

Report to: Cabinet Meeting – 6 December 2022

Portfolio Holder: Councillor Rhona Holloway, Economic Development & Visitors

Director Lead: Matt Lamb, Director - Planning & Growth

Lead Officer: Matthew Norton, Business Manager - Planning Policy & Infrastructure,
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Report Summary	
Type of Report	Open, Key Decision
Report Title	Infrastructure Funding Statement
Purpose of Report	To update Cabinet on matters set out in the 2021/22 (the reported year) Infrastructure Funding Statement (IFS) and to approve the process for spend of Section 106 developer contributions.
Recommendations	That Cabinet: a) approve the publication of the Infrastructure Funding Statement, which has been produced in accordance with the legislative requirements, before the end of the calendar year; and b) approve the proposed process for spend of Section 106 Developer Contributions set out at paragraph 2.3 of the report.
Alternative Options Considered	None. There is a requirement to publish the IFS by the end of the calendar year.
Reason for Recommendations	a) To ensure that the District Council is operating in accordance with the requirements of the Community Infrastructure Regulations. b) To set out clearly the governance arrangements for spend of Section 106 contributions.

1.0 Background

- 1.1 As a reminder for Members, for the purpose of reporting developer contributions, National Planning Policy Guidance (NPPG) defines 'infrastructure' as development within the following categories:

- Affordable housing
- Education (Primary, Secondary, Post-16 & Other)
- Health
- Highways
- Transport and travel
- Open space and leisure
- Community facilities
- Digital infrastructure
- Green infrastructure
- Flood and water management
- Economic development
- Land
- Section 106 monitoring fees
- Bonds (held or repaid to developers)
- Other (Neighbourhood CIL, CIL administration costs)

1.2 In establishing this as a national requirement, Department for Levelling Up, Housing and Communities (DLUHC) has prescribed a spreadsheet format in which the data underpinning the IFS should be published before 31 December. The accompanying statement therefore essentially provides context to the CIL income and developer contributions the Council has secured, allocated and spent over the last financial year.

1.3 The IFS presents information to a broad audience, therefore comprises the following sections:

- An introduction setting out the basic requirements and the context of planned growth in the District;
- National and local policy context, along with an explanation of the developer contributions it covers;
- A summary of CIL collected/spent during the reported year;
- A summary of S106 monies collected/spent during the reported year;
- Planned expenditure of CIL income over the next reporting period (April 2022 to March 2023).

2.0 **Proposal/Details of Options Considered**

2.1 The 2021 IFS has been finalised and the table below sets out the headline figures for Members' attention.

Description of Source	£
CIL	
Collected before 01/04/2021 (net of admin and all meaningful proportions)	£6,148,592.83
Demand notices issued 2021/22	£5,487,181.82
Received 2021/22 (including surcharges)	£2,215,235.58
NSDC CIL total 31/03/2022 (net of capital, admin and all meaningful proportions)	£7,170,753.43

Expenditure (Capital)	£620,000
Expenditure (Administration)	£92,812.58
Meaningful proportion to Town/Parish Councils	£480,262.40
Retained after contributions	£1,022,160.58
Retained on behalf of Parish Meetings	£0
Retained on behalf of Parish Meetings from previous years	£9,702.08
S106 Contributions	
Received before the reported year, remaining unallocated	£8,166,213.10
Received 2021/22	£1,413,939.34
Agreed 2021/22	£522,690.33
S106 contributions held by NSDC 31/03/2022	£7,179,373.23
Allocated but not spent 2021/22	£233,435.47
Balance held for longer term maintenance obligations	£19,494.93

- 2.2 The Tolney Lane Highway / Flood Alleviation Scheme contained in Table 7 of the IFS (line 8) is a new addition which is needed in order to support the proposals contained within Amended Allocations & Development Management Development Plan Document. This scheme cannot be funded by a single developer and its delivery is therefore reliant on CIL funding.
- 2.3 The IFS also includes details of the Council's Governance arrangements in relation to managing monies secured as part of Section 106 Agreements these reflect the wider changes in governance at the Council and replace those that existed under the previous Committee system. The provisions reflect the requirements of the Financial Regulations and are as follows:

On-site contributions and clearly defined off-site contributions collected for other public bodies

On-site contributions and clearly defined off-site contributions for Nottinghamshire County Council and the National Health Service, as set out in a section 106 agreement, shall be managed by the Director of Planning and Growth with the agreement having been approved by Planning Committee.

Non-specific off-site contributions

In terms of non-specific off-site contributions, the following procedure shall be adopted:

- Where the spend is up to £15,000 then this can be authorised by the S151 Officer in consultation with the Director of Planning and Growth.
- Where the spend is between £15,000 and £300,000 then this will be referred to the Portfolio Holder for Finance and the s151 Officer, who can either approve the request or refer it to Cabinet.
- Where the spend exceeds £300,000 and is therefore a key decision it should be added to the forward plan and considered by Cabinet.

With regard to sections b and c above:

- the Planning Committee Chairman and Members of affected Wards will be consulted on the proposed spend; and
- the spend shall be added to the Capital programme.

Community Plan

- 2.4 The IFS has potential to support the delivery of all Community Plan objectives that incorporate a need for infrastructure provision and enhancement. The growth agenda directed by the Local Plan underlines the corporate priorities set out in the Community Plan.
- 2.5 The only option to consider is whether or not to publish the IFS before the end of the calendar year.

3.0 Implications

- 3.1 In writing this report and in putting forward recommendations, officers have considered the following implications; Data Protection, Digital and Cyber Security, Equality and Diversity, Financial, Human Resources, Human Rights, Legal, Safeguarding, Sustainability, and Crime and Disorder and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

Digital Implications

- 3.2 The base data underpinning the IFS should be published on the Council's website in CSV format in accordance with open data requirements, along with the aforementioned report.

Equalities Implications

- 3.3 Infrastructure delivery is fundamental to the implementation of the Amended Core Strategy which, as a whole has been subject to appraisal against the Integrated Impacts Assessment (IIA) Framework. The IIA incorporates Sustainability Appraisal, Strategic Environmental Assessment, Equalities Impact Assessment (EqIA) and Health Impact Assessment (HIA). The EqIA is a way of demonstrating the District Council is fulfilling the requirements of the Public Sector Equality Duty contained in section 149 of the Equality Act 2010.
- 3.4 With the focus of the IFS being on providing greater transparency to the decision-making process and channelling infrastructure funding to areas of identified need as a result of development (thereby mitigating any perceived inequalities in accordance with adopted policy), an EqIA specifically for the IFS is not required. Members agreed with this view when the proposed approach was presented to the Committee in June 2020.

Financial Implications (FIN22-23/3635)

- 3.5 Financial Services work closely with colleagues on the Developer Contributions Officer Steering Group to ensure that funds from developer contributions are appropriately managed in line with the Council's financial procedures.
- 3.6 The IFS provides greater transparency for Members, service providers, developers and the community on how the Council deals with developer contributions.

- 3.7 CIL funded projects will progress from the IFS into the Council's Capital Programme in the usual way by a report to Cabinet as and when sufficient funding is available.
- 3.8 Currently there is one project included within the Capital programme, the A1 Overbridge at Fernwood with a total allocation of £5.6m.

Legal Implications (SLB 16/11/2022)

- 3.9 The proposed governance arrangements in relation to managing monies secured as part of Section 106 Agreements have been reviewed against relevant provisions in the Council's Constitution. The provisions for off-site contributions have been drafted to be consistent with the Financial Regulations and will therefore need to be kept under review over time to ensure they remain consistent.

Background Papers and Published Documents

Newark & Sherwood Infrastructure Funding Statement 2021/22