



COTSWOLD DISTRICT COUNCIL

Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	CABINET - 2 NOVEMBER 2020
Report Number	AGENDA ITEM 8
Subject	INFRASTRUCTURE FUNDING STATEMENT
Wards affected	ALL
Accountable member	Cllr Rachel Coxcoon - Cabinet Member for Planning Policy, Climate change and Energy Email: rachel.coxcoon@cotswold.gov.uk
Accountable officer	Jasper Lamoon - Senior Infrastructure Delivery Officer Tel: 01285 623 508 Email: jasper.lamoon@cotswold.gov.uk
Summary/Purpose	The Infrastructure Funding Statement (new yearly reporting requirement to be published by December 2020) includes a statement of infrastructure projects that Cotswold District Council expects to be wholly or partly funded by CIL for which approval is sought.
Annexes	Annex A - Infrastructure Funding Statement
Recommendation/s	<i>a) To note publication of the data in the CIL and S106 reports of the Infrastructure Funding Statement;</i> <i>b) To approve the publication of the Infrastructure List.</i>
Corporate priorities	In line with the Council's principle of 'rebuilding trust and confidence in the council by promoting a culture of openness and transparency'
Key Decision	NO
Exempt	NO
Consultees/ Consultation	Internal consultation (Development Management, Forward Planning, Heritage & Design, Housing, Community Wellbeing and Finance)

1. BACKGROUND

- 1.1. In the Community Infrastructure Levy (CIL) legislation changes of September 2019, the government introduced a requirement for Councils to produce a yearly 'Infrastructure Funding Statement' (IFS). The first statement, covering the financial year 2019/20, must be published by December 2020.
- 1.2. The aim of the IFS is to increase transparency by providing a statement of accounts of all financial and non-financial developer contributions relating to Section 106 Legal Agreements (S106) and CIL collected and spent by a local authority per calendar year. The report has therefore been kept succinct and factual.
- 1.3. The IFS is split into three sections: The Infrastructure List, the CIL Report and the Section 106 Report. The CIL and S106 reports contain factual data about the collection and spending of funding for infrastructure in the District as set out in the CIL regulations. This data does not require Cabinet approval, although it is important for the Cabinet to be aware of its publication.
- 1.4. The Infrastructure List is a statement of infrastructure projects that the Council expects to be wholly or partly funded by CIL. Although this is an evidence based list derived from infrastructure needs identified in the Cotswold District Local Plan 2011-2031, the report seeks approval of its publication.
- 1.5. This IFS only contains information on infrastructure funding collected and spent by the Council and should be read in conjunction with Gloucestershire County Council's (GCC) IFS to get a full picture of infrastructure funding that is collected and spent in Cotswold District.

2. MAIN POINTS

- 2.1. The first element of the IFS is the Infrastructure List.
 - 2.1.1. Prior to the introduction of Infrastructure Funding Statements, the Council's CIL spending priorities were set out in its regulation 123 list. This was a list of infrastructure projects for which the Council would not request financial S106 contributions as required by regulation 123 of CIL regulations 2010 (as amended). However, this list became defunct after the September 2019 CIL legislation changes.
 - 2.1.2. All projects on the list were identified in the [Cotswold District Local Plan 2011-2031](#) as critical or essential to the delivery of the local plan. The Infrastructure List is therefore a continuation of the defunct regulation 123 list. Projects that have been funded or have become obsolete since the creation of the regulation 123 list have been removed. Projects on the list are shown in alphabetical order.
 - 2.1.3. Although the Infrastructure List does not have the same legal restrictions as the regulation 123 list, the Council does not anticipate requesting S106 financial obligations for the infrastructure projects on the list. This is to ensure clarity for developers, GCC and the Council's development management team when negotiating S106 agreements.
 - 2.1.4. The Infrastructure List is a statement of intent. The Council can still opt to spend collected CIL monies on projects not on the list if other unexpected needs arise.

- 2.1.5. The Infrastructure List is evidence based. When documents which identify infrastructure needs and priorities in the district, such as [Cotswold District's Infrastructure Delivery Plan \(IDP\)](#) and [Gloucestershire County Council's Local Transport Plan](#), are updated, changes to the Infrastructure List are likely to be required. These changes would show in next year's IFS.
- 2.1.6. Officers are currently in the process of drawing up proposals regarding the governance arrangements for the spending of CIL monies. Such arrangements are expected to come into place in 2021. It is important to note that CIL monies cannot be spent on Affordable Housing.
- 2.2. The second element of the IFS is the CIL Report.
 - 2.2.1. CIL was implemented in Cotswold District on 1 June 2019. It is a non-negotiable rate on new development which is indexed each year. The rate for 2020 is set at £84.03/sqm for residential developments and £63.02/sqm for retail developments.
 - 2.2.2. CIL only applies to planning permissions granted after 1 June 2019 in Cotswold District and the CIL charge is paid by instalments spread over time to assist the viability of developments. This means that it takes time before enough CIL funds are collected for investment in infrastructure projects.
 - 2.2.3. The CIL regulations 2010 (as amended) set out which figures need to be reported on in the IFS. The full IFS with all figures can be found in Appendix A.
 - 2.2.4. The CIL monies collected so far (£16,635.42) have come from small developments which would not have been subject to a S106 agreement. Hence, none of these funds would have been collected without having CIL in place.
 - 2.2.5. The majority of CIL funds are expected to come from larger developments; however no large developments have been approved since the introduction of CIL in Cotswold District.
 - 2.2.6. 15% of collected CIL funds go to the town/parish council in which the development took place (25% if the application area is covered by a neighbourhood plan). These funds are automatically transferred to the town/parish council twice a year (1 October and 1 April) as defined in the regulations. No CIL funds had been collected on 1 October 2019. The transfer of funds in April 2020 will be reported in next year's IFS.
 - 2.2.7. The Council granted a total of £1,046,871.59 in CIL reliefs. These reliefs are defined in the legislation and the Council does not have any discretionary powers in this matter.
- 2.3. The third element of the IFS is the S106 Report
 - 2.3.1. The CIL regulations 2010 (as amended) set out which figures need to be reported on in the report.
 - 2.3.2. The report includes the S106 agreement for the strategic site at Chesterton which means the total figure of financial obligations (£3,925,445.50) and affordable housing (742) from agreements signed in 2019/20 is likely to be higher than usual.
 - 2.3.3. The Council holds a total of £1,144,885.27 of allocated S106 funds. The government's guide on developer contributions defines allocated as 'the received money has been allocated to a team within the local planning authority, who will spend the money'.

- 2.3.4. £1,014,266.00 of the allocated funds has been collected for the delivery of affordable housing across the district. This includes £200,000 which has already been assigned by the Council to a site at Berrington Road in Chipping Campden.
- 2.3.5. The Council holds £569,235.05 of non-allocated S106 funds. This is money that will be spent by external bodies such as Gloucestershire County Council or the town/local parish council.

3. FINANCIAL IMPLICATIONS

- 3.1. There are no direct financial implications arising from the publication of the Infrastructure List and the CIL report. Proposals regarding the governance arrangements for the spending of CIL monies will be finalised in 2021.
- 3.2. Most legal agreements with financial obligations include a payback clause. If collected S106 monies have not been spent within a defined time period, they need to be returned. An index is applied to such returns. Although the spending period varies among agreements, it is often 5 years from the date of receipt. The IFS clearly sets out which S106 funds are currently held by the Council, which may lead to payback requests from developers.

4. LEGAL IMPLICATIONS

- 4.1. Section 121A of the Community Infrastructure Regulations 2010 require the Council to publish an annual infrastructure funding statement no later than 31st December in each calendar year. The first annual infrastructure funding statement must be published by 31st December 2020 and must comprise the following:
- (a) a statement of the infrastructure projects or types of infrastructure which the authority intends will be, or may be, wholly or partly funded by CIL
 - (b) a report about CIL, in relation to the previous financial year (“the reported year”),
 - (c) a report about planning obligations, in relation to the reported year
- 4.2. The annual infrastructure funding statement must be published on the Council’s website.

5. RISK ASSESSMENT

- 5.1. The IFS will be published yearly and will create increased transparency on how the Council deals with infrastructure funding. The risks outlined here therefore do not result from the IFS itself, but are possible consequences if S106 agreements are not properly monitored.
- 5.2. There is a risk associated with S106 monies not being collected or collected funds having to be returned as they go over the spending deadline.

6. EQUALITIES IMPACT

There are no equalities implications arising from the recommendations in this report

7. CLIMATE CHANGE IMPLICATIONS (IF REQUIRED)

- 7.1. An update to the local plan, making it green to the core, could impact on the Infrastructure List in the future. However there are no direct climate change implications from the Infrastructure Funding Statement.

8. ALTERNATIVE OPTIONS

- 8.1. It is a legal requirement to publish an Infrastructure Funding Statement with an Infrastructure List. The option of not publishing an Infrastructure Funding Statement has therefore not been considered.

9. BACKGROUND PAPERS

- 9.1. None.

(END)