

Infrastructure Funding Statement

Final Decision-Maker	Strategic Planning and Infrastructure Committee
Lead Head of Service	Rob Jarman
Lead Officer and Report Author	Rob Jarman and Carole Williams
Classification	Public
Wards affected	All

Executive Summary

It is a statutory requirement for the Council to produce an Infrastructure Funding Statement (IFS) annually before 31 December each year. The IFS reports on the CIL and s.106 receipts (financial and non-financial) and the allocation/expenditure thereof during the previous financial year 2020/2021. In compliance with this requirement, this report produces the Council's IFS for 2020/21.

Purpose of Report

For noting

This report makes the following recommendations to this Committee:

That the Infrastructure Funding Statement for the last financial year (2020/21) is noted (as set out in Appendix 1) so that it can be published.

Timetable

Meeting	Date
Strategic Planning and Infrastructure	7 December

Infrastructure Funding Statement

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p>The four Strategic Plan objectives are:</p> <ul style="list-style-type: none"> • Embracing Growth and Enabling Infrastructure • Safe, Clean and Green • Homes and Communities • A Thriving Place <p>• We do not expect the recommendations will by themselves materially affect achievement of corporate priorities. However, they will support the Council's overall achievement of its aim of enabling infrastructure by providing a position statement.</p>	Rob Jarman
Cross Cutting Objectives	NA	Rob Jarman
Risk Management	This reduces risk by being transparent on the latest position in relation to CIL and s106 monitoring	Rob Jarman
Financial	The cost of publishing an Infrastructure Funding Statement is met from within existing budgets. Publishing this statement is a legal requirement and helps to ensure that the planning process is transparent.	[Section 151 Officer & Finance Team]
Staffing	We will deliver the recommendations with our current staffing.	Rob Jarman
Legal	Pursuant to Regulation 121A (read with Schedule 2) of the Community Infrastructure Levy Regulations 2010 (as amended) the Council is required to produce an Infrastructure Funding Statement (IFS). This	Russell Fitzpatrick (MKLS (Planning))

	must be provided at least annually by no later than 31 December each year and report on CIL and s.106 receipts (financial and non-financial) and the allocation/expenditure thereof during the previous financial year. The IFS must be published on the Council's website. Accepting the recommendation will allow the Council to fulfil its statutory obligations.	
Privacy and Data Protection	Accepting the recommendations will increase the volume of data held by the Council. We will hold that data in line with our retention schedules.	Rob Jarman
Equalities	The recommendations do not propose a change in service therefore will not require an equalities impact assessment	Equalities & Communities Officer
Public Health	NA	Rob Jarman
Crime and Disorder	NA	Rob Jarman
Procurement	NA	Rob Jarman

2. INTRODUCTION AND BACKGROUND

2.1 Pursuant to the Community Infrastructure Levy Regulations 2010 (as amended) (the 2010 Regulations), the Council, as the contribution receiving authority, is required to produce and publish at least annually (and by no later than 31 December) an Infrastructure Funding Statement (IFS) for the previous financial year (2020/21). Although the content of the IFS is set out in the 2010 Regulations, in broad terms the IFS sets out:

- 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 the Community Infrastructure Levy (CIL)
- Reports on the CIL and s.106 (planning obligations) contributions (financial and non-financial) it has collected, and
- The allocation and any expenditure (including distribution) of the receipts received.

2.2 It does not cover the physical implementation of infrastructure projects.

- 2.3 In compliance with the secondary legislation referred to above, the Council has produced, at Appendix 1 to this report, its IFS for the financial period 1 April 2020 to 31 March 2021.
- 2.4 This IFS sets out the 2020/21 income and expenditure relating to CIL and s106 legal agreements (also referred to as planning obligations). This annual report provides a summary of all financial and non-financial developer contributions received by the Council for the previous financial year. It is important to note that this Council is a 'collecting' authority through monies coming in via s106 legal agreements and CIL and, at the appropriate time, transfers monies collected to the appropriate infrastructure providers to enable projects to be delivered and these transfers of money are referred to as 'expenditure'. Some monies from s106 agreements are expended directly on MBC infrastructure such as improving existing open space (theses are internal transfers of money from the Planning Department to other parts of the Council).
- 2.5 The Council mainly collects funds on behalf of third parties. As this Council is non-unitary much of the funds received through CIL and s.106 receipts are transferred to Kent County Council. Some of the CIL receipts are also to be distributed to parish councils and neighbourhood forums. This Council also collects funds for NHS England Clinical Commissioning Group under s.106 agreements. A summary of the funds held/collected on behalf of third parties, the allocation of those funds and what they have been (or are due to be) spent on by these third parties is also reported on in the IFS.
- 2.6 The IFS is a key document which seeks to communicate how developer contributions are achieving the infrastructure required by the Council's Strategic Plan, Local Plan and Infrastructure Delivery Plan with the latter containing a 'long list' of infrastructure projects with prioritisation of these. This Committee will allocate CIL monies following a bidding process and the IDP informs the prioritisation of these projects. Within the "critical" list in the IDP it is suggested that Linton Crossroads, the junction of Fountain Lane with the A26 and improvements to Junction 7 of the M20 motorway are perhaps the biggest priorities but a detailed report will be brought to this Committee in the future as greater levels of funding are collected.
- 2.7 S106 monies must be spent on the projects set out in the s106 agreement (this is because of the 3 legal tests to a s106; namely they are necessary to make the development acceptable in planning terms, are directly related to the development; and are fairly and reasonably related in scale and kind to the development). For example, the securing of a new doctors' surgery or an improved road junction in terms of its capacity under a s.106 agreement are required as these mitigate the impact of the development on local doctors surgeries or on the highway junction as a result of the new development. They also cover non-financial matters such as obligating a developer to provide for affordable housing and the creation of *in situ* public open space. Table D (S106 Closing Balance) is of note in that it shows that this Council held £10,812,698 of s.106 monies at the end of the last financial year.
- 2.8 The reason why the Council is holding an apparently significant amount of s.106 monies is that before any money is transferred to an infrastructure

provider (e.g Kent County Council), the provider (for audit reasons) has to provide details of the specific project on which the contribution is to be spent so that planning officers can be satisfied that the detail aligns with that set out in the applicable s106 legal agreement. These details include costings and timelines etc. Business cases for infrastructure projects take time to be finalised. For example, whilst a road junction will have been identified for capacity improvements based on congestion and so is identified in local policies, it takes time and resource to undertake detailed and comprehensive surveys. Furthermore, infrastructure providers are rarely in a position to forward fund infrastructure works. Where the development is to be phased or the contribution is being pooled with other developments, the infrastructure provider may only be able to carry out the works to which the contribution is to be paid once all the 'pooled contributions'/monies have been received (i.e. once all the funds comprising the pooled contributions from the other developments have been received). Accordingly, in practice, there are often 'lags' in delivery. In addition, most infrastructure providers cover a much wider area than Maidstone Borough and so there are competing demands.

- 2.9 This report is for noting only and the Council's IFS at Appendix 1 will be published on the Council's website in accordance with the 2010 Regulations (2019 Amendment).
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3. AVAILABLE OPTIONS

- 3.1 This report is for noting only and so that the IFS can be published and there is a legal requirement to do this prior to the end of the calendar year.
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4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 NA
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5. RISK

- 5.1 Whilst this report is presented for information only and has no risk management implications it is a statutory requirement to produce an IFS at least annually by 31 December in each calendar year. It is also a requirement that the IFS be published on the Council's website.
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6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 The IFS 2020/21 will be uploaded onto this Council's web site.
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7. REPORT APPENDICES

The following document is to be published with this report and form part of the report:

Appendix 1: Infrastructure Funding Statement 2020/21 Community Infrastructure Levy Regulations (2019 Amendment) Regulation 121A Schedule 2
