mitigates the demands arising from new development.
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Environmental Impact (including Climate Change and Biodiversity).	<ol style="list-style-type: none"> There will be no direct environmental or climate change implications as a consequence of the approval of the IFS. The IFS sets out the District Council's commitment to utilising developer contributions for enhancements to play areas, open spaces and biodiversity.
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GDPR / Privacy Impact Assessment	<ol style="list-style-type: none"> A privacy impact assessment has not been undertaken. There are no data protection implications arising from the recommendation of this report.
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	Risk Description & Risk Owner	Original Score (RYG)	How We Manage It	Current Score (RYG)
A	Without the appropriate spending of CIL, the Council will not be undertaking its statutory duty as a charging authority to spend funds that assist in mitigating the impact of development, which benefits local communities and supports the provision of local infrastructure.	Yellow	The recommended course of action seeks to publish the Infrastructure Funding Statement before 31 st December 2023 in line with the requirements set out within the Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019). The IFS sets out the District Council's CIL and s106 spending priorities for the 2023/24 financial year.	Green
B	Not publishing the IFS would likely lead to an increase in the number of FOI requests in	Yellow	Publishing the IFS will avoid the cost of answering individual FOIs in relation to developer contributions and reduce staff time in responding to such requests.	Green

	relation to developer contributions income and spending.			
C	Officers from the Department of Levelling Up, Housing and Communities (DLUHC) actively monitor all local authority websites to ensure that their IFS is published by the 31 st December 2023.	Yellow	Following approval of the IFS, an email will be sent to CIL@levellingup.gov.uk containing a link to the 2022/23 IFS to confirm that the IFS has been uploaded to the website.	Green

	<p>Background documents</p> <p>Infrastructure Funding Statement 2023 (see Appendix A)</p>
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	<p>Relevant web links</p> <p>Community Infrastructure Levy Regulations</p> <p>Planning Practice Guidance – Planning Obligations</p> <p>Previous Infrastructure Funding Statements published by LDC</p>
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