

# ARUN DISTRICT COUNCIL

## REPORT TO AND DECISION OF PLANNING POLICY SUB-COMMITTEE ON 22 SEPTEMBER 2020

### PART A : REPORT

**SUBJECT:** Arun District Council Infrastructure Funding Statement (IFS) 2019/20

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**DATE:** August 2020

**EXTN:** 37654

**PORTFOLIO AREA:** Planning

#### EXECUTIVE SUMMARY:

The Community Infrastructure Levy (CIL) Regulations 2010 were amended in 2019 and they included a requirement for all planning obligation collecting authorities to prepare an annual Infrastructure Funding Statement (IFS) each year to report planning obligation income and expenditure from the previous financial year.

This is the first year whereby the new regulations apply and therefore all collecting authorities must publish their IFS no later than 31 December.

This report summarises the contents of the Arun District IFS and also highlights some of the key elements of the final IFS, which is available as Background Paper 1.

#### RECOMMENDATIONS:

That Planning Policy Sub-Committee: -

- 1) Recommends to Full Council that the Arun Infrastructure Funding Statement 2019/20 is approved and published on the ADC website in accordance with Regulation 121A of the Community Infrastructure Regulations 2010 (as amended).

#### 1. BACKGROUND:

1.1 The Community Infrastructure Levy (CIL) Regulations 2010 were amended in 2019 and included a number of important changes, including the requirement for those local authorities that collect planning obligations ('Section 106, Section 278 and the Community Infrastructure Levy), to prepare and publish an annual Infrastructure Funding Statement.

1.2 Regulation 121A states that "no later than 31<sup>st</sup> December in each calendar year a contribution receiving authority must publish a document which comprises the following:

- 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.
- The first annual infrastructure funding statement must be published by 31 December 2020 and it must be published annually on the contribution receiving authority's website.

1.3 The main aim of this change to the CIL Regulations is to provide a way to make developer contributions fully transparent in a way which allows anyone to see how much an individual development site has contributed to infrastructure provision.

1.4 The CIL Guidance requires that IFS data is prepared in a specific digital format (using CSV files), so that it can be submitted to a 'digital hub' and centrally reproduced on a standardised IFS template. However, due to the Covid-19 pandemic, the process for reproducing a standardised template has not yet been finalised by the Ministry of Housing Communities and Local Government (MHCLG). Nevertheless, this work is progressing quickly, with government guidance currently being produced.

1.5 Recent software updates will enable the council's S.106 and CIL data to be produced in the correct file format very shortly. Therefore, although this IFS is accompanied by pdf spreadsheets which support the S.106 totals reported, the publication of the IFS will be followed by 3 CSV files, which will also be published on the council's website by 31 December 2020, and submitted to the digital hub, once processes have been established.

## **2. THE IFS - POINTS TO NOTE:**

2.1 As mentioned above, the IFS must report on the Council's infrastructure list (what it intends to spend CIL on) and a report on CIL and S.106 income and expenditure.

2.2 It should be noted that the IFS is based on the previous financial year (2019/20). Therefore, this first statement will only report on S.106 because CIL was not in effect in Arun until 1 April 2020.

2.3 A further point to note is that Arun District Council has responsibility for receiving and spending S.106 obligations on matters such as affordable housing, play space, leisure facilities, public open space, public art, sports pitches etc. Furthermore, the Council also collects S.106 money on behalf of organisations such as the NHS and Sussex Police.

2.4 However, West Sussex County Council (WSCC) is also a contribution receiving authority and collects S.106 for infrastructure such as education and highways, so it is also required to prepare an annual IFS. Therefore, it is important to note that when reviewing the Arun IFS, that it should be read together with the WSCC IFS to get a complete picture of infrastructure delivery in the district. At the time of preparing this report, WSCC's preparation of its IFS is ongoing and unavailable at the time of writing (it will be published by 31 December 2020 at the latest). The County Council has informed officers that the WSCC IFS will be made available on this page of the website:

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

### **3. HOW DOES THE IFS RELATE TO THE LOCAL PLAN?**

- 3.1 S.106 and CIL play a critical role in supporting growth in the district, and delivering the aims and objectives set out in the Arun Local Plan (ALP).
- 3.2 The preparation of the ALP was supported by an Infrastructure Capacity Study and Delivery Plan which identified that a significant amount of infrastructure would be required to support the delivery of 20,000 homes between 2011 and 2031. The preparation of the CIL charging schedule developed this data further to show that in total, £215 million in S.106 would be required to support and mitigate the delivery of eleven strategic housing allocations in the district. Furthermore, an estimated £30 million in CIL may be able to contribute towards meeting additional infrastructure requirements, to support the development of the area.
- 3.3 The IFS has been prepared at a time when progress is being made on the delivery of the strategic housing allocations, in terms of planning permission and the receipt of masterplans for the largest sites. Although, very few S.106 development triggers were met last financial year by any of the strategic housing allocations that have planning permission, a significant number of S.106 planning obligations were entered into, totalling approximately £7 million.
- 3.4 These obligations have secured a number of infrastructure items, including affordable housing units, which will be delivered as part of the developments (these are non-monetary obligations). Further details are provided under sections 7 - 9 of the IFS report.
- 3.5 It is anticipated that over the next few years, as the strategic sites commence, subsequent IFS will show significantly larger income and expenditure figures, related to the rate of development. For further details on the progress of the strategic housing allocations in terms of planning applications etc. please refer to the strategic development sites webpage: <https://www.arun.gov.uk/strategic-development-sites>

### **4. S.106 INCOME**

- 4.1 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.
- 4.2 Overall in the reported year, Arun District Council received **£2,644,110** from all planning obligations (signed during and prior to 2019/20). The Council also entered into planning obligations which will provide **£7,364,853** in the future, if development triggers are reached.
- 4.3 It should be noted that in many cases, S.106 is received by the Council but is not formally allocated to be spent immediately. When S.106 is defined as 'allocated' to be spent, it means that the Council has formally approved the money to be spent or passed on to an infrastructure provider to spend the money.

4.4 Where S.106 has not been formally allocated to be spent, it does not mean that it is not related to a specific infrastructure project, but means that the project that the S.106 is related to has not reached sufficient level of funding to be able to deliver the project.

4.5 A total of **£8,732,155** received from all planning obligations, entered into on or prior to 31<sup>st</sup> March 2019, has not been formally allocated. Together with the **£2,644,110** received in 2019/20, and **£361,422** of S.106 which was allocated but not spent in 2019/20 (see section 7 of the IFS), the council now holds **£11.7 million** in S.106 money, to be spent on specifically defined projects.

4.6 Some S.106 income is not spent due to the fact that it is held by the council for long term maintenance on public open space, for example. Details of income held for that purpose is set out in sections 10 and 11 of the IFS.

4.7 Under paragraph 3.4 above, it is acknowledged that some developer contributions are non-monetary, such as the obligation to provide affordable housing units and public open space on-site. In the reported year, the Council secured a total of 723 affordable housing units from 15 planning applications; provision for public open space on 11 planning applications; children's play areas on four sites; land for an Ambulance Community First Response Post Facility and land for sports pitches. Further details on non-monetary contributions are set out in section 8 of the IFS.

## 5. S.106 EXPENDITURE

5.1 The IFS also provides details regarding how S.106 was spent last financial year. In total **£832,989** was spent on six infrastructure projects across the district. The following lists out the projects, and further details are provided in section 9 of the IFS:

- Sea Road Skate Park, Littlehampton
- Mill Road Play area, Arundel
- Public Art, Felpham
- Further contributions towards the Wave Leisure Centre, Littlehampton; and
- Contributions towards the extra-care development at Westergate. The development, called Monaveen, will provide 60 extra-care apartments for shared ownership and affordable rent.
- Access Management projects at Pagham Harbour

## 6. CONCLUSIONS

6.1 The Arun IFS provides a comprehensive overview of S.106 income and expenditure with the aim to show that the income received was spent on specifically defined projects related to the specific planning obligation, and was spent on projects that benefit the local community, in line with development. The appendices, which accompany the IFS provide further detail to show how each planning permission in the district has provided funding for specific infrastructure projects including financial contributions as well as non-monetary provision (including affordable housing and open space).

<p>6.2 As planning applications for strategic housing allocations progress, developer contributions will continue to be received and projects established to enable spending in accordance with the council's Infrastructure Capacity Study and Delivery Plan (2017).</p> <p>6.3 It must be acknowledged that this report provides only part of the infrastructure story for the district and must be read alongside the West Sussex County Council IFS which provides details of S.106 income and expenditure on highways, education, libraries, fire service etc.</p>		
<p><b>7. PROPOSAL(S):</b></p> <p>7.1 That the Planning Policy Sub-Committee recommends to Full Council that the Arun IFS (2019/20) is approved and published on the Arun District Council website.</p>		
<p><b>8. OPTIONS:</b></p> <p>8.1 That the Arun IFS (2019/20) is not approved or published.</p>		
<p><b>9. CONSULTATION:</b></p> <p>9.1 Consultation has taken place with officers within the council who have been involved in receiving and spending S.106 including affordable housing, open space, play space, leisure. Further consultation has taken place with Finance relating to capital spending to ensure that the data is correct and in alignment with S.106 data. Finally, the county council has been consulted on the process proposed by officers at the council. This is to identify how it may be possible to be consistent in the presentation of financial data and also to better understand timescales for publishing the data.</p>		
Has consultation been undertaken with:	<b>YES</b>	<b>NO</b>
Relevant Town/Parish Council		X
Relevant District Ward Councillors		X
Other groups/persons (please specify): Affordable Housing Greenspace NHS Finance WSCC	X	
<b>10. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)</b>	<b>YES</b>	<b>NO</b>
Financial		X
Legal	X	
Human Rights/Equality Impact Assessment		X
Community Safety including Section 17 of Crime & Disorder Act		X
Sustainability		X

Asset Management/Property/Land		X
Technology		X
Other (please explain)		X

**11. IMPLICATIONS:**

11.1 It is a legal requirement, under the CIL Regulations 2010 (as amended) to prepare the IFS before 31 December 2020.

**12. REASON FOR THE DECISION:**

12.1 It is a legal requirement, under the CIL Regulations 2010 (as amended) to prepare the IFS before 31 December 2020.

**13. EFFECTIVE DATE OF THE DECISION:**

13.1 12 November 2020

**14. BACKGROUND PAPERS:**

Background Paper 1: Arun Infrastructure Funding Statement 2019/20

<https://www.arun.gov.uk/download.cfm?doc=docm93jjm4n15865.pdf&ver=16370>

This document, and all appendices will be available on the Arun District Council's webpage:

<https://www.arun.gov.uk/monitoring>