

**Cheltenham Borough Council**  
**Cabinet – 21<sup>st</sup> December 2021**  
**Infrastructure Funding Statement (IFS) Requirements**

<b>Accountable member</b>	<b>Cabinet Member Customer and Regulatory Services, Councillor Martin Horwood</b>
<b>Accountable officer</b>	<b>Tracey Crews, Director of Planning</b>
<b>Ward(s) affected</b>	<b>All</b>
<b>Key/Significant Decision</b>	<b>No</b>
<b>Executive summary</b>	This report provides an update on the preparation of the Infrastructure Funding Statement (IFS) for 2021 (Appendix 2) and this year's CIL Rates Summary Statement (Appendix 3). This report is a purely factual record of the income and expenditure of CIL and S106 (collectively known as 'planning obligations' or 'developer contributions').
<b>Recommendations</b>	<ol style="list-style-type: none"> <li><b>1. Approve the publication of the Infrastructure Funding Statement (IFS) relating to the financial year ending 31st March 2021;</b></li> <li><b>2. Note that the Annual CIL Rate Summary Statement will be published alongside it by the 31<sup>st</sup> December 2021.</b></li> </ol>

<b>Financial implications</b>	None arising from this report. <b>Contact officer: Accountant Business Partner</b> <a href="mailto:andrew.taylor@cheltenham.gov.uk">andrew.taylor@cheltenham.gov.uk</a> .
<b>Legal implications</b>	Statutory obligation as a result of the Community Infrastructure Levy (Amendment) (England) Regulations 2019. <b>Contact officer: Solicitor, One Legal</b> <a href="mailto:Cheryl.lester@tewkesbury.gov.uk">Cheryl.lester@tewkesbury.gov.uk</a> .
<b>HR implications (including learning and organisational development)</b>	None arising from this report <b>Contact officer: HR Business Partner, Publica</b> <a href="mailto:georgie.tewdell@publicagroup.uk">georgie.tewdell@publicagroup.uk</a> .
<b>Key risks</b>	See Appendix 1.
<b>Corporate and community plan Implications</b>	None Directly.
<b>Environmental and climate change implications</b>	None Directly.
<b>Property/Asset Implications</b>	Non arising from this report <b>Contact officer: <a href="mailto:gemma.bell@cheltenham.gov.uk">gemma.bell@cheltenham.gov.uk</a></b>

## 1. BACKGROUND

- 1.1** Infrastructure Funding Statements (IFS) are a legal requirement for Councils who charge Community Infrastructure Levy (CIL) and/or secure developer contributions by way of Section 106 (S106) agreement. Councils are required to produce an IFS annually. This is the Borough Council's second annual IFS, which we are preparing ready for submission<sup>1</sup> and publication on our website by the 31<sup>st</sup> December 2021<sup>2</sup>.
- 1.2** The IFS (included at Appendix 2) must include reports on the previous financial year, ending on the 31<sup>st</sup> March, for both CIL and S106 Planning Contributions.
- 1.3** An Annual CIL Rate Summary Statement (included at Appendix 3), applying the national CIL index<sup>3</sup> and setting out the charges for the following calendar year, must also be published in

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

<sup>2</sup> Community Infrastructure Levy Regulations 2010 (as amended) Regulation 121A

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

December<sup>4</sup>.

- 1.4 Government sets the templates for the technical appendices that support this report. We are required to submit in the format as presented. The information contained in the IFS is purely a factual record of the income and expenditure of CIL and S106 (collectively known as 'planning obligations' or 'developer contributions'). We appreciate, this is not a particularly user friendly format and for future years will look to develop a supporting format that more visually helps readers to understand the flow of CIL and S106.
- 1.5 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 (The 'Infrastructure List') was approved for publication by the Cabinet in December last year. Whilst the list, made up of projects identified as 'critical' in the JCS Infrastructure Delivery Plan (IDP) remains, comments on funding, deliverability and progress as a result of this year's review are now incorporated to provide an update on progress.
- 1.6 Work is underway to review the CIL Charging Schedules of the Borough Council alongside its Joint Core Strategy (JCS) partners. This review, in order to justify the charges levied on developers, will include an 'Infrastructure Needs Assessment (INA)' on the delivery of the JCS and Cheltenham Plan through the remaining half of the plan period, to 2031. The INA will provide an update to the Infrastructure Delivery Plans (IDPs) of the JCS and District Level Plans. This Council aims to ensure that this reflects the priorities of tackling climate change, facilitating modal shift away from the private car and changing patterns of work in the aftermath of the pandemic. The updated IDPs will then feed into a further review of the Infrastructure List with a view to approval by Cabinet in Cheltenham and Gloucester and Council in Tewkesbury in 2022. Publication of the IFS is just one strand of transparency in the collection and expenditure of CIL and S106.
- 1.7 The Council is currently reviewing the governance arrangements for CIL and a further report will be presented to Cabinet/Council early in 2022. Local decision making is important, particularly in defining the spend at the local level outside areas that are parished. Elected members are key stakeholders in providing that connection between communities and the council. In reviewing the future governance options, we will aim for both local engagement and maximum transparency.

## **2. INFRASTRUCTURE FUNDING STATEMENT (Appendix 2)**

### **IFS – CIL Report**

- 2.1 Full details of CIL income and expenditure are presented in the IFS at Appendix 2.
- 2.2 In summary for the 'reporting year' (1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021):
  - CIL Receipts = £212,051.82
  - CIL Expenditure = £9,848.02
  - CIL Passed to Parish Councils = £11,566.20 (£2,908.20 of which raised in previous year)
- 2.3 At the end of the 'reporting year' (31<sup>st</sup> March 2021):

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

- CIL Receipts Retained by the Borough Council = £260,166.60; made up of the following:
  - £268.63 Neighbourhood Funding<sup>5</sup> collected by the Borough Council between the 1<sup>st</sup> October and the 31<sup>st</sup> March of the reported year to be paid to Parish Councils on the 28<sup>th</sup> April of the next reported year (2021/22);
  - £30,312.85 Regulation 59F Neighbourhood Fund for unparished area made up of £22,881.14 from receipts in the reporting year and £7,431.71 from the previous year; and
  - £229,585.12 'Infrastructure Funding' made up of £169,641.45 from receipts in the reporting year and £59,943.67 from the previous year, for infrastructure required to deliver planned development.

**2.4** The council can claim up to 5% of the CIL levy to support administration. The JCS 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 RICS, BCIS Subscription etc. Current funding does not cover all costs incurred by the administration of CIL and the addition is funded through the JCS councils shared commitment and funding of the JCS.

### **IFS – S106 Report**

- 2.5** At the start of April 2020, there was a balance of £2,349,367.55. During the 'reporting year' we received £39,637.20 and spent £883,549.45. At the end of March 2021, there was a closing balance of £1,505,455.30.
- 2.6** The S106 report also provides details of the 62 affordable homes secured in agreements entered into during the reporting year.
- 2.7** The council's constitution clearly sets out the parameters for decision-making. Negotiation of S106 is a key element of the development management process when it is considered that a development will have significant impacts on the local area that cannot be moderated by means of conditions attached to a planning decision. The councils constitution (at Part 3) provides the responsibility for the determination of planning applications (of which S106 negotiation forms part) to the Director of Planning, except as specifically allocated to Planning Committee (under Part 3C)  
<https://democracy.cheltenham.gov.uk/ieListDocuments.aspx?CId=279&MIId=1960&Info=1&bcr=1>.
- 2.8** Decision making of planning decisions outside those undertaken by Planning Committee, including S106 agreements, are currently delegated to the Interim Head of Planning. In negotiating S106, the relevant specialisms are engaged, such as the Housing Strategy Manager and the Green Spaces Manager.

## **3. INFRASTRUCTURE LIST**

**3.1** The current 'Infrastructure List' identifying projects considered critical to the delivery of the Joint

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<sup>5</sup> Regulation 59A Neighbourhood

Core Strategy (JCS) was approved by Cabinet in 2020. Updates on funding, deliverability and progress of this list have therefore been incorporated into the approved Infrastructure List in this year's IFS.

- 3.2** This list is currently being reviewed as part of the review of the CIL Charging Schedules by the JCS authorities to ensure that it includes appropriate coverage of the Cheltenham Plan and corporate priorities on Climate Change, Modal Shift away from the private car and changes to working patterns in the aftermath of the pandemic, as referred to in paragraph 1.6 above.
- 3.3** In reviewing both shared JCS processes and CIL governance arrangements we will also review the process of creating and approving a shared Infrastructure List.
- 3.4** As a council we are very alert to the need to set all our future reviews regarding the Infrastructure List within our response to the climate change emergency, the need to make a step change in the context of sustainable transport and wider air quality management conversations and actions together with developing thinking around 15 minute cities/20 minute neighbourhoods. The original list was approved by Council as part of the package that made up the approval of the JCS and the subsequent approval of the Cheltenham CIL together with the 2020 IFS. The review of the JCS, now underway provides the appropriate context for a full review informed by updated evidence on infrastructure demands and delivery.
- 3.5** As part of the review of the Infrastructure List, greater engagement is also already underway with the Health Service, Police and Crime Commissioner, Environment Agency and Utility Providers which may result in a more diverse list. Decision making on a revised Infrastructure List will take place during 2022.

#### **4. ANNUAL CIL RATES SUMMARY STATEMENT**

- 4.1** The Annual CIL Rates Summary Statement (included as Appendix 3 in draft form) is based on the Royal Institute of Chartered Surveyors (RICS) CIL Index, published in November each year. Indexation allows the rates we charge to be adjusted to take account of inflation. Whilst the most common index is the Retail Prices Index (RPI), published by the Office for National Statistics, the CIL Regulations require us to use an index published by RICS.

#### **5. NEXT STEPS**

- 5.1** Publication of both reports on the Borough Council's website and submission and notification of the location of data to the Department for Levelling Up, Housing and Communities by end December 2021.
- 5.2** A future report to Cabinet/Council on CIL Governance in early 2022.
- 5.3** A review of the Infrastructure List, the process of creating a shared list and the evidence it is based on, reporting to Cabinet/Council during 2022.

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<b>Appendices</b>	<ol style="list-style-type: none"> <li>1. Risk Assessment</li> <li>2. DRAFT Borough Council Infrastructure Funding Statement 2021</li> <li>3. DRAFT Borough Council Annual CIL Rates Summary Statement 2021</li> </ol>
<b>Background information</b>	None.

## APPENDIX 1 – Key Risks

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
CIL	Failure to publish the required statements would be a breach of Government Regulations.	Director of Planning	12.11.21	1	1	1	Close	Cabinet report	31.12.21	CIL Manager	NA
CIL	Not having a clear CIL prioritisation of infrastructure projects may risk receipts not being targeted towards the most critical infrastructure needed to deliver development and fulfil our requirements in the delivery of the JCS and Cheltenham Plan.	Director of Planning	12.11.21	5	2	10	Reduce	Review of Infrastructure Delivery Plan as part of JCS review. Put in place clear and transparent governance	In line with JCS programme	CIL Manager	JCS risk register