

Cheltenham Borough Council

Cabinet – 1st December 2020

Infrastructure Funding Statement (IFS) Approval for Publication

Accountable member	Cllr Victoria Atherstone, Cabinet Member Economy and Development
Accountable officer	Tracey Crews, Director of Planning
Ward(s) affected	All
Key/Significant Decision	No
Executive summary	The purpose of this report is to update Cabinet on the preparation of the Infrastructure Funding Statement (IFS) for 2020 including the required 'Infrastructure List'.
Recommendations	Cabinet are recommended to: Approve the publication of the Infrastructure Funding Statement (IFS) for 2020; and Note that the Annual Community Infrastructure Levy (CIL) Rates Summary Statement will be published alongside the IFS.

Financial implications	None direct. Contact officer: Andrew Knott, Business Partner Accountant (Deputy Section 151 Officer) andrew.knott@cheltenham.gov.uk
Legal implications	<p>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.</p> <p>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.</p> <p>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.</p> <p>Contact officer: Cheryl Lester, Solicitor, One Legal Cheryl.lester@Cheltenham.gov.uk</p>

HR implications (including learning and organisational development)	<p>None – work will be undertaken within existing capacity.</p> <p>Contact officer: Clare Jones, HR Business Partner, Publica clare.jones@publicagroup.uk</p>
Key risks	<ol style="list-style-type: none"> 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.
Corporate and community plan Implications	None directly.
Environmental and climate change implications	None directly, though the effective use of CIL receipts has the potential to have a positive impact on all 3 dimensions of sustainable development through the provision of infrastructure necessary to facilitate growth including environmental infrastructure.
Property/Asset Implications	<p>Not relevant for this report.</p> <p>Contact officer: Dominic.stead@cheltenham.gov.uk</p>

1. 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 2nd December and no later than 31st December".

2. Report Details

Infrastructure Funding Statement – CIL Report

- 2.1** Cheltenham Borough Council and JCS partners in Gloucester and Tewkesbury began charging CIL on planning permissions granted on or after 01 January 2019, however the first payment was made on 28 June 2019, within the reporting year.
- 2.2** CIL Receipts for the reporting year were £73,982.72 from this we deduct:
- £3,699.13 paid towards administrative expenses;
 - £3,283.20 'Neighbourhood Fund' which was distributed to Parish Councils;
 - £7,814.21 'Neighbourhood Fund' which was held by the Borough Council; and this leaves a balance of -
- £59,186.18 'Infrastructure Fund', for infrastructure required to deliver planned development, held by the Borough Council.
- 2.3** The CIL Report also provides details of the £329,174.53 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.

Infrastructure Funding Statement – S106 Report

- 2.3** At the start of April 2019 there was a balance of £2,732,629. During this year we received £25,081 and spent £481,089. At the end of March 2020 there was a closing balance of £2,276,621.
- 2.4** The S106 report also provides details of the £266,660 off-site financial contributions secured and the 38 affordable homes secured on site in agreements entered into in the reporting year.

Infrastructure Funding Statement – Infrastructure List

- 2.5** 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.
- 2.6** 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).

The Annual CIL Rates Summary Statement

- 2.7** The Annual CIL Rates Summary Statement (Appendix 2) is based on the RICS CIL Index published on the 26th October ready, as required by the regulations, for the 1st November.
- 3. Next Steps**
- 3.1** Publication of both reports on the Borough Council's website and notification to DHCLG in December 2020
- 4. Other Options Considered**
- 4.1** None as the publication of the IFS and CIL rates summary statement are a statutory requirement.

Report author	Contact officer: Paul Hardiman, CIL Manager paul.hardiman@cheltenham.gov.uk
Appendices	<ol style="list-style-type: none"> 1. 'DRAFT Cheltenham Borough Council Infrastructure Funding Statement 2020' 2. 'DRAFT Cheltenham Borough Council Annual CIL Rates Summary Statement 2020' 3. Risk Assessment
Background information	An introduction to Infrastructure Funding Statements.