

TEWKESBURY BOROUGH COUNCIL

Report to:	Executive Committee
Date of Meeting:	29 November 2023
Subject:	Infrastructure Funding Statement (IFS) and Annual Community Infrastructure Levy (CIL) Rate Summary Statement
Report of:	CIL Manager
Head of Service/Director:	Associate Director: Planning
Lead Member:	Lead Member for Built Environment
Number of Appendices:	2

Executive Summary:

All Councils which charge Community Infrastructure Levy (CIL) and secure developer contributions by way of Section 106 (S106) agreements have a statutory obligation to prepare the following:

- An Infrastructure Funding Statement (IFS) (Appendix 1) and
- An annual CIL Rate Summary Statement (Appendix 2).

The Infrastructure Funding Statement must include an Infrastructure List (Chapter 3 of the IFS), to help guide future priorities for allocation of strategic community infrastructure funding monies.

Regulation 121A requires the Council, as a contribution receiving authority to publish an IFS annually, no later than the 31 December, that sets out details about planning obligations and CIL income and expenditure, actual and anticipated for the last reported year ending on the 31 March, and an Infrastructure List; and

Regulation 121C(1) requires an annual CIL Rate Summary Statement to be published no earlier than 2 December and no later than 31 December updated in line with the CIL Index published by the Royal Institute of Chartered Surveyors (RICS) for the 1 November each year.

Regulations referred to are the Community Infrastructure Levy Regulations 2010 (as amended).

Recommendations:

To RECOMMEND TO COUNCIL:

1. That publication of the Infrastructure Funding Statement (IFS), relating to the financial year ending 31st March 2023, by 31st December 2023, be **APPROVED**; and
2. That the Annual Community Infrastructure Levy (CIL) Rate Summary Statement be published alongside the Infrastructure Funding Statement by 31 December 2023.

Financial Implications:

None as work undertaken within existing resources and budgets.

Legal Implications:

The production of an Infrastructure Funding Statement at least annually, including a Regulation 121A 'Infrastructure List', is a statutory obligation as a result of amendments to the Community Infrastructure Levy Regulations 2010 by the Community Infrastructure Levy (Amendment) (England) (No.2) Regulations 2019. As is the publication of the annual CIL Rate Summary Statement.

The same 2019 amendments also revoked, as of 1 September 2019, Regulation 123 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 Section 106 (S106) monies on the same infrastructure.

Environmental and Sustainability Implications:

None as a result of meeting our statutory reporting obligations, though the effective use of CIL receipts themselves has the potential to have a positive impact on all 3 dimensions of sustainable development.

Resource Implications (including impact on equalities):

None.

Safeguarding Implications:

None.

Impact on the Customer:

The IFS provides clarity and transparency for communities and developers on the funding that has been raised and spent and on the infrastructure that has been and is expected to be delivered.

1.0 INTRODUCTION

- 1.1** The Council's fourth IFS has been prepared ready for submission¹ and publication on our website by 31 December 2023².
- 1.2** The IFS (Appendix 1) must include reports on the previous financial year, ending on the 31 March, for both CIL and S106 Planning Contributions as well as an Infrastructure List.
- 1.3** An annual 'CIL Rate Summary Statement' (Appendix 2), applying the national CIL index³ and setting out the charges for the following calendar year, must also be published in December⁴.

¹ Department for Levelling Up Housing and Communities (DLUHC), formerly Ministry of Housing, Communities and Local Government (MHCLG)

² Community Infrastructure Levy Regulations 2010 (as amended) Regulation 121A

³ Published by the Royal Institute of Chartered Surveyors (RICS) on the 1st November each year

⁴ Regulation 121C(1) requires it to be published "no earlier than 2nd December and no later than 31st December"

- 1.4** The 'Infrastructure List' is a list of the infrastructure projects or types of infrastructure which "the charging authority intends will be, or may be, wholly or partly funded by CIL".
- 1.5** The Infrastructure List is shared by the three Joint Core Strategy (JCS) Councils – Cheltenham Borough, Gloucester City and Tewkesbury Borough - reflecting their co-operation on the JCS and its successor, the 'Strategic and Local Plan' (SLP). Previous reporting has highlighted that the agreed Infrastructure List is not representative of current priorities. As such the JCS/SLP Councils, alongside Gloucestershire County Council, have prepared an interim Infrastructure List. This recognises that a full reassessment of the Infrastructure Delivery Plan (upon which the agreed Infrastructure List was based) is required and this will take place alongside the preparation of the SLP but cannot wait until that is completed to better reflect current priorities. A further report is being prepared for Executive Committee and Council separately which seeks:
1. Approval of the establishment of a Joint Committee to facilitate governance of the allocation of CIL funding for strategic Infrastructure from receipts received by Cheltenham Borough, Gloucester City and Tewkesbury Borough Councils; and
 2. Agreement of pooling arrangements by the three Joint Committee partner Councils, managed through CIL Joint Committee Terms of Reference.
- 1.6** Further detail on the interim Infrastructure List is provided in section 2.3 of this report.

2.0 INFRASTRUCTURE FUNDING STATEMENT

2.1 IFS – CIL Report

2.1.1 In the 'reporting year' (1st April 2022 to 31st March 2023):

- CIL Receipts = **£4,561,624.23**
- CIL Expenditure by the borough council = **£225,334.53**
- CIL Expenditure by the parish councils = **£55,109.07**
- CIL Passed to parish councils = **£466,910.11** (**£223,725.37** of which raised in previous year)

2.1.2 At the end of the 'reporting year' (31st March 2023):

- CIL Receipts Retained by the Borough Council = **£7,468,206.30**; made up of the following:
 - **£414,919.76** Neighbourhood Funding⁵ collected by the Borough Council between the 1st October and the 31st March of the reported year to be paid to Parish Councils on the 28th April of the next reported year (2023); and
 - **£7,053,286.54** Strategic Infrastructure funding made up of **£3,620,504.81** from receipts in the reporting year and **£3,432,781.73** from previous years, for infrastructure required to deliver planned development.

⁵ Regulation 59A Neighbourhood

2.1.3 The Council may use up to 5% of CIL receipts to support administration. The JCS/SLP Councils currently pool their administration funding; this supports the employment of a CIL Manager and CIL Officer, together with the required computer and systems software, and membership costs such as the Royal Institute of Chartered Surveyors (RICS), Building Cost Information Service (BCIS) Subscription etc. The CIL Regulations allow the repayment of expenses incurred prior to the publication of the Charging Schedule over the first three years; however, the repayment of set-up costs, along with the ongoing administration of CIL must not exceed 5% in each year. During this period, to 31 March 2022, the 5% funding did not cover all set-up and operating costs and additional funding was provided through the JCS/SLP councils shared commitment and funding of the JCS and its approach to the preparation of the SLP.

2.1.4 Appropriate administrative expenses associated with CIL that can be recovered from the 5% are broadly set out in the CIL [guidance](#), these include the costs of the functions required to establish and run a levy charging scheme. These functions include levy set-up costs, such as consultation on the levy charging schedule, preparing evidence on viability or the costs of the levy examination. There are similar costs associated with amending a levy charging schedule. They also include ongoing functions like establishing and running billing and payment systems, enforcing the levy, the legal costs associated with payments in-kind and monitoring and reporting on levy activity.

2.1.5 Over time as the CIL pots grow, Tewkesbury Borough Council will wish to fully recover all liable costs, both joint and those arising from Tewkesbury Borough only. This element is kept under regular review.

2.2 IFS – S106 Report

2.2.1 At the start of April 2022, there was a balance of **£9,166,102.72**

2.2.2 During the ‘reporting year’ the Council:

- Received **£2,150,370.63**; and
- Spent **£712,926.66**

2.2.3 At the end of March 2023 there was a closing balance of **£10,226,958.65**

2.2.4 The S106 report also provides details of the **£151,776.25 off-site financial contributions** and **123 affordable homes** secured in agreements entered into during the reporting year.

2.3 IFS – Infrastructure List

2.3.1 The ‘Infrastructure List’ identifies projects which may need wholly or partly funding from CIL individually and those which the JCS/SLP partners share.

2.3.2 The preparation of the SLP is now underway and provides the appropriate context for a full review of the Infrastructure List informed by updated evidence on infrastructure demands and delivery and by the priorities of the three councils, including our commitment to tackle climate change, achieve modal shift away from private car use and reflect changing patterns of work following the pandemic, the Council’s Corporate Plan, including our 2030 net zero objectives.

2.3.3 The interim Infrastructure List will cover the transition to the SLP. Relevant to the decision making of this report are those elements relating only to Tewkesbury Borough Council and those elements which are shared. Chapter 3 of the IFS also includes those items identified by Cheltenham Borough, Gloucester City and Gloucestershire County Councils. Gloucester City and Cheltenham Borough Councils will be reporting on their priorities for the interim Infrastructure List through their reporting procedures.

2.3.4 There is a larger piece of engagement work ongoing with infrastructure providers outside the local authorities to identify any wider infrastructure priorities.

2.4 THE ANNUAL CIL RATE SUMMARY STATEMENT

2.4.1 The annual CIL Rate Summary Statement (Appendix 2) is based on the Royal Institute of Chartered Surveyor's (RICS) CIL Index, published in November each year. Indexation is required so that the rates the Council charge are adjusted to take account of the costs of development and inflation. Whilst the most common index is the Retail Prices Index (RPI), published by the Office for National Statistics, the CIL Regulations require the Council to use the CIL Index published by RICS.

3.0 NEXT STEPS

3.1 Publication on the Council's website and submission and notification of the location of data to the Department for Levelling Up, Housing and Communities by end December 2023.

3.2 Alongside the preparation of the SLP, ensure the infrastructure needed to accommodate planned future development is fully considered through ongoing engagement with a full range of infrastructure providers, including running an open and transparent bidding process with the aim of producing a comprehensive Infrastructure Delivery Plan, from which schemes which meet not only the needs of new development but also the priorities of the Council may be selected for inclusion on a deliverable future Infrastructure List to support the new plan.

4.0 CONSULTATION

4.1 None.

5.0 ASSOCIATED RISKS

5.1 Failure to publish the required statements would be a breach of regulations.

6.0 MONITORING

6.1 Statutory obligation to produce an IFS annually 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.

The updated Infrastructure List is included in the IFS (Appendix 1); however, the list will continue to be reviewed, at least annually, alongside the preparation of the Infrastructure Funding Statement.

7.0 RELEVANT COUNCIL PLAN PRIORITIES/COUNCIL POLICIES/STRATEGIES

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

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

Background Papers: None

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Appendices: Appendix 1 - Draft Tewkesbury Borough Council Infrastructure Funding Statement 2023

Appendix 2 – Draft Tewkesbury Borough Council Annual CIL Rate Summary Statement 2023