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| Subject: | INFRASTRUCTURE FUNDING STATEMENT 2021/2022 |
| Meeting and Date: | Cabinet – 5 December 2022 |
| Report of: | Sarah Platts, Head of Planning and Development |
| Portfolio Holder: | Councillor Nicholas Kenton, Portfolio Holder for Planning and Environment |
| Decision Type: | Key Decision |
| Classification: | Unrestricted |

Purpose of the report: To seek Cabinet approval of the Infrastructure Funding Statement 2021/22 and publication of the Statement on the website.

- Recommendation:**
1. That Cabinet approves the Infrastructure Funding Statement 2021/22 as set out in Appendix 1 and supporting CSV spreadsheets at Appendix 2 which is to be published on the website no later than 31 December 2022.
 2. That Cabinet delegates to the Strategic Director (Place and Environment), in consultation with the Portfolio Holder for Planning and Environment, to make future minor factual amendments to the statement, as required.
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1. Summary

- 1.1 Amendments to the Community Infrastructure Levy Regulations 2010 mean for the financial year 2019/2020 onwards, any local authority that has received developer contributions (either through Section 106 planning obligations or the Community Infrastructure Levy) must publish online an Infrastructure Funding Statement (IFS) by 31st December each year.
- 1.2 The amended regulations now mandate exactly what information is to be provided. Guidance sets out the Government's preferred format for reporting the required information and makes recommendations as to additional information local authorities could publish alongside the statement.
- 1.3 This report seeks approval of the annual Infrastructure Funding Statement set out at Appendix 1 and supporting spreadsheets and Appendix 2. These documents meet the requirements of the regulations and takes account of the guidance, whilst providing additional information on developer contributions for the residents of Dover district.

2. Introduction and Background

- 2.1 The Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019 (amended CIL Regulations) came into force on 1 September 2019 which, amongst other changes, introduced a requirement upon Local Authorities to publish on their website an IFS. The first of these was published in December 2020.
- 2.2 The regulations require that the IFS comprises the following three parts:
 - 1) A statement of the infrastructure projects or types of infrastructure which the charging authority intends will be, or may be, wholly or partly funded by Community Infrastructure Levy (CIL).

- 2) A report about CIL, in relation to the previous financial year, which includes matters specified within the regulations.
 - 3) A report about planning obligations, in relation to the reported year, which includes matters specified within the regulations This is referred to as the “Section 106 report”
- 2.3 As Dover District Council does not operate CIL the Council’s IFS reports a ‘nil return’ for parts 1 and 2. However, the part 3 ‘Section 106 report’ is completed.
- 2.4 The matters specified to be included within the Section 106 report are:
- The total amount of money to be provided under any planning obligations agreed within the reported year (1st April – 31st March).
 - The total amount of money under any planning obligations which was received during that reported year.
 - The total amount of money under any planning obligations which was received before the reported year, which has not been allocated to a project.
 - Summary details of any non-monetary contributions to be provided under planning obligations which were entered into during the reported year. For affordable housing this should include the total number of units to be provided and for education this should be the total number of school places. Where this cannot be specified, estimates should be given.
 - The total amount of money allocated but not spent during the reported year for funding infrastructure. This should include summary details of the items of infrastructure on which the money has been allocated, and the amount of money allocated to each item.
 - The total spent by the authority during the reported year (which includes transferring it to another person (such as KCC) to spend). This should include summary details of the items of infrastructure on which the money was spent, and the amount of money spent on each item. Any money spent on repaying money borrowed or on monitoring planning obligations should be explicitly identified.
 - The total amount of money that has been collected during any year and retained (held) at the end of the reported year and, where any of the retained money has been allocated for the purpose of longer- term maintenance (commuted sums), also identify separately the total amount of commuted sums held.
- 2.5 In addition to the regulatory requirements above, detailed guidance published alongside the amended CIL regulations sets out recommendations of how the government would like this data formatted, labelled and published in CSV spreadsheet form.
- 2.6 Additionally, this guidance also recommends the IFS sets out anticipated future spending priorities and the types of infrastructure that may be wholly or partly funded by planning obligations.
3. **Content of the IFS**
- 3.1 Whilst the CSV spreadsheets are produced in line with the published guidance, this is considered to make the information somewhat too abstract to be properly informative for members of the public. A written report is produced which links to the spreadsheets and summarises the required information. A draft of the report is provided at Appendix 1 and the spreadsheets at Appendix 2.

- 3.2 With regards to the regulatory requirements set out above, the full details are contained within the report. The headline figures are however summarised in the below table:

| Matter to be reported | Amount |
|---|---|
| Monetary contributions agreed within the financial year 2021/22. | £4,206,094 |
| Non-monetary contributions agreed within the financial year 2021/22. | 186 Affordable Housing units 1 x Visitor Centre to be provided |
| Monetary contributions received during the financial year 2021/22 | £2,450,231 |
| Total amount spent during the financial year 2021/22 | £1,011,876 |
| Total amount spent on repaying borrowed money during the financial year 2021/22 | None |
| Total amount that has been collected during the financial year 2021/22 for the purpose of longer- term maintenance. | £250,325 |
| All monies held for the purpose of longer-term maintenance. | £1,057,269 |

- 3.3 With respect to the total amount of money collected any year and retained at the end of the reported year, the Council holds ***£6,978,458** in total Section 106 Contributions as at 31st March 2022.

- 3.4 Of this, £2,698,133 is awaiting allocation to a specific project and £4,280,325 is already allocated to a specific project though awaiting spend or transfer. This is broken down further in the below table:

| Unallocated | Amount |
|---|--------------------|
| Unallocated and unspent received before 2021/22 monitoring year | £1,625,653 |
| Unallocated and received during 2021/22 monitoring year | £1,072,480 |
| Total | £2,698,133 |
| Allocated | |
| Allocated and unspent that had been received before 2021/22 monitoring year | £2,902,575 |
| Allocated and received during 2021/22 monitoring year | £1,377,750 |
| Less that spent during 2021/22 monitoring year | £0 |
| Total | £4,280,325 |
| Total of all S106 monies held | *£6,978,458 |

*Note on total monies held – we are holding an additional £292 in small funds remaining as unallocated, this is due to several minor discrepancies in the financial systems between invoice and payments out, and rectification is due to be actioned.

- 3.5 It is important to note that “allocated” means a decision has been made by the local authority to commit funds to an item of infrastructure or project. For most Section 106 agreements, this decision has been made at the planning application stage with each infrastructure or project requirement specified within the legal agreement.
- 3.6 It is similarly important to note that “unallocated” money will still be bound by the terms of the Section 106 legal agreement and, as a minimum, will be required to be spent on a particular infrastructure ‘type’ specified within the agreement i.e. Affordable housing or Equipped Play Areas. Further, individual Section 106 legal agreement usually specify criteria needing to be met for “unallocated” money to be allocated to a project. For example, the Section 106 legal agreement may specify that the monies may only be spent on open space projects within a certain geographical area (such as a ward), but not a specific open space site.
- 3.7 It is therefore the case that either the specific allocated projects or criteria for unallocated monies are highlighted within the report as appropriate or relevant. In all cases however, the finer detail will be with the formal spreadsheets accompanying the report.
- 3.8 Of the £2,698,133 unallocated S106 monies, £2,166,335 of this relates to affordable housing. The Council’s Housing Development Manager will continue to consider the most appropriate projects to which this funding should be directed and will report further to members in due course. However, delivery of AH is highlighted as a priority for future spend within the IFS report at Chapter 5 which sets out future spending priorities for the council. This section has also been updated to reflect the emerging Local Plan policies in relation to developer contributions and the projects identified in the Draft Infrastructure Delivery Plan (IDP), including the critical strategic highway mitigation projects on the A2 and projects such as Tides Leisure Centre.
- 3.9 The report also responds to the recommendation in guidance to set out estimated future infrastructure income figure by broad infrastructure type. This figure has been calculated by adding all the pending S106 payments on extant planning permissions that have been agreed but not yet triggered or received and amounts to £20,613,505. This is covered in chapter 6 of the IFS report.

4. Evaluation of Options

- 4.1 Under Government legislation the Council is required to produce an Infrastructure Funding Statement. The recommended option is to publish the full written report as this offers additional clarity for members of the public, beyond the requirements of the regulations.
- 4.2 The alternative option is to publish only the spreadsheets produced in line with the published guidance. This would be the minimum required to meet the regulation requirements.

5. Resource Implications

- 5.1 The production of the IFS and S106 contribution monitoring will be delivered within existing resources in the Planning Policy and Projects Team.
- 5.2 Once agreed by Cabinet, a copy of the Infrastructure Funding Statement 2021/22 and CSV spreadsheets will be made publicly available on the Council’s website by 31st December 2022. There are no further resource implications.

6. Climate Change and Environmental Implications

6.1 There should be no environmental or climate change implications as a consequence of this decision being taken.

7. **Corporate Implications**

7.1 Comment from the Director of Finance (linked to the MTFP): Accountancy has been consulted and has no further comment.

7.2 Comment from the Principal Lawyer - Planning: The Principal Lawyer – Planning has been consulted in the production of this report and has no further comments to make.

7.3 Comment from the Equalities Officer: This report regarding the infrastructure funding statement does not specifically highlight any equality implications, however in discharging their duties members are required to comply with the public sector equality duty as set out in Section 149 of the Equality Act 2010 <http://www.legislation.gov.uk/ukpga/2010/15/section/149>

8. **Appendices**

Appendix 1 – Infrastructure Funding Statement 2021/22

Appendix 2 – Infrastructure Funding Statement 2021/22 CSV spreadsheets 1-4

9. **Background Papers**

The Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019) (amended CIL Regulations)

<https://www.legislation.gov.uk/uksi/2019/1103/regulation/9/made>

Planning Guidance: <https://www.gov.uk/guidance/publish-your-developer-contributions-data>

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