

REPORT TO:	Planning Policy Committee 26 September 2024
SUBJECT:	Infrastructure Funding Statement (IFS) 2023/2024
LEAD OFFICER:	Zac Ellwood (Interim Head of Planning Policy)
LEAD MEMBER:	Cllr Gill Yeates – Chair of Planning Policy Committee
WARDS:	All
CORPORATE PRIORITY / POLICY CONTEXT / CORPORATE VISION:	
The recommendations support: - <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. The implementation of the recommendations does not require budget or resources to be allocated.	

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 Section 106 (hereafter referred to as s106) planning obligation contributions (i.e. financial contributions from developments secured under Section 106 of The Town and Country Act 1990, as amended) and CIL income and spend on the council's infrastructure list from the previous financial year. This is in accordance with the requirements of 'The Community Infrastructure Levy (CIL) Regulations 2010 (as amended).
- 1.2. This report summarises the factual update of the Infrastructure Funding Statement 2023-24 (IFS) which is included as Background Paper 1.

2. RECOMMENDATIONS

2.1 Planning Policy Committee resolves that: -

- i. The Arun Infrastructure Funding Statement 2023/24 be noted and 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 website by the end of each calendar year. For CIL charging authorities, the IFS must set out s106 contributions together with CIL income and how each has been spent on the council's Infrastructure List (see Background Paper 2: Arun CIL Infrastructure Charging Schedule) or held by the authority, for the monitoring year 2023/24.

4. DETAIL

4.1. The Council first published an Infrastructure Funding Statement for the year 2019/20 so this is the fifth publication. It is a factual update setting out the position of infrastructure funding for the year 2023/24. The IFS must be published annually, on the Council's web site no later than 31 December in each calendar year. 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 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 or have been used, and they must be set out in an accessible standard digital format.

INFRASTRUCTURE FUNDING STATEMENT (IFS) 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 s106 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 Arun. The Arun IFS and 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 s106 and play a critical role in supporting growth in the district and delivering the aims and objectives and housing growth (20,000 dwellings up to 2031), 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.
- 4.6. In this latest monitoring year, we have agreed 18 new s106 agreements with a total value of around £12.128m in contributions, this substantially increased amount (up from £2.56m last year) is mainly due to the approval of the Ford Allocation site. The number of CIL Demand Notices issued this year is significantly higher, at £4.5m compared to last year's £1.5m. CIL receipts following demand notices, have also increased significantly at £2.180m received compared to £798k in 2022/23.
- 4.7. The Arun IFS is provided in Background Paper 1 and is supported by a number of tables and appendices that provide all the data to support the headline figures (rounded), as summarised below: -

SUMMARY TOTAL SECTION 106 AND CIL INCOME

- **£3.432m** was received in total in Arun from s106 and CIL developer contributions combined in the year 2023/24; of which
- **£1.252m** was received from s106 developer contributions, and
- **£2.180m** was received from CIL Demand Notices on CIL liable planning permissions.

S106 INCOME & EXPENDITURE

- **£12.128m** is due to be received by the Council, once triggers are reached, following the approval of 18 planning applications in 2023/24.
- **£9.376m** was the total amount of money, received under any planning obligation before 1 April 2023, which had not been formally allocated or spent by the end of March 2024.
- **£538k** was spent by Arun or transferred (handed over to a third party) for spending on infrastructure projects.
- **£4.057m** was allocated but not spent in 2023/24.
- **607** new affordable housing units and at least **6** new areas of public open space or play areas were agreed and are due to be delivered on development sites once triggers are reached.
- **168** new affordable homes have been completed and transferred to an affordable provider in 2023/24.

CIL INCOME & EXPENDITURE

- **£4.498m** secured in demand notices in 2023/24.
£1.2m CIL relief granted in 2023/24.
- **£2.180m** was received in 2023/24 from CIL Demand Notices on CIL liable planning permissions this year.

- **£535k** of those receipts will either be transferred, or have already been transferred, to the Parish/Town Councils.
- **290** x CIL liability notices (approximately) have been issued since 2020.
- **£0k** was spent out of the strategic pot.
- CIL spend priority is set out in the Infrastructure Investment Plan. An existing plan runs until 2025 and for a period 8 weeks between 1 February and 1 April 2024 we undertook a full IIP consultation review. The IIP projects/updates received following this consultation are set out in the separate report on this agenda, where the Planning Policy Committee (PPC) are being asked to agree The Arun Infrastructure Investment Plan (for the period 2025-2027) and to agree that it be referred to Full Council for approval before publication on the council's website.
- If agreed by the PPC, the IIP 2025-2027 will be presented at Full Council on 7 November 2024 for final sign off. The Shortlist and Base Line Longlist can be found on our website here: <https://www.arun.gov.uk/cil-adoption/>.

CONCLUSIONS

- 4.8. The Arun IFS provides a comprehensive overview of CIL and s106 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. For a full picture, the Arun Infrastructure Funding Statement should be read together with the WSCC IFS and any relevant Town or Parish Council IFS.
- 4.9. In the last IFS it was noted that there was a fund of approximately £10.320m of s106 money held on deposit at the end of March 2022 identified for specific infrastructure, but which was not spent. This year the unallocated and unspent fund has reduced slightly to around £9.376m. Although the Council is holding this substantial amount of s106 funds most of them are clearly related to the provision of specific infrastructure projects, as defined in the approved s106. In a lot of cases, funds have been earmarked for particular projects, but the total amount of money required to deliver that project may not have been received due to triggers not all reached yet; or the infrastructure provider is not in a position to start drawing down funds; or we still require further information or authorisation in order to release the funds. It does not mean that funds are necessarily at risk of refund or will not be spent on the defined project within the defined timescale. Specific details can be found in Appendix 1 attached to the IFS.
- 4.10. The officers monitoring planning obligations reconcile data over various complex phased developments, some extending back as long ago as 2011, to ensure that money is collected promptly upon the relevant triggers occurring and subsequently ensuring those funds are communicated as available for spending to the appropriate spending managers. This ensures that the infrastructure projects that the authority can help facilitate are maximised, to benefit the communities affected by development and to reduce the risk of having to return unspent funds once the spend by date in the s106 has lapsed (which is most commonly 10 years from receipt). Following the Action Plan initiated two years ago, there has been a review of all the older unspent funds which did not have a

'spend by' date on them and, following consultations with relevant spending managers most of these funds, were able to be allocated. This can be demonstrated by the substantial increase in the amount of funds allocated this year - £4.057m (compared with £1.739m in 2022/23).

- 4.11. There have been slightly fewer affordable houses delivered in 2023/24 (237) compared to last year (264), but the amount of agreed new affordable dwellings under s106 agreements has increased substantially from 395 in the monitoring period 2022/23 to 607 this year.
- 4.12. CIL collection goes up year on year and although no strategic CIL expenditure has occurred this year, work on the Infrastructure Investment Plan (IIP) is ongoing and projects have been put forward for approval of funding (See the IIP 2025-27 report also going to this committee).

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 website. However, to do so is a statutory requirement under Regulation 121A of the Community Infrastructure Regulations 2010 (as amended).

7. COMMENTS BY THE GROUP HEAD OF FINANCE/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 comply with 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 2023/24 are set out within the body of the report.

10. HUMAN RESOURCES IMPACT

- 10.1. There are no implications arising from the IFS 2023/24, other than in respect to existing officer time in monitoring s106 and CIL income and expenditure.

11. HEALTH & SAFETY IMPACT

- 11.1. No direct health and safety impacts have been identified as arising from the IFS 2023/24.

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 though 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. However, it must be noted that the Council has a legislative obligation to consider the impact on crime and disorder in all development plans and projects within the district.

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.

CONTACT OFFICER:

Name: Zac Ellwood
Job Title: Interim Head of Planning Policy.
Contact Number: 01903 787853

BACKGROUND DOCUMENTS:

Background Paper 1: 'Arun Infrastructure Funding Statement 2023/24':-
<https://www.arun.gov.uk/ifs-and-developer-contributions>

Background Paper 2: 'Arun CIL Infrastructure Charging Schedule':-
<https://www.arun.gov.uk/cil-adoption>