

HARBOROUGH DISTRICT COUNCIL

REPORT TO THE CABINET MEETING OF 2nd November 2020

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 are justified and compliant with the provisions of the Community Infrastructure Levy (CIL) Regulations.
Risk Management Implications	The risk would be the potential breach of the CIL Regulations in 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	N/A
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 and provide a summary of all financial and non-financial developer contributions relating to S106s within the District. It will include a statement of infrastructure projects that the Council intends to, wholly or be partly funded by planning obligations. It will also set out the spending protocol setting out 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 S106 planning obligations including the lifting of the ‘pooling restrictions’ on the number of planning obligations that can be used to fund a single project or piece of infrastructure.
- 2.2 This change has an important impact on both the collection and the spending of developer contributions and will allow an increased number of obligations which can now be pooled to one project or infrastructure. Planning obligations

are still 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

- 2.4 Whilst the restriction on the pooling of contributions has been lifted, the Government has introduced a requirement for councils to prepare an annual Infrastructure Funding Statement (IFS) which is to be published by 31st December each year and thereafter, at least annually.
- 2.5 For the financial year 2019/20 onwards, any local authority that has received developer contributions section 106 planning obligations or community Infrastructure Levy) must publish online their IFS.
- 2.6 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 it has funded, including those passed to other bodies.
- 2.7 Harborough District Council's first IFS has been drafted (**Appendix A**) and has been prepared in anticipation of publishing it before the deadline of 31st December 2020 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 2019/20.
- 2.8 Table 1, below, shows the S106 planning obligations received in financial year 2019/20 at a total of over **£2.8m**, 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 2019/20 by Infrastructure Type

Infrastructure type	Amount received
Affordable Housing	£339,372.00
Community facilities	£1,019,518.72
Health CCG	£332,246.05
Off site recreation	£736,489.98
Police	£215,004.34
Cemetery	£137,689.70

- 2.9 Spending of planning obligations is considered an important reporting element of the IFS. Table 2 shows the financial obligations spent and numbers of affordable housing secured. (The majority of the contributions spent do not match or tally with those received in table 1 above, because the contributions spent in 2019/20 were received/paid in previous years).

Table 2: S106 Contributions Spent by Infrastructure Type in 2019/20

Infrastructure type	Amount Spent
Affordable Housing	207 affordable dwellings delivered
Community facilities	£3,067,013.27
Health CCG	£218,753.60
Off site recreation	£552,796.42
Police	£20,140.40

3.0 Conclusion and Next Steps

- 3.1 Going forward, it is intended to publish the Council's IFS each year to provide a statement of the planning obligations received and spent/used for each preceding financial year. It is also a requirement of the IFS to report on the obligations not only secured and spent by the Council's own services, but also obligations passed to external stakeholders, for example, the police and the health/CCGs.
- 3.2 The Government considers the Infrastructure Funding Statement (IFS) is an important and useful tool for wider engagement, for example, with local communities, infrastructure providers, and it can inform Statements of Common Ground. It is intended to add transparency, about how contributions have been used to fund infrastructure improvements and make spending on infrastructure improvements more accountable too.
- 3.3 Local authorities can also report this information in authority monitoring reports but the authority monitoring report is not a substitute for the Infrastructure Funding Statement (IFS). If approved, the IFS will be published on the Council's website and the information contained within will be publicly available.