

TEWKESBURY BOROUGH COUNCIL

Report to:	Executive Committee
Date of Meeting:	18 November 2020
Subject:	Infrastructure Funding Statement (IFS) Approval for Publication
Report of:	CIL Manager for the JCS Authorities
Corporate Lead:	Head of Development Services
Lead Member:	Lead Member for Built Environment
Number of Appendices:	Three

Executive Summary:

The purpose of this report is to update Executive Committee on the preparation of the Infrastructure Funding Statement (IFS) for 2020 including the required Infrastructure List.

Recommendation:

That it be RECOMMENDED TO COUNCIL:

- 1. That the publication of the Infrastructure Funding Statement (IFS) for 2020 be APPROVED.**
- 2. That it be NOTED that the Annual Community Infrastructure Levy (CIL) Rates Summary Statement will be published alongside the IFS.**

Reasons for Recommendation:

1. All “contribution receiving authorities” are now required, under the Community Infrastructure Levy Regulations 2010 (as amended) to produce an IFS at least annually [Regulation 121A].
2. The deadline for producing the first IFS and publishing it on the Council’s website is 31 December 2020. Detailed requirements are set out in Schedule 2 to the Regulations and the Ministry of Housing, Communities and Local Government (MHCLG) requires that it is sent details of the website address where the IFS can be found.

Resource Implications:

None – work undertaken within existing capacity.

Legal Implications:

The production of an IFS, including a regulation 121A Infrastructure List, is a statutory obligation as a result of amendments to the Community Infrastructure Levy Regulations 2010 (the Regulations) by the Community Infrastructure Levy (Amendment) (England) (No.2) Regulations 2019. As is the publication of the Annual CIL Rates Summary Statement.

Those amendments also revoked, as of 1 September 2019, Regulation 123 of the Regulations thereby removing the restrictions there had been previously, both on the pooling of monies from s106 obligations and also the spending of both CIL and s106 monies on the same infrastructure.

The regulation 123 infrastructure list previously published alongside the adoption of CIL by the Council remains the Council's infrastructure list until replaced by the regulation 121A Infrastructure List within the IFS.

Risk Management Implications:

1. Failure to publish the required statements would be a breach of Regulations.
2. Though the Infrastructure List will not dictate how funds must be spent, it will set out the Council's intentions and its publication as part of the IFS will provide clarity and transparency for communities and developers on the infrastructure that is expected to be delivered.
3. Not having a clear prioritisation of infrastructure projects may risk that CIL receipts are not targeted towards the most critical infrastructure needed to deliver development.

Performance Management Follow-up:

1. Statutory obligation to produce an annual IFS requires detailed accounts of income and expenditure for both CIL and S106 to be maintained to ensure that the flow of income-purpose-expenditure is transparent.
2. As part of the IFS, the Infrastructure List must be updated annually through the maintenance of the JCS Infrastructure Delivery Plan (IDP) Project Tracker in collaboration/consultation with Infrastructure Providers.

Environmental Implications:

None directly, though the effective use of CIL receipts has the potential to have a positive impact on all three dimensions of sustainable development through the provision of infrastructure necessary to facilitate growth including environmental infrastructure.

1.0 INTRODUCTION/BACKGROUND

- 1.1 Regulation 121A requires Charging Authorities to produce an IFS which, in accordance with Schedule 2, provides details of not only CIL but also S106 income and expenditure and an Infrastructure List.
- 1.2 The CIL Report, on the previous financial year ("the reported year") must include the answers to specific questions on billed and received income, committed and spent expenditure.
- 1.3 The S106 report, again on the same 'reported year', must include answers to specific questions on not only balances, income, allocation and expenditure of financial contributions but also non-financial contributions that have been secured, such as affordable housing.
- 1.4 The 'Infrastructure List' is "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 CIL" (other than CIL which relates to the neighbourhood portion).

- 1.5** The Council must also produce an Annual CIL Rates Summary Statement applying the Royal Institute of Chartered Surveyors (RICS) CIL index, published in November each year, to the existing Charging Schedule to produce a Charging Schedule for the following calendar year. Regulation 121C (1) requires it to be published no earlier than 2 December and no later than 31 December.

2.0 REPORT DETAILS

2.1 Infrastructure Funding Statement - CIL Report

- 2.1.1** Tewkesbury Borough Council and JCS partners in Cheltenham and Gloucester began charging CIL on applications received after 1 January 2019, however the first payment was made on 7 October 2019, within the reporting year

- 2.1.2** CIL Receipts for the reporting year were £37,165.55 and from this we deduct:
£1,858.28 paid towards administrative expenses.

£8,190.00 'Neighbourhood Fund' which was distributed to Parish Councils; and this leaves a balance of -

£27,117.28 'Infrastructure Fund', for infrastructure required to deliver planned development, held by the Borough Council.

The CIL report also provides details of the £427,453.55 in Demand Notices issued during the reporting year which, in line with the Council's adopted Instalments Policy, will be received over the next two years.

2.2 Infrastructure Funding Statement - S106 Report

- 2.2.1** At the start of April 2019 there was a balance of £5,808,354.99. During this year we received £4,122,767.88 and spent £1,049,767.65. At the end of March 2020 there was a closing balance of £9,509,293.15.

The S106 report also provides details of the £1,453,447.58 off-site financial contributions secured and the 310 affordable homes secured on site.

2.3 Infrastructure Funding Statement - Infrastructure List

- 2.3.1** In the adopted JCS IDP a number of projects were identified as critical. This was updated in 2017 and 2020 and it is those projects that have been selected for inclusion in the Infrastructure List.

- 2.3.2** The Borough Council and JCS partners will review this list, as a minimum, on an annual basis, alongside the preparation of their Infrastructure Funding Statement(s).

2.4 The Annual CIL Rates Summary Statement

- 2.4.1** The Annual CIL Rates Summary Statement (Appendix 2) is based on the RICS CIL Index, published on 26 October ready for 1 November.

3.0 NEXT STEPS

- 3.1** The recommendation will be considered by Council on 8 December.

- 3.2** Publication of both reports on the Borough Council's website and notification to the Ministry for Housing, Communities and Local Government (MHCLG) in December 2020.

4.0 OTHER OPTIONS CONSIDERED

4.1 None as the publication of the IFS and CIL rates summary statement are a statutory requirement.

5.0 RELEVANT COUNCIL POLICIES/STRATEGIES

5.1 Joint Core Strategy 2011 to 2031 (December 2017).

5.2 Joint Core Strategy 2011 to 2031 Infrastructure Delivery Plan (2014) and Addendum (2017).

6.0 RELEVANT GOVERNMENT POLICIES

6.1 The Community Infrastructure Levy Regulations 2010 (as amended).

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

7.0 RESOURCE IMPLICATIONS (Human/Property)

7.1 As above.

8.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)

8.1 None directly, though the effective use of CIL receipts has the potential to have a positive impact on all three dimensions of sustainable development through the provision of infrastructure necessary to facilitate growth including environmental infrastructure.

9.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)

9.1 None directly.

10.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

10.1 October 2018 - Adoption of CIL Charging Schedule and supporting policies.

Background Papers: None.

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Appendices:

1. DRAFT Tewkesbury Borough Council Infrastructure Funding Statement 2020.
2. DRAFT Tewkesbury Borough Council Annual CIL Rates Summary Statement 2020.
3. An introduction to Infrastructure Funding Statements.