

Date of Meeting 6 August 2024

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

Infrastructure Funding Statement

Report summary:

The Community Infrastructure Levy (CIL) Regulations 2010 were amended in 2019 to include a requirement for local authorities to prepare an Annual Infrastructure Funding Statement (IFS) each December to report Planning Obligation and Community Infrastructure Levy (CIL) income and expenditure from the previous financial year. East Devon DC last published its IFS in December 2022 reporting on 2021/22 so the report for 2022/23 is now overdue. This report addresses this issue.

Is the proposed decision in accordance with:

Budget Yes No

Policy Framework Yes No

Recommendation:

That Strategic Planning Committee note:

1. **The contents of this report and the requirement to provide an Annual Infrastructure Funding Statement.**
2. **That approval is being sought for the publication and submission to government of the 2022/23 Annual Infrastructure Funding Statement based on the information detailed in this report.**

Reason for recommendation:

It is a legal requirement, under the CIL Regulations 2010 (as amended) to prepare the Infrastructure Funding Statement.

Officer: Ed Freeman – Assistant Director- Planning Strategy and Development Management;
email: efreemen@eastdevon.gov.uk Tel: 01395 517519

Portfolio(s) (check which apply):

- Climate Action and Emergency Response
- Coast, Country and Environment
- Council and Corporate Co-ordination
- Democracy, Transparency and Communications
- Economy and Assets
- Finance

- Strategic Planning
- Sustainable Homes and Communities
- Tourism, Sports, Leisure and Culture

Equalities impact Low Impact

Climate change Low Impact

Risk: Medium Risk; The risk associated with not meeting the statutory duty to publish the Infrastructure Funding Statement on the EDDC website by 31 December 2022.

Links to background information Previous CIL annual reports - [Community Infrastructure Levy \(CIL\) - CIL Annual Reports - East Devon](#)

Link to [Council Plan](#)

Priorities (check which apply)

- Better homes and communities for all
- A greener East Devon
- A resilient economy

1. Background

- 1.1 The Community Infrastructure Levy (CIL) Regulations 2010 as amended in 2019 require 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 31st 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 objective of the funding statement is to make developer contributions fully transparent so that the contributions of developments can be seen to be contributing to local infrastructure provision.
- 1.4 Unfortunately, due to lack of staff it was not possible to produce the annual infrastructure funding statement to the required timetable. As part of the work of the new Planning Obligations Team addressing this issue was identified as a priority. It is understood that a number of other local authorities have not published a statement either.
- 1.5 The Community Infrastructure Levy (CIL) is one of the primary mechanisms for collecting financial contributions from new developments. The Council started charging CIL from 1st September 2016. The extent of applicable charges by use and geography is set out within the Council's adopted Charging Schedule.

- 1.5 In addition to CIL, the Council continues to secure affordable housing, site specific infrastructure items, and undertakings which are not necessarily financial in nature (for example restrictions on use or management plans) using legal agreements under Section 106 (S106) of the Town and Country Planning Act 1990 (as amended).

2 The Infrastructure Funding Statement (IFS)

- 2.1 As mentioned above, the IFS must report on the Council's infrastructure list (discussed further below) 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 (2022/23).
- 2.3 A further point to note is that the Council has responsibility for receiving and spending S106 obligations on matters such as affordable housing, play space, leisure facilities, public open space, public art, sports pitches etc. However, Devon County Council (DCC) is also a contribution receiving authority and collects S106 for infrastructure such as education and highways. It is also required to prepare an annual IFS. Therefore, it is important to note that when reviewing the East Devon IFS, that it should be read together with the DCC IFS to get a complete picture of infrastructure delivery in the district.

3 Infrastructure list

- 3.1 Members may be aware of the previous requirement for a 'regulation 123' list setting out how we may want to spend our CIL receipts. 'Regulation 123' lists have now been abolished, and replaced by an 'infrastructure list' – such lists must be included in the infrastructure funding statement. The infrastructure list is defined as “the infrastructure projects or types of infrastructure which the charging authority intends will be, or may be, wholly or partly funded by CIL”. This list does not dictate how funds must be spent but sets out the local authority's intentions.
- 3.2 The proposed Infrastructure list is set out below and is based on the Council's Infrastructure Delivery Plan and previous IFSs:
- Education
 - Exe Estuary habitat mitigation
 - Pebblebed Heaths habitat mitigation
 - Clyst Valley Regional Park
 - Health care facilities
 - Emergency service facilities
 - Library facilities
 - Community and youth facilities
 - Sports and leisure provision
 - Open space/recreation provision
 - Transport
- 3.3 The inclusion of a project or type of infrastructure in this list does not signify a commitment from the district council to fund it from CIL receipts; and the order of the list does not imply any order of preference for funding.

4 S.106 Income/Expenditure

- 4.1 Overall in the reported year, East Devon District Council received £144,555 from all planning obligations (signed during and prior to 2022/23). The Council also entered into planning obligations which will provide £1,905,698 in the future, if development triggers are reached.
- 4.2 At the end of the reported year, the Council held a total of £6.5M in S106 money, to be spent on defined projects. These include affordable housing, habitat mitigation, and open space and recreation. This figure excludes contributions held by DCC to deliver projects for education and transport.
- 4.3 Some developer contributions are non-monetary, such as the obligation to provide affordable housing units and public open space on-site.
- 4.4 The IFS also provides details regarding how S106 was spent in 2022/23. In total, £500,218 was spent including on 10 community infrastructure projects across the district.

5 CIL Income/Expenditure

- 5.1 The headline totals concerning CIL held by the Council are: -

Total CIL collected as at the end of the reporting period of 31 March 2023	£9,421,157
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(including money spent on projects, CIL admin and passed to parishes)

Total CIL collected within reporting period	£3,300,222
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The total value of Demand Notices issued in the reported period	£1,397,305
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- 5.2 The Council has allocated 8.6% of all collected receipts to Habitat Mitigation. The Neighbourhood Proportion allocations are treated as separate to EDDC held monies and are distributed directly to the parish councils bi-annually.

6 Current Position

- 6.1 Members are referred to the report considered by Scrutiny committee on 11 July for an update on planning obligations.
- 6.2 The next Infrastructure Funding Statement, reporting on the financial year 2023/24, is due to be published in December 2024.

7 Future Reporting

- 7.1 Officers are looking at how more detailed reporting on Section 106 and CIL matters can be undertaken in future accepting that the annual funding statement is designed to fulfil a

legislative requirement whereas Members are likely to want more detail about projects delivered and other work undertaken. The intention is to bring a more detailed report later in the year but this report has been fast tracked to address the requirements for an annual funding statement that is overdue.

Financial implications:

There are no specific financial implications regarding the council's finances on which to comment

Legal implications:

There are no other legal implications other than as set out in the report.