

Arun District Council

REPORT TO:	Planning Policy Committee - 24 November 2022
SUBJECT:	Infrastructure Funding Statement (IFS) 2021/2022
LEAD OFFICER:	Kevin Owen - Planning Policy & Conservation Manager
LEAD MEMBER:	Councillor Richard Bower
WARDS:	All
CORPORATE PRIORITY / POLICY CONTEXT / CORPORATE VISION:	
The recommendations supports: - <ul style="list-style-type: none">• Improve the Wellbeing of Arun;• Delivering the right homes in the right places	
DIRECTORATE POLICY CONTEXT:	
The proposals will help to:- <ul style="list-style-type: none">• Work with key partners to ensure that we deliver council wellbeing services that are complementary to their own, rather than duplicate effort• Support the NHS Clinical Commissioners to provide primary care medical and dental facilities to meet the growing needs of our community• Provide wider infrastructure that supports wellbeing, e.g. more opportunities for cycling and walking and easily accessible and safe greenspace• maximise the delivery of affordable housing including utilising the council's own resources and commercial expertise to ensure that our social housing is energy efficient• Use our expertise to influence the local housing market, working with the right partners from all sectors, to develop the housing and infrastructure that we need Use the planning system to create great new places and improve our existing places, where new homes meet the needs of current and future generations	
FINANCIAL SUMMARY: There are no direct financial implications arising from this Infrastructure Funding Statement.	

1. PURPOSE OF REPORT

- 1.1. To update Planning Policy Committee on the publication of the council's annual Infrastructure Funding Statement (IFS) setting out S.106 planning obligation contributions and CIL income and spend on the council's infrastructure list from the previous financial year, in accordance with 'The Community Infrastructure Levy (CIL) Regulations 2010 (as amended).
- 1.2. This report summarises the factual update to the Arun District IFS which is available as Background Paper 1.

2. RECOMMENDATIONS

- Planning Policy Committee resolve that:-
- 2.1. The Arun Infrastructure Funding Statement 2021/22 be published on the Arun District Council website in accordance with Regulation 121A of the Community Infrastructure Regulations 2010 (as amended).

3. EXECUTIVE SUMMARY

- 3.1. The Community Infrastructure Levy (CIL) Regulations 2010 (as amended) includes a requirement for all planning obligation collecting authorities to prepare an annual Infrastructure Funding Statement (IFS) to be published on the council's web site by the end of each calendar year. The IFS sets out the s106 contributions together with the CIL-income and how it has been spent on the council's Infrastructure or held by the authority, for the monitoring year 2021/22.

4. DETAIL

- 4.1. The Council first published an Infrastructure Funding Statement for the year 2019/20 so this is the third publication. It is a factual update setting out the position of infrastructure funding for the year 2021-22. The IFS must be published annually, on the Council's web site i.e. by 31 December 2022. The Community Infrastructure Levy (CIL) Regulations 2010 (as amended) requires the IFS to set out:-
 - A statement of the infrastructure projects or types of infrastructure which the charging authority will be or may be 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.
- 4.2. The publication of the IFS helps to ensure developer contributions are fully transparent and shows how they are to be used, and must be set out in an accessible standard digital format

INFRASTRUCTURE FUNDING STATEMENT (IFS) AND HEADLINE FIGURES

- 4.3. As mentioned above, the IFS must report on the Council's infrastructure list (what it intends to spend CIL on) including reporting on CIL and S.106 income and expenditure. It is important to note that not all receipts held are spent or allocated in any given reporting year because of the status of the infrastructure project (e.g. whether a project is sufficiently funded or progressed to justify handing over funds).
- 4.4. It is also important to note that when reviewing the Arun IFS, it should be read together with the West Sussex County Council IFS to get a complete picture of infrastructure delivery in the district. The County Council IFS will be made available on this page of their website:

<https://www.westsussex.gov.uk/roads-and-travel/information-for-developers/section-106-planning-obligations/>

- 4.5. CIL receipts and S.106 and play a critical role in supporting growth in the district and delivering the aims and objectives and housing growth (20,000 dwellings), set out in the Arun Local Plan (ALP). The ALP is supported by the infrastructure mitigations set out in the supporting Infrastructure Capacity Study Delivery Plan 2017:-
- £215 million in S.106 would be required to support and mitigate the delivery of eleven strategic housing allocations in the district;
 - an estimated £30 million in CIL may be able to contribute towards meeting additional infrastructure requirements, to support the development of the area.
- 4.6. There appears to have been a modest impact on infrastructure project delivery over the period of the Covid_19 pandemic however, planning application decision making on the Strategic Allocation sites has increased significantly and resulted in 23 new S.106 agreements being entered into which contain around £2.4m (rounded) in contributions (up from £566k last year). Developments have returned slightly less S.106 receipts this year at £1.3m (£1.4m last year) and although the number of CIL Liabilities issued has remained similar to last year, the CIL receipts have increased significantly this year at £359k compared to £99k last year.
- 4.7. The Arun IFS is provided in Background Paper 1 and is supported by a number of appendices that provide all the data to support the headline figures (rounded) and summarised below:-
- **£1.7m** was received in total in Arun from S.106 and CIL developer contributions combined in the year 2021-22; of which
 - **£1.3m** was received from S.106 developer contributions and
 - **£359k** was received from CIL Demand Notices on CIL liable planning permissions.

S.106 INCOME & EXPENDITURE (Rounded)

- **£2.4m** is due to be received by the Council, once triggers are reached, following the approval of 23 planning applications in 2021/22
- **£11m** was held on deposit as at the end of March 2022 which was received prior to 1st April 2021 and was not recorded as allocated or spent (see paragraph 7.12 of the IFS document)
- **£697k** was spent or transferred for spending on infrastructure projects (further details on the year's activity will be found under sections 7 - 9 of the IFS document)
- **£354k** was allocated prior to 1st April 2020 but not spent in 2021-22 (Allocated is defined as when the funds have been received and formally committed to be spent on a project by the relevant committee or delegated authority)
- **83** new affordable housing units (in Angmering, Arundel, Barnham and Lidsey) and **2** new areas of open space or play area (in Arundel and Barnham) are due to be delivered on development sites once triggers are reached (see paragraph 8.2 of the IFS document)

- **58** new affordable homes have been completed in 2021-22 (see paragraph 8.3 of the IFS document)

4.8. Further details on non-monetary contributions are set out in section 8 of the IFS.

CIL INCOME & EXPENDITURE

- **£359k** was received in 2021-22 from CIL Demand Notices on CIL liable planning permissions this year
- **175** x CIL liability notices (approximately) have been issued since 2020 with
- **£1.3m** total CIL relief granted
- No expenditure took place in 2021/22 - CIL spend priority is set out in the Infrastructure Investment Plan covering a 3 year period (i.e. IIP 2022 - 2024) which was adopted by Full Council on 9 March 2022;
- **£49.3k** was transferred to Town or Parish Councils (paragraph 5.3 of IFS document) and details of any expenditure will be set out in the equivalent Parish/Town Council IFS

CONCLUSIONS

4.9. The Arun IFS provides a comprehensive overview of CIL and S.106 income and expenditure within the district and how it has or will be spent on specifically defined projects that benefit the local community through mitigating the impact of development. The appendices, which accompany the IFS provide further detail. However, for a full picture the Arun IFS, that it should be read together with the WSCC IFS and any relevant Town or Parish Council IFS.

4.10. It is apparent from having several years of IFS financial data that a substantial fund of £11m (rounded) has built up of S.106 money held on deposit (similar to last year) for identified specific infrastructure but which has not yet been formally allocated for spend on a project (e.g. because the project funding threshold or triggers have not been reached). The officers monitoring planning obligations reconcile data over complex phased developments, some extending back as long ago as 2011 to ensure that money is paid promptly on achieving triggers. However, the council will need to be diligent in assessing the types of project that are involved to ensure that those that the authority can facilitate are maximised, in order to benefit the communities affected and to reduce risk (e.g. return of unspent funds after 5 years). Consequently, the Director for Growth will ask officers to provide and Action Plan to undertake due diligence on deposited funds which are unallocated.

5. CONSULTATION

5.1. No consultations have been undertaken because this is a factual monitoring report.

6. OPTIONS / ALTERNATIVES CONSIDERED

- 6.1. The options are to agree to publish the IFS or to not publish the IFS on the Council's web site.

7. COMMENTS BY THE GROUP HEAD OF CORPORATE SUPPORT/SECTION 151 OFFICER

- 7.1. The implementation of the recommendations does not require budget or resources to be allocated.

8. RISK ASSESSMENT CONSIDERATIONS

- 8.1. Implementing the recommendation will minimise the risk that the Council will fail to meet national policies and regulations.

9. COMMENTS OF THE GROUP HEAD OF LAW AND GOVERNANCE & MONITORING OFFICER

- 9.1. The governance and legal implications related to the IFS 2021/22 are set out within the body of the report.

10. HUMAN RESOURCES IMPACT

- 10.1. There are no implications arising from the IFS 2021/22.

11. HEALTH & SAFETY IMPACT

- 11.1. No direct health and safety impacts have been identified as arising from the IFS 2021/22.

12. PROPERTY & ESTATES IMPACT

- 12.1. There are no direct implications for Council property.

13. EQUALITIES IMPACT ASSESSMENT (EIA) / SOCIAL VALUE

- 13.1. The proposals may have a positive impact on community health and wellbeing through supporting infrastructure delivery.

14. CLIMATE CHANGE & ENVIRONMENTAL IMPACT/SOCIAL VALUE

- 14.1. The infrastructure proposals may have positive and negative implications for Climate Change although these should balance and mitigate supporting the Arun Local Plan 2018 being subject to Sustainability Appraisal.

15. CRIME AND DISORDER REDUCTION IMPACT

- 15.1. There are no direct adverse implications for crime and disorder.

16. HUMAN RIGHTS IMPACT

16.1. There are no direct adverse implications for human rights.

17. FREEDOM OF INFORMATION / DATA PROTECTION CONSIDERATIONS

17.1. There are no implications.

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BACKGROUND DOCUMENTS:

Background Paper 1: "Arun Infrastructure Funding Statement 2021/22"

This document, and all appendices will be available on the Arun District Council's webpage: <https://www.arun.gov.uk/monitoring>

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