

# Cheltenham Borough Council

**Cabinet – 17 December 2024**

## **Infrastructure Funding Statement (IFS) and Community Infrastructure Levy (CIL) Rate Summary Statement**

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**Accountable member:**

Cabinet Member for Planning and Building Control, Cllr Mike Collins

**Accountable officer:**

Director of Communities & Economic Development, Tracey Birkinshaw

**Accountable scrutiny committee:**

Overview & Scrutiny Committee

**Ward(s) affected:**

All

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**Key Decision:** Yes

**Executive summary:**

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

- Infrastructure Funding Statement (IFS) (Appendix 2) and
- Annual CIL Rates Summary Statement (Appendix 3).

The Infrastructure Funding Statement must include an Infrastructure List (provided in Chapter 3 of the IFS, see Appendix 2), to help guide future priorities for allocation of strategic community infrastructure funding monies.

### **Recommendations: That Cabinet**

- 1. approves the publication of the Infrastructure Funding Statement (IFS) relating to the financial year ending 31st March 2024 by 31<sup>st</sup> December 2024**
  - 2. notes that the Annual CIL Rate Summary Statement will be published alongside it by the 31<sup>st</sup> December 2024**
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### **1. Implications**

#### **1.1 Financial, Property and Asset implications**

No financial implications as a result of the recommendations.

**Signed off by:** Capital and Treasury Management Accountant,  
[andrew.sherbourne@cheltenham.gov.uk](mailto:andrew.sherbourne@cheltenham.gov.uk)

#### **1.2 Legal implications**

The production of an IFS, 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 (the Regulation) by the Community Infrastructure Levy (Amendment) (England) (No.2) Regulations 2019. As is the publication of the Annual CIL Rate Summary Statement.

**Signed off by:** Chief Planning Lawyer, One Legal, [legalservices@onelegal.org.uk](mailto:legalservices@onelegal.org.uk)

#### **1.3 Environmental and climate change implications**

This is a report predominantly on income and expenditure of CIL/S106. However, the effective use of CIL/S106 receipts has the potential to have a positive environmental impact. [For example, the revised interim strategic 'infrastructure list' contains proposals including cycle hubs and links which will help to deliver modal shift, a contribution to better recycling facilities, developing mass transit, rail infrastructure enhancements, EV charging infrastructure and strategic green infrastructure, which all have a huge positive potential for tackling climate change].

**Signed off by:** Programme Director for Climate Change,  
[ClimateTeam@cheltenham.gov.uk](mailto:ClimateTeam@cheltenham.gov.uk)

## 1.4 Corporate Plan Priorities

The Council has a statutory function as Local Planning Authority and the statutory obligations relevant to this report link directly to that function. This report records the monies received and spent in respect of CIL and S106, it is the outcomes of this funding that contributes to the following Corporate Plan Priorities:

- Working with residents, communities and businesses to help make Cheltenham #netzero by 2030
- Increasing the number of affordable homes through our £180m housing investment plan
- Ensuring residents, communities and businesses benefit from Cheltenham's future growth and prosperity
- Being a more modern, efficient and financially sustainable council

## 1.5 Equality, Diversity and Inclusion Implications

None arising from this report.

## 1.6 Performance management – monitoring and review

CIL and Section 106 monies received are reviewed regularly and annually through the reports subject to this paper. During 2024 an audit assessment was undertaken of the processes of both CIL and Section 106, this looked at internal governance, systems in place to manage income received, reconciliation, monitoring and reporting. Based on the findings an action plan was put in place and delivered. The audit reports and updates on the action plan were reported to Audit, Compliance and Governance Committee, 10<sup>th</sup> July 2024

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## 2 Background

2.1 Producing an Infrastructure Funding Statement (IFS) annually is a legal requirement for Councils who charge Community Infrastructure Levy (CIL) and/or secure developer contributions by way of Section 106 (S106) agreements<sup>1</sup>. This is the Council's fifth IFS, which has been prepared ready for submission<sup>2</sup> and publication, as required, on the Council's website by the 31<sup>st</sup> December 2024<sup>3</sup>.

2.2 The IFS (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 as well as an

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<sup>1</sup> Regulation 121A requires us, as a 'contribution receiving authority' to publish an IFS annually "no later than the 31st December" that sets out details about 'planning obligation' and 'CIL' income and expenditure, actual and anticipated for the last 'reported year' ending on the 31st March, and an 'Infrastructure List'

<sup>2</sup> Ministry of Housing, Communities and Local Government (MHCLG)

<sup>3</sup> Community Infrastructure Levy Regulations 2010 (as amended) Regulation 121A

Infrastructure List.

2.3 An Annual CIL Rate Summary Statement (Appendix 3), applying the mandatory national CIL index<sup>4</sup> and setting out the charges for the following calendar year, must also be published in December<sup>5</sup>.

2.4 We are required to submit the IFS in a format that answers a series of purely factual questions on income and expenditure of CIL and S106 (collectively known as 'planning obligations' or 'developer contributions').

2.5 The 'Infrastructure List'<sup>6</sup> 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".

- The Infrastructure List is shared by the three Joint Core Strategy (JCS) Councils of Cheltenham, Gloucester and Tewkesbury, reflecting their co-operation on the JCS and its successor, the joint Strategic and Local Plan (SLP).

2.6 Further detail on the current Infrastructure List is provided in section 4 of this report. This list is now managed by the Joint CIL Committee which was formally agreed by the 3 councils of Cheltenham, Gloucester and Tewkesbury December 2023/January 2024. The inaugural meeting of the [Joint CIL Committee](#) took place on 12<sup>th</sup> November 2024. The next meeting is scheduled 30<sup>th</sup> January 2025, and it is at this meeting the Committee will make its first allocations in respect of the pooled strategic CIL monies. Further work is ongoing with wider infrastructure providers (e.g. NHS, emergency services, Environment Agency etc.) outside the local authorities to identify any wider infrastructure priorities to be considered by the Community Infrastructure Levy Joint Committee, this work is a key workstream that is feeding into the preparation of the SLP.

### **3 Infrastructure funding statement (Appendix 2)**

#### **IFS – CIL report**

3.1 Full details of CIL income and expenditure are presented in the IFS at Appendix 2.

3.2 In summary for the 'reporting year' (01 April 2023 to 31 March 2024):

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<sup>4</sup> Published by the Royal Institute of Chartered Surveyors (RICS) on the 1<sup>st</sup> November each year

<sup>5</sup> Regulation 121C (1) requires an Annual CIL Rate Summary Statement to be published "no earlier than 2nd December and no later than 31st December" each year updated in line with the CIL Index published by the Royal Institute of Chartered Surveyors (RICS) for the 1st November each year

<sup>6</sup> approved for publication in December 2020 and an updates approved each year since

- CIL Receipts = **£954,727.25**
- CIL expenditure by the borough council = **£113,696.23** made up of **£69,578.97** on Administration (collected in the previous reported year, 2022/23) and **£44,117.26** on Borough Neighbourhood Projects (Round 1). More details of these projects are included in 3.7, below.
- CIL Expenditure by the parish councils = **£0.00** (**£44,628.08** has been reported as spent in previous years)
- CIL Passed to Parish Councils = **£165,761.68** (**£81,332.59** on 28 April 2023 which was raised in the last six months of the previous reported year, 01 October 2022 to 31 March 2023 and **£84,429.09** on 28 October 2023 which was raised in the first six months of the reported year, 01 April 2023 to 30 September 2023 )

3.3 At the end of the 'reporting year' (31 March 2024):

- CIL Receipts Retained by the Borough Council = **£2,951,898.68**; made up of the following:
  - **£47,736.36** allocated to Administration (5% of total CIL receipts), to be transferred to Tewkesbury Borough Council as a contribution to the shared CIL service;
  - **£14,763.71** Neighbourhood Funding (15%<sup>7</sup> of total CIL receipts from parished areas<sup>8</sup>) collected by the Borough Council in the second six months of the reported year (01 October 2023 and the 31 March 2024) to be transferred to them on the 28 April 2024 (in the next reported year, 2024/25);
  - **£47,335.54** Neighbourhood Funding for unparished areas (15% of total CIL receipts from unparished areas) made up of **£43,409.47** from receipts in the reported year and **£3,926.07** remaining from (**£132,281.07** - £128,355.00 allocated in round 1) from previous years to be allocated by cabinet on the advice of the cross-party Neighbourhood Fund Panel; and
  - **£2,889,799.43** Strategic Infrastructure funding (currently 80% of total CIL receipts<sup>9</sup>) made up of **£764,771.12** from receipts in the reported year and **£2,125,028.31** from previous years, for the "provision, improvement,

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<sup>7</sup> No Parish Councils in the borough currently have an adopted (made) Neighbourhood Plan which raises this to an uncapped 25%.

<sup>8</sup> Subject to a cap of £100 plus indexation per existing dwelling in the parish, which no CIL payments have yet reached.

<sup>9</sup> The adoption of a Neighbourhood Plan by a Parish Council or Neighbourhood Forum would lower this percentage to 70% in those areas.

replacement, operation or maintenance of infrastructure to support the development of its area”.

### **Administration costs**

3.4 The council may use up to 5% of the 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, it also meets legal costs of reviews and appeals and will fund the administration, and work undertaken on behalf, of the CIL Joint Committee going forward. Funding is being utilised short term to support consultancy resource to support the next meeting of the Joint CIL Committee and will be used to put in place dedicated infrastructure officer resource over 2025, supporting the longer term activities of the Joint CIL Committee.

3.5 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.

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

### **Neighbourhood funding**

3.7 Borough Neighbourhood Projects. **£128,355.00** was originally allocated to 16 projects in Round 1 (2023). By the end of the reported year (31 March 2024) **£44,117.26** of the allocated funding had been claimed. As an update for Cabinet, as of the 20 November 2024 the amount claimed has risen by £47,737.74 to **£91,855.00**, leaving **£36,500.00** still to be claimed. A breakdown by project is provided in the table below.

Neighbourhood CIL Projects 2023				
Organisation	Project	Amount granted	Amount claimed	Status
SPJARA (St Philip and St James Area Residents' Association)	Bath Road Utility Box Decoration	£1,000.00	£1,000.00	complete
Borough Councillor Tony Oliver	Bournside Safe Crossing Campaign	£12,000.00	£12,000.00	Funds claimed
Friends of Sandford Parks (FOSP)	Safer Sandford	£13,000.00	£13,000.00	complete
Friends of Pittville	Sensory beds in Pittville Park	£1,000.00	£0.00	Prep work done, there was a delay in appointing an artist but project due to complete early in 2025 in line with planting times. Funding will be claimed in arrears.
Vision 21 Gloucestershire	Planet Cheltenham	£17,000.00	£0.00	Match funding all in place Nov 2024 (total project cost in the bid £288,579). Project going ahead, redevelopment to commence early 2025.
Benhall Residents' Association	Benhall Air Quality Survey	£3,500.00	£0.00	Extension granted Sept 2024. Equipment ordered.
Public Hearts Defibrillator Campaign	Public Hearts Defibrillator Campaign	£9,000.00	£9,000.00	complete
Hester's Way Partnership	Springbank Creative Youth Space	£12,000.00	£12,000.00	complete
Hesters Way Forum	Fiddlers Green Park Play Area Improvement Project	£12,000.00	£12,000.00	complete
Friends of King George V (KGV) Playing Field	KGV Perimeter Path Phase 1	£9,855.00	£9,855.00	complete
Councillor Garth Barnes, Cheltenham Borough Council	Regent Street Outdoor Café Culture Project	£10,000.00	£0.00	No progress to date work now required to involve the businesses who wanted to see it happen.
Cheltenham Borough Council	Rowena Cade playground improvements	£10,000.00	£10,000.00	complete
Fairview Community Association	Cheltenham Cricket Club Disability Ramp	£3,000.00	£3,000.00	complete
We Create Cheltenham CIC	Honeybourne Honey	£2,500.00	£2,500.00	complete
Cheltenham Paint Festival	Cheltenham Paint Festival	£7,500.00	£7,500.00	complete
Springbank Community Group CIC	Reroofing the Ron Smith Pavilion – Phase 1	£5,000.00	£0.00	Update required. Chasers sent.
		<b>£128,355.00</b>	<b>£91,855.00</b>	

## IFS – S106 report

3.8 At the start of April 2023, there was a balance of **£1,954,463.16**. During the 'reporting year' we received **£2,097,899.02** and spent **£25,891.59** and transferred to revenue **£36,000.00** S106 contributions. At the end of March 2024, there was a closing balance of **£3,990,470.59**. The payments for S106 are related to the triggers set out in the agreed Heads of Terms in the S106 Agreement, a significant amount relates to the delivery of affordable housing and this falls within the councils housing enabling function that oversees delivery within the priorities set out by the Cheltenham Borough Council Housing, Homelessness and Rough Sleeping Strategy (2023 – 2028).

3.9 The S106 report also provides details of the **£5,196.00** of contributions and the **98** affordable homes secured in agreements entered into during the reporting year and the **64** affordable homes, secured in agreements entered into in previous years, delivered during the reported year.

3.10 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 impacts on the local area that cannot be moderated by means of conditions attached to a planning decision. The council's constitution (at Part 3) provides the responsibility for the determination of planning applications (of which S106 negotiation forms part), except as specifically allocated to Planning Committee (under Part 3C) <https://democracy.cheltenham.gov.uk/ie/ListDocuments.aspx?CId=279&MId=1960&Info=1&bcr=1>

3.11 It should be noted that historically Gloucestershire County Council have negotiated S106 for infrastructure delivery that is the responsibility of the county

including educations, libraries and highways improvements, these are reported on separately by the County Council via their Infrastructure Funding Statement. In respect of the strategic allocations which will be brought to Planning Committee for decision over 2025 in some cases we may be trialling a tripartite S106.

3.12 Decision making of planning decisions outside those undertaken by Planning Committee, including S106 agreements, are delegated to the Head of Development Management, Enforcement and Compliance. In negotiating S106, consultation with ward members is undertaken as appropriate and the relevant officer specialisms are engaged.

## **4 Infrastructure list**

4.1 The 'Infrastructure List' identifies projects which the Council intends will or may be wholly or partly funded from CIL locally and shared with the JCS/SLP partners.

4.2 The preparation of the SLP now underway 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.

4.3 Council last considered an updated Infrastructure List at its meeting on 11th December 2023. Chapter 3 provides a list of all relevant items identified by Cheltenham, Gloucester, Tewkesbury, and Gloucestershire County Council. Gloucester and Tewkesbury will be reporting on updates to the infrastructure list through their reporting procedures.

4.4 As noted at paragraph 2.6 above, there is a larger piece of engagement work ongoing with infrastructure providers outside the local authorities to identify any wider infrastructure priorities. This work will not only encompass the delivery of the JCS and District level plans but also, as progress on it's development is made, the requirements of the SLP.

## **5 Annual CIL rate summary statement**

5.1 The Annual CIL Rate Summary Statement (Appendix 3) must be based on the Royal Institute of Chartered Surveyors (RICS) CIL Index, published in November each year. Indexation is required so that the rates we 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 us to use an index published by RICS.

## **6 Next steps**

6.1 Publication on the Council's website and submission and notification of the location of data to the Ministry of Housing, Communities and Local government by end December 2024.

6.2 Alongside the preparation of the SLP ensure the infrastructure needed to accommodate planned future development is fully considered through on-going engagement with a full range of infrastructure providers.

## **7 Reasons for recommendations**

7.1 Statutory obligation to prepare and publish:

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

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

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

## **8 Alternative options considered**

8.1 Not relevant as statutory requirement.

## **9 Consultation and feedback**

10.1 One Legal, Finance, S151 Officer, Climate Change Officer, Cabinet Member for Planning and Building Control.

## **10 Key risks**

10.1 See Appendix 1.

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**Appendices:**

- i. Risk Assessment
- ii. DRAFT Borough Council Infrastructure Funding Statement 2024
- iii. FINAL Borough Council Annual CIL Rates Summary Statement 2024

**Background information:**

## Appendix 1: Risk Assessment

Risk ref	Risk description	Risk owner	Impact score (1-5)	Likelihood score (1-5)	Initial raw risk score (1 - 25)	Risk response	Controls / Mitigating actions	Control / Action owner	Deadline for controls/ actions
CIL	Failure to publish the required statements would be a breach of Government Regulations	Director Communities & Economic Development	1	1	1	Close	Cabinet report	CIL Manager	29.11.24
CIL/SLP	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/Cheltenham Plan/SLP.	Director Communities & Economic Development	5	2	10	Reduce	Governance arrangements of CIL agreed.  Review of Infrastructure Delivery Plan as part of preparation of SLP. Put in place clear and	Council report Cheltenham, Gloucester and Tewkesbury: Community Infrastructure Levy Joint Committee  CIL Manager/SLP Task Group & Steering Group	Complete with Joint Committee Meeting for the first time in November 2024  In line with SLP programme and picked up via SLP risk register

Risk ref	Risk description	Risk owner	Impact score (1-5)	Likelihood score (1-5)	Initial raw risk score (1 - 25)	Risk response	Controls / Mitigating actions	Control / Action owner	Deadline for controls/ actions
							transparent governance		