

Executive Report

Ward(s) affected: None

Report of Director of Service Delivery

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## Infrastructure Funding Statement 2020-2021

### Executive Summary

The Infrastructure Funding Statement (IFS) is a factual report which summarises the amount of developer contributions that have been secured, received, and spent in the reported year. As will be set out below, the Council is required to produce an IFS on an annual basis and publish online.

Regulation 121A of The Community Infrastructure Levy Regulations 2010, as amended (“the CIL Regulations”), requires any authority receiving contributions through the Community Infrastructure Levy (CIL) and / or through planning obligations to produce an annual Infrastructure Funding Statement. The IFS should be published by 31 December following the reported year. The Council has already advised the Department for Levelling Up, Housing and Communities (DLUHC) that the Council’s IFS will not be published until later in 2022, this to enable the IFS to be reviewed by the Executive.

The Regulations require the IFS to comprise;

- 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.
- a report about CIL, in relation to the previous financial year.
- a report about planning obligations in relation to the reported year.

GBC is not yet a CIL collecting authority and as such is not required to report data in relation to this and this is confirmed in Annexes 1 and 2 of the IFS 2020-2021.

GBC does collect developer contributions through Section 106 Agreements; therefore, the Council is required to report on developer contributions that have been secured, received, and spent during the reported year, including summary details of non-monetary obligations. The specific matters that must be reported on, which are in accordance with paragraph 3 of Schedule 2 of The CIL Regulations, are set out in Annex 3 of the IFS 2020-2021.

### **Recommendation to Executive**

That the Executive approves the IFS 2020-2021 which, as noted above, is a factual report of the amount of developer contributions that have been secured, received, and spent in the year 2020-21 for submission to the DLUHC and for its publication on the Council's website

#### Reason(s) for Recommendation:

To ensure that the Council complies with the CIL Regulations to produce and publish an annual Infrastructure Funding Statement.

**Is the report (or part of it) exempt from publication? No**

## **1. Purpose of Report**

- 1.1 This report notifies the Executive of the requirement to produce an annual Infrastructure Funding Statement (IFS). The report will also seek to provide detail on the purpose and scope of the IFS.

## **2. Strategic Priorities**

- 2.1 The Infrastructure Funding Statement is a factual document which sets out the amount of developer contributions that have been secured, received, and spent in the year 2020-21. As such, it is not considered that this report has any impact on the strategic priorities of the Council.

## **3. Background**

- 3.1 The CIL Regulations were amended in September 2019 to introduce a requirement for Councils to produce an annual Infrastructure Funding Statement (IFS). The aim of this is to improve transparency and accountability around the spending of CIL and developer contributions from section 106 planning obligations.
- 3.2 Regulation 121A of the CIL Regulations, requires any authority receiving contributions through the Community Infrastructure Levy and / or through planning obligations to produce an annual IFS.
- 3.3 The IFS should be published by 31 December following the reported year. The Council has already advised the DLUHC that the Council's IFS will not be published until later in 2022, this to enable the IFS to be reviewed by the Executive.

- 3.4 The IFS for the reported year 2019-2020 was the first IFS that the Council produced and is available on the Council's website. The IFS 2019-2020 was submitted for review to CMT and approved for publication on 2 March 2021.
- 3.5 Regulation 121A requires the IFS to comprise;
- 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.
  - a report about CIL, in relation to the previous financial year.
  - a report about planning obligations in relation to the reported year.
- 3.6 This Council is not yet a CIL collecting authority and as such is not required to report data in relation to this and this is confirmed in Annexes 1 and 2 of the IFS 2020-2021. The Council has been working towards implementing CIL and is aware of Government proposals to replace the existing s106/CIL regimes with a new national 'Infrastructure Levy' and as such will be monitoring developments in this regard and any implications for the Council's processes.
- 3.7 The Council does, however, collect developer contributions through Section 106 Agreements; therefore, the Council is required to report on those contributions that have been secured, received, and spent during the reported year, including summary details of non-monetary obligations. The specific matters that must be reported on, which are in accordance with paragraph 3 of Schedule 2 of The CIL Regulations, are set out in Annex 3 of the IFS 2020-2021.
- 3.8 It is noted that due to the nature of the IFS and the data which needs to be returned to the DLUHC, the information and figures which it contains is a purely factual account of the situation during the reporting year. The data to be provided in the IFS is set out by DLUHC and is returned via a standardised form which is used by all Councils across the Country. The Executive is therefore asked to note the contents and approve its publication.
- 3.9 Section 106 obligations are recorded and monitored using a module of the main planning database called Acolaid, from the signing of the agreement to spending the contributions. The Council's Finance team also keep a monitor of income and spend of developer contributions. Both records have been used to produce the IFS.
- 3.10 Many of the developer contributions are collected on behalf of other organisations such as Surrey County Council, Clinical Commissioning Groups, Surrey Police, etc. These contributions are passed on to the organisations in accordance with provisions of the relevant Section 106 Agreement. The contributions that GBC are responsible for spending are allocated and spent by the relevant spending officer or team.
- 3.11 The Infrastructure Funding Statement 2020-2021 is a factual report that has been produced in accordance with the requirements of the CIL Regulations, therefore Officers propose that the statement is approved for publication.

#### 4. Consultations

4.1 None

#### 5. Key Risks

5.1 None

#### 6. Financial Implications

6.1 Where the Council is the spending authority we budget and monitor contributions and expenditure within our own monitoring reports. This includes:

- S106 receipts which are held on the balance sheet. Under the financial regulations, schemes that are fully funded by s106 receipts can be added to the capital programme, where they have been approved by the relevant Lead Councillor and Director in consultation with the Lead Specialist - Finance and,
- The Council is also required, under accounting practices, to hold endowment funds received as developer planning contributions in earmarked reserves for the long-term repairs and maintenance expenditure on Special Protection Areas (SPAs) or Suitable Alternative Natural Greenspaces (SANGs), these reserves are required to fund the revenue costs of SPA/SANGs in perpetuity. The Council has five strategic SANG sites which are Chantry Woods, Lakeside Nature Reserve, Effingham Common, Riverside Nature Reserve and Parsonage Watermeadows. The SANG contributions held in the SPA Reserves cannot be used towards a different SANG or infrastructure improvements.

6.2 The funds for SCC and other authorities are held on our balance sheet as a creditor but are not budgeted for and do not form part of the Capital and Investment Strategy. These amounts are passed to the relevant authorities upon receipt of a qualifying invoice.

6.3 The following table shows the balances in hand (i.e., contributions received but not spent or passed to relevant bodies) as at the end of the reported year 2020-2021 for both the S106 balance sheet and the SPA (SANGs) Reserve

##### **Balances as at 31 March 2022**

S106 – GBC	£2,731,164
SPA Reserves	£10,212,548
s106 - SCC/Other	£5,504,943

## **7. Legal Implications**

- 7.1 The CIL Regulations require the Council to produce an annual IFS. Regulation 121A sets out the matters that must be included. The IFS which is submitted to the DLUHC will comply with these regulations.

## **8. Human Resource Implications**

- 8.1 No HR implications apply

## **9. Equality and Diversity Implications**

- 9.1 This duty has been considered in the context of this report and it has been concluded that there are no equality and diversity implications arising.

## **10. Climate Change/Sustainability Implications**

- 10.1 No such implications apply

## **11. Summary of Options**

- 11.1 As the IFS is a factual return of information which is held by the Council to the DLUHC, the Executive is asked to approve the IFS for submission and publication. No other options are available.

## **12. Conclusion**

- 12.1 It should be noted that the Infrastructure Funding Statement is a factual report that the Council is required by the CIL Regulations to produce, and as such should be approved for publication and submission to the DLUHC.

## **13. Background Papers**

None

## **14. Appendices**

Appendix 1: Draft Infrastructure Funding Statement 2020-2021