



CABINET REPORT

Report Title	ANNUAL INFRASTRUCTURE FUNDING STATEMENT
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AGENDA STATUS: Public

Cabinet Meeting Date:	16 December 2020
Key Decision:	YES
Within Policy:	YES
Policy Document:	YES
Service Area:	Planning and Sustainability
Accountable Cabinet Member:	Councillor J Hill
Ward(s)	All

1. Purpose

- 1.1 The purpose of the report is to
- report financial contributions collected through the Community Infrastructure Levy and S106 obligations associated with Planning decisions.
 - To agree the projects that money collected through the Community Infrastructure Levy, can be allocated to.

2. Recommendations

- 2.1 It is recommended that Cabinet approves the contents and recommendations of the Annual Infrastructure Funding Statement and the allocation of funds collected through the Community Infrastructure Levy.

3. Issues and Choices

3.1 Report Background

3.1.1 Cabinet, at its meeting on 9th September 2015 considered the findings of the Examiner’s report of the Draft Community Infrastructure Charging Levy and recommended it be reported to Council for formal approval. As a result, a Community Infrastructure Levy (CIL) Charging Schedule was approved, in accordance with Regulation 25 of the CIL Regulations 2010 (as amended) and CIL has been collected on relevant developments submitted and approved since 1st April 2016. Money collected is then to be allocated to strategic projects that are set out on the CIL Regulation 123 List.

3.1.2 The Community Infrastructure Levy (Amendment) (England) (No 2) Regulations 2019 which came into effect on 1 September 2019 requires the production of an Annual Infrastructure Funding Statement. Paragraph 121a requires the Collecting Authority to take the following actions;

121A.(1) Subject to paragraph (2), no later than 31st December in each calendar year a contribution receiving authority must publish a document (“the annual infrastructure funding statement”) which comprises the following—

- a) 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;*
- (b) a report about CIL, in relation to the previous financial year which includes the matters specified in paragraph 1 of Schedule 2 (“CIL report”);*
- (c) a report about planning obligations, in relation to the reported year, which includes the matters specified in paragraph 3 of Schedule 2 and may include the matters specified in paragraph 4 of that Schedule (“section 106 report”).*

(2) The first annual infrastructure funding statement must be published by 31st December 2020.

(3) A contribution receiving authority must publish each annual infrastructure funding statement on its website.

3.1.3 This report accompanies the Council’s Infrastructure Funding Statement.

3.2 Issues

3.2.1 The level of contributions received through both CIL and s106 agreements is based on the quantum of development and therefore there is no scope to include additional obligations on developers, over and above that which is appropriate, or in the case of a s106 agreement, may have been negotiated following the submission of a viability assessment.

Community Infrastructure Levy (CIL)

3.2.2 CIL is collected based on a levy established prior to adoption plus indexation and equates to the following charge;

NBC Development type levy per square metre	CIL rate on adoption	2018 rate (rounded)	2019 rate (rounded)	2020 rate (rounded)
Residential (excluding SUEs) C3 and C4 uses	£50	£58.20	£64.26	£65.23
Residential SUEs C3 and C4 uses	£50	£58.20	£64.26	£65.23
Retail (excluding central zone)	£100	£116.41	£128.52	£130.47
All other uses	£0	£0	£0	£0

3.2.3 A further element of the Infrastructure Funding Statement is to define the purpose for collecting CIL. Regulation 123 of the CIL Regulations 2010, required the Collecting Authority to produce a list of infrastructure projects, known as the Regulation 123 List. The CIL Regulations 2010 removed the ability for local planning authorities to collect funds towards strategic projects from more than five developments. The Regulation 123 took the place of this and allowed contributions to be collected for strategic projects from any number of developments.

3.2.4 The 2019 Regulations remove this pooling restriction and also the need to produce a Regulation 123 List, but the Collecting Authority is required to identify strategic projects, where the money could be directed.

3.2.5 The adopted Regulation 123 List for Northampton Borough Council identifies the following themes;

- Northampton Growth Management Strategy (highways)
- Northampton North West Bypass Phase 2 (highways)
- Indoor Sports Facility (excluding specific on-site provision directly serving the needs of a development site)
- Education excluding primary schools (and excluding specific provision directly serving the needs of a development site).

3.2.6 It has not been defined how the money shall be distributed amongst these projects.

3.2.7 For clarification of these projects, the Northampton Growth Management Strategy is a highways project to improve the highway junctions on the A45 between the Queen Eleanor junction to Great Billing Junction. This is to allow additional capacity at these junctions to enable the delivery of development that impacts on the A45. A Memorandum of Understanding has been signed by Highways England, Northamptonshire County Council and Northampton Borough Council as a commitment to the delivery of these works.

- 3.2.8 Northampton North West Bypass is required to deliver the Dallington Grange development to the North West of Northampton.
- 3.2.9 The indoor sports facility has not been identified in terms of a location or a firm project but was identified as a strategic project to meet a demand within Northampton.
- 3.2.10 In terms of the final heading, education, the delivery of secondary and other none primary forms of education, such as specialist forms of education, is seen as something that serves a wider than local need. As such these facilities are often funded from a number of developments. At the time that CIL was introduced by the Government, the ability to pool contributions by local authorities, such as education was withdrawn. This made the funding of such facilities difficult, other than by introduction CIL as a means of funding schools.
- 3.2.11 Whilst Northamptonshire County Council have raised potential concerns about a reduction in funding for the highways and education schemes, as a result of contributions being obtained through CIL rather than s106, it is still considered that the above list is an appropriate list of projects to continue with for the forthcoming year.
- 3.2.12 The Infrastructure Funding Statement sets out the amount of CIL money that has been collected in the last financial year (2019/2020).

S106 Agreements

- 3.2.13 In the case of s106 agreements, contributions are sought as mitigation for a development, to ensure the appropriate level of infrastructure is provided, in accordance with the Council's adopted Developer Contributions SPD. The S106 agreement will set out the contribution, when it is to be paid and what the money is to be spent on. This is a legal document and as a result the money cannot be used for any other purposes than that specified in the agreement, in the majority of cases this includes geographically as well as purpose.
- 3.2.14 The Infrastructure funding statement sets out the financial contributions that are held, a breakdown of the purpose of these contributions and how money held has been spent over the last financial year (2019/2020).
- 3.2.15 This information is to be published on the website as a public record.

3.3 Choices (Options)

- 3.3.1 To accept the Infrastructure Funding Statement and to allow its publication.
- a) Option 1: Agree to the recommendation
The report is a factual record of money held and spend over the last financial year.
 - b) Option 2: Do not agree to the recommendation

The report is a factual record of money held and spend over the last financial year. There is a requirement on the collecting authority, in this case this Council, to publish this information/

3.3.2 To accept the allocation of CIL monies to the four projects listed in Paragraph 3.2.5 above.

a) Option 1: Agree to the recommendation

The list of projects will then be published on the Council's website as a public record.

b) Option 2: Do not agree to the recommendation

Alternative projects could be identified, however in the case of the Northampton Growth Management Scheme, this is supported by a Memorandum of Understanding and along with the requirement for education facilities, is fundamental to the delivery of development identified in the West Northamptonshire Joint Core Strategy and the Northampton Local Plan and the emerging Northampton Local Plan Part II

4. Implications (including financial implications)

4.1 Policy

4.1.1 The Community Infrastructure Levy (Amendment) (England) (No 2) Regulations 2019 require that the Infrastructure Funding Statement is produced annually and published by 31 December of that year. The collection of s106 and CIL contributions has implications for the delivery of developments and infrastructure identified in the Local Development Plan.

4.2 Resources and Risk

4.2.1 The production of the Infrastructure Funding Statement has direct resource implications in terms of administrative processes. The CIL regulations allow the Charging Authority to claim up to 5% of the total money collected through CIL, towards resources to manage the process.

4.3 Legal

4.3.1 The Community Infrastructure Levy (Amendment) (England) (No 2) Regulations 2019 require that the Infrastructure Funding Statement is produced annually and published by 31 December of that year.

4.4 Equality and Health

4.4.1 An Equalities Impact Assessment has been carried out. S106 and CIL contributions are sought from developers as mitigation against the impacts of

developments. They are subsequently allocated to projects that meet the needs of the community in to provide necessary local and strategic infrastructure.

- 4.4.2 The projects are considered in terms of their relevance to the s106 agreement associated with a development. They seek to benefit the community taking account of equity issues and health impact.

4.5 Consultees (Internal and External)

- 4.5.1 No consultations have been carried out. Northamptonshire County Council are aware of the existing CIL arrangements and the intention to continue with the infrastructure list as previously adopted.

4.6 How the Proposals deliver Priority Outcomes

- 4.6.1 The publication of the Infrastructure Funding statement, this facilitates the delivery of the Local Development Scheme will help to guide all development across Northampton, achieving economic, social and environmental benefits. In terms of the priorities set out in the Council's Corporate Plan, the LDS, by facilitating the production of the Local Plan Part 2, will help to deliver a stronger economy by:

- Delivering infrastructure that helps Northampton to grow and prosper
- Managing the impacts of development, providing mitigation where appropriate.

4.7 Environmental Implications (including climate change issues)

- 4.7.1 The Infrastructure Funding Statement does not have any direct environmental implications; however, it records financial obligations associated with obligations such as the provision and management of open spaces and air quality.

4.8 Other Implications

- 4.7.1 There are no other implications arising directly from the Infrastructure Funding Statement.

5. Background Papers

- 5.1 Appendix A – Infrastructure Funding Statement

6. Next Steps

- 6.1 Having an agreed Infrastructure Funding Statement in place and published on the Council's website will enable an open approach to the way financial contributions are collected and spent by the Collecting Authority.

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