

HARBOROUGH DISTRICT COUNCIL

REPORT TO THE CABINET MEETING OF 11th OCTOBER 2021

PUBLIC REPORT: Y / ~~N~~EXEMPT REPORT: ~~Y~~ / N

Report Title	Infrastructure Funding Statement (IFS)
KEY DECISION	Y
Report Author	Andrew Tyrer, Planning Obligations Officer
Purpose of Report	To seek approval of the Cabinet for publication of the Infrastructure Funding Statement (IFS)
Reason for Decision	To enable the Cabinet to consider the content of the IFS and to approve its publication
Portfolio (holder)	Cllr Bateman – Portfolio Holder for Planning & Infrastructure
Corporate Priorities	HDC's ' Corporate Plan 2019-2021 ' and the related 'Corporate Delivery Plan 2019-2021' set out the Council's aspirations for the district over the next three years, what its priorities are and how it will deliver them. There are three priorities: The place: An enterprising and vibrant place. CO1, CO3, CO4 The people: A healthy, inclusive and vibrant community. CO5, CO6, CO7, The council: Innovative, proactive and efficient. CO8
Financial Implications	Developer contributions provide appropriate and necessary mitigation of the impacts of new developments. The contributions/obligations need to be justified and compliant with the provisions of the Community Infrastructure Levy (CIL) Regulations.
Risk Management Implications	The risk to the Council in not preparing and publishing and IFS, would be a potential breach of the CIL Regulations in the Council not meeting its duties/requirements to prepare and publish the IFS. A reputational issue may also arise by being out of compliance with the requirement set by the Government.
Environmental Implications	As this document relates to the spatial and strategic planning of the district, it would have implications for the environment.
Legal Implications	Publishing the IFS will meet the provisions of Government requirements as set out in the Community Infrastructure Levy (Amendment) (No.2) (England) Regulations 2019.
Equality Implications	S106 Planning Obligations are necessary to make development acceptable in planning terms, resulting in

	sustainable development which provides for social, economic and environmental well-being. Planning obligations often provide for community facilities which can benefit the following groups, for example, the vulnerable, senior citizens, children, those caring for others and people with disabilities.
Data Protection Implications	None as far as this report is concerned.
Consultation	Internal consultation with the portfolio holder.
Options	Option 1 – approve the Infrastructure Funding Statement (IFS) to be published to comply with the requirements of the CIL Regulations. Option 2 – not to approve the publication of the IFS would be a potential breach of the CIL Regulations.
Background Papers	None.
Recommendation	That the Cabinet approve the Infrastructure Funding Statement (IFS) attached as Appendix A, for publication.

1 Introduction

- 1.1 Community Infrastructure Levy (Amendment) (No.2) (England) Regulations came into force on 1 September 2019. Under the regulations, Infrastructure Funding Statements (IFS) replace CIL Regulation 123 Lists as the mechanism through which infrastructure projects are identified.
- 1.2 The IFS is required to be published annually to provide a summary of all financial and non-financial developer contributions relating to section 106s within the district. It will include a statement of infrastructure projects that the Council intends to, be wholly or partly funded by planning obligations. It will also set out the spending protocol including the process that the Council will undertake for allocating planning obligations.

2.0 Key Facts

- 2.1 The Community Infrastructure Levy (Amendment) (England) (No.2) Regulations 2019 came into force on 1st September 2019 and made important changes to the operation of CIL and section 106 planning obligations including the lifting of the ‘pooling restrictions’ on the amount of planning obligations that can be used to fund a single project or piece of infrastructure.
- 2.2 Planning obligations are required to meet the statutory tests under Regulation 122 of the CIL Regulations which are:
- Necessary to make a development acceptable in planning terms
 - Directly related to a development
 - Fairly and reasonably related in scale and kind to a development.

- 2.3 The annual Infrastructure Funding Statement (IFS) is required to be published by 31st December each year moving forward. This IFS will be the second one to be prepared and published. In comparison to the previous year, 2020/21 has seen a lower amount of contributions received and contributions spent and a low number of S106 agreements signed. A key factor has been the Covid 19 pandemic which has impacted on wider economic activity, including the construction industry and the resultant constraints on service providers/stakeholders/infrastructure partners e.g., health bodies needing to focus on the pandemic rather than being able to spend/implement infrastructure through available S106 funds.
- 2.4 For the financial year 2020/21 onwards, any local authority that has received developer contributions, section 106 planning obligations or Community Infrastructure Levy, (CIL) must publish their IFS online.
- 2.5 Annual Infrastructure Funding Statements should ideally report on the delivery and provision of infrastructure; contributions received (paid) to the Council and the spending of contributions on the infrastructure improvements that have been funded, including those passed to other bodies to be spent.
- 2.6 Harborough District Council's second IFS has been drafted (**Appendix A**) and has been prepared in anticipation of publishing it before the deadline of 31st December 2021, or earlier if possible. The current draft IFS is comprised of a general statement and a series of sections with appropriate tables for the financial year 2020/21.
- 2.7 Table 1, below, shows the section 106 planning obligations received in financial year 2020/21 at a total of **£1,584,493.03**, comprised of affordable housing; community facilities; health; Off-site recreation (allotments/greenways/sports); Police and cemetery.

Table 1: Amount of S106 contributions received by the Council in 2020/21 by Infrastructure Type

Infrastructure type	£ Amount received
Affordable Housing	569,677.88
Community facilities	315,559.49
Health CCG	171,737.40
Offsite recreation (allotments/greenways/sports)	263,789.64
Children & Young People	58,909.08
Police	166,876.62
Cemetery	37,942.92
Total	1,584,493.03

- 2.8 Spending the contributions received is an important part of the IFS. Table 2 below shows the financial obligations spent and numbers of affordable housing secured. (Please note: **the majority of the contributions spent do not precisely match or tally with those received in Table 1 above, because the contributions spent in 2020/21 were received/paid in previous years**).

Table 2: S106 Contributions Spent by Infrastructure Type in 2020/21

Infrastructure type	Dwellings Secured/Amount Spent
Affordable Housing	207 dwellings provided
Community facilities	£7,200.00
Health CCG	-
Police	£57,429.86
Cumulative Spend: total	£64,629.86

- 2.9 Table 3 below shows the cumulative amounts received (paid in from developers), whilst Table 4 beneath shows the cumulative amounts of contributions spent in the Council's first Infrastructure Funding Statement (IFS) of 2019/20 and those spent in the second IFS of 2020/21. The significant difference in the amount shown as spent in 2020/21 to that spent in 2019/20 in Table 4 is due to the effects of the Covid 19 pandemic.

Table 3: S106 Contributions cumulatively received in 2019/20 & 2020/21

Financial Year	amount paid
2019/20	£2,870,320.79
20/20/21	£1,584,493.03
Cumulative paid: total	£4,454,813.82

Table 4: S106 Contributions cumulatively spent in 2019/20 & 2020/21

Financial Year	amount spent
2019/20	£3,858,703.71
2020/21	£64,629.86
Cumulative spend: total	£3,923,333.57

3.0 Conclusion

- 3.1 The Government sees the Infrastructure Funding Statement (IFS) an important tool to secure wider engagement, with local communities and infrastructure providers, for example. It can also be used to inform Statements of Common Ground (SoCG) between parties. It is intended to add transparency, about how contributions have been used to fund infrastructure improvements and ensure the spending of section 106 contributions on infrastructure is transparent and accountable.

3.2 Local authorities may report this information in the annual, authority monitoring reports but the authority monitoring report is not a substitute for the Infrastructure Funding Statement (IFS) and the need to produce one to meet regulatory requirements. If approved, the IFS will be published on the Council's website and the information contained within it will be publicly available.